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September 27, 2012

FILED/ACCEPTED

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

SEP 27 2012
Federal Communications Commission
Office of the Secretary

**Re: WC Docket No. 12-233
WCB/Pricing No. 12-09
Direct Case of Yadkin Valley Telephone Membership Corporation**

Dear Ms. Dortch:

John Staurulakis, Inc. hereby files the attached Direct Case on behalf of Yadkin Valley Telephone Membership Corporation pursuant to the Commission's *Order Designating Issues for Investigation*, DA 12-1430, released August 31, 2012 in the above-referenced docket. The Direct Case is filed as confidential under the Commission's Protective Order.¹ Pursuant to the Protective Order, provided are one copy of the confidential version and two copies of the redacted version. The redacted version has also been filed on the Electronic Comment Filing System.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

John Kuykendall
Vice President
301-459-7590
jkuykendall@jsitel.com

Attachment

cc: Robin Cohn, Pricing Policy Division, via email.

No. of Copies rec'd 0+1
List ABCDE

¹ See *In the Matter of Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB/Pricing File No. 12-09, Protective Order, DA 12-1518, rel. Sept. 21, 2012.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

SFP 27 2012
Federal Communications Commis
Office of the Secretary

In the Matter of)
) WC Docket No. 12-233
Investigation of Certain 2012 Annual)
Access Tariffs) WCB/Pricing No. 12-09
)

**DIRECT CASE OF
YADKIN VALLEY TELEPHONE MEMBERSHIP CORPORATION**

Yadkin Valley Telephone Membership Corporation, (“Yadkin”) pursuant to the August 31, 2012 Designation Order,¹ hereby files its Direct Case in the above-referenced matter.

I. INTRODUCTION

On June 18, 2012, Yadkin Valley Telephone Membership Corporation, (alternatively “Yadkin” or “Company”), through its consultant John Staurulakis, Inc. (“JSI”) filed under Transmittal No. 165 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (“JSI Tariff”) revisions in accordance with the Commission’s March 28, 2012 release entitled In the Matter of July 3, 2012 Annual Access Charge Tariff Filings, WCB/Pricing File No. 12-07, Order, DA 12-482 (“June 18th filing”). Yadkin is an Issuing Carrier of the JSI Tariff.

Yadkin elected to file an Access Recovery Charge (“ARC”) pursuant to Section 51.917(e), to be effective July 3, 2012, and a Connect America Fund (“CAF”) election pursuant to Section 51.917(f). The Company made the appropriate filing on June 18, 2012. On July 2, 2012, the Wireline Competition Bureau released an Order that suspended for one day and set for investigation the ARC rates contained in the 2012

¹ Investigation of Certain 2012 Annual Access Tariffs, WC Docket No. 12-233, WCB/Pricing No. 12-09, *Order Designating Issues for Investigation*, DA 12-1430 (rel. August 31, 2012) (“Designation Order”).

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Annual Access Tariff filings of all issuing incumbent local exchange carriers (“ILECs”) that charged an ARC, including those filed on behalf of Yadkin. Pursuant to the *Designation Order*, Yadkin hereby submits the required information and demonstrates that in light of the adjustments discussed in this Direct Case, Yadkin’s ARC rates are just and reasonable.

The financial information presented in this Direct Case as Exhibit 1, the 2012 ROR ILEC Interstate Rates Worksheet and the 2012 ROR ILEC Intrastate Rates Worksheet,² is confidential and is being submitted with this Direct Case in both confidential and redacted versions. Although Yadkin is not re-filing its financial information in conjunction with this Direct Case, Yadkin has in fact filed a revised Tariff Review Plan with the Commission, subsequent to the June 18th filing, in order to address issues raised by Commission Staff. This filing was submitted as an amendment to JSI Tariff Transmittal No. 165. Accordingly, and in an abundance of caution, Yadkin is also filing the appropriate certifications with this Direct Case indicating that this revised financial information is true and correct to the best of its knowledge, that it was not seeking duplicative recovery, and that it complied with sections 51.917(d), 51.917(e), and 51.917(f) of the Commission’s rules.³ These certifications are being filed in support of the revised Tariff Review Plan that was previously filed with the Commission.

² Also referred to as the Tariff Review Plan or financial information.

³ See 47 C.F.R. §§ 1.16 (addressing unsworn declarations under penalty of perjury in lieu of affidavits); 51.917(d)(1)(vii) (requiring annual certification from Rate-of-Return carriers obtaining Eligible Recovery that no duplicative recovery is sought); and 51.917(f)(3) (stating that “A Rate-of-Return carrier that elects to receive CAF ICC support must certify with its 2012 annual access tariff filing and on April 1st of each subsequent year that it has complied with paragraphs (d) and (e), and, after doing so, is eligible to receive the CAF ICC support requested pursuant to paragraph (f) of this section”).

II. ISSUES DESIGNATED FOR INVESTIGATION

A. Whether LEC has Reasonably Determined the Amount of its Base Period Revenue

1. Fiscal Year 2011 Revenue Determinations

A rate-of-return Local Exchange Carrier's ("LEC's") Base Period revenue is made up of three components: 1) its 2011 Interstate Switched Access Revenue Requirement; 2) Fiscal Year 2011 revenues from rate elements included in the definition of Transitional Intrastate Access Service received by March 31, 2012; and 3) Fiscal Year 2011 reciprocal compensation revenues received by March 31, 2012, less Fiscal Year 2011 reciprocal compensation payments made by March 31, 2012 (net reciprocal compensation revenues). Base Period Revenue also includes revenues from non-recurring charges associated with the switched access services in question.

Yadkin bills its carrier access bills ("CABs") on a calendar month cycle. Consequently, intrastate terminating billing usage reflected in the June 18th filing for Yadkin was based on the time period from October 1, 2010 through September 30, 2011, which is the Fiscal Year put forth by the Commission. The CABs are used to ensure that the revenues are for services provided during Fiscal Year 2011, eliminate billed revenues not related to services provided such as late fees which are identified separately on the CABs and to make certain that billed revenues were collected by March 31, 2012. Accordingly, no adjustment to the intrastate terminating billing usage is required at this time.

2. Non-recurring charges inclusions and eliminations

Yadkin does not have any non-recurring charges associated with the services in question. As a result, Base Period Revenue is not impacted by non-recurring charges.

Non-recurring charges not related to these services were also excluded from the billed revenues used in the June 18th filing and in this Direct Case.

B. Whether LEC has Reasonably Calculated its Required Intrastate Rate Reductions

Yadkin has followed the appropriate procedure when determining its required intrastate rate reductions for the purposes of the June 18th filing, and for this Direct Case, and is not subject to review of this issue as outlined in the Commission's *Designation Order*.

C. Whether LEC has Reasonably Estimated its Projected Interstate and Intrastate Switched Access Demand

LECs were directed to use existing demand estimation methods to project demand for the 2012-2013 tariff period. In calculating the Eligible Recovery, a LEC must also subtract certain projected intrastate and interstate access revenues from its Base Period.

Please reference Exhibit 1. As indicated on the 2012 ROR ILEC Interstate Rates Worksheet, the LSS amount reflected in cell F-7 is [REDACTED] and the projected annual percentage rate of demand change reflected in the calculation of the amount in cell F-10 is -10.01 percent. As indicated on the 2012 ROR ILEC Intrastate Rates Worksheet, the projected annual percentage rate of demand change reflected in the calculation of the amount in cell G-9 is -11.74 percent. This review indicates that Yadkin's projected interstate and/or intrastate demand loss is less than an annualized rate of fifteen percent. Accordingly, Yadkin falls within the "safe harbor" of fifteen percent and no further action is warranted.

D. Whether NECA’s Allocation of Projected Pool Interstate Switched Access Revenues Based on Projected Switched Access Billed Revenues was Reasonable

Not applicable to Yadkin Valley Telephone Membership Corporation

E. Whether the Suspended Access Recovery Charge Rates are Just and Reasonable and, if not, the Process for Requiring Refunds

Please reference Exhibit 2 which is a Table reflecting Yadkin’s filed ARC rates and the ARC rates supported by this Direct Case. In this Direct Case, Yadkin reaffirms the ARC rates that were established in the June 18th filing and asserts that the ARC rates established in the June 18th filing were just and reasonable. Yadkin is also filing Exhibit 3 with this Direct Case, which is the completed Tariff Review Plan showing the calculation of its ARC rates. In light of the fact that no changes are being proposed to the ARC rates calculations, this Tariff Review Plan will not be re-filed and Yadkin will not be filing revised ARC rates with the Commission in conjunction with this Direct Case.

III. CONCLUSION

Yadkin presents this Direct Case in compliance with the aforementioned August 31, 2012 Designation Order. Yadkin has reasonably determined the amount of its Base Period Revenue, reasonably calculated its required intrastate rate reductions, and reasonably estimated its projected interstate and intrastate switched access demand.

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Accordingly, and in light of the adjustments described in this Direct Case, Yadkin's suspended ARC rates are just and reasonable and are reaffirmed by this Direct Case.

Respectfully submitted,

September 27, 2012

Yadkin Valley Telephone Membership Corporation

/s/ Bobby G. Cranfill

Bobby G. Cranfill

Vice President

1421 Courtney-Huntsville Road

P.O. Box 368

Yadkinville, North Carolina 27055

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EXHIBIT 1

- 2012 ROR ILEC Interstate Rates Worksheet
- 2012 ROR ILEC Intrastate Rates Worksheet

	A	B	C	D	E	F	G	H
1	Filing Date: June 18, 2012							
2	Filing Entity: Yadkin Valley Telephone Membership Corporation							
3	Transmittal Number: 165							
4	COSA: 230511							
5								
6								
7	Most Recently Filed Interstate Switched Access Revenue Requirement					Input		
8	TY 2012-2013 Baseline Adjustment Factor (BAF)						0.95	
9	BAF X Most Recently Filed Interstate Switched Access Revenue Requirement					F7*F8		
10	Total TY 2012-2013 Expected Maximum Interstate Revenue					Sum of Col. H		
11	TY 2012-2013 Interstate Eligible Recovery					F9-F10		
12								
13								
14	Interstate Tariff Section	USOC	Interstate Switched Access Rate Element	Unit of Demand (e.g., MOU or DS1)	12/29/11 Interstate Rate	7/1/2012 Proposed Rate		
15	Input	Input	Input (Note 1)	Input	Input	Input		
16	** LOCAL SWITCHING **							
17	17.2.3	LS	Local Switching	MOU	0.01078			
18								
19								
20								
21								
22	** INFORMATION **							
23	17.2.3	INFO	Information	MOU	0.015772			
24								
25								
26								
27								
28	** TANDEM-SWITCHED TRANSPORT AND TANDEM **							
29	17.2.2	TSF	Tandem Switched Facility	MOU per Mile		0.000027		
30	17.2.2	TST	Tandem Switched Termination	MOU per Term		0.000134		
31								
32								
33								
34	** SIGNALING FOR TANDEM SWITCHING **							
35	17.2.2	TS	Tandem Switching	MOU	0.001193	0.001193		
36								
37								
38								
39								
40	** DIRECT-TRUNKED TRANSPORT **							
41	17.2.2	DTF	Direct Trunk Transport Facility	DS1's per Mile		18.16		
42	17.2.2	DTF	Direct Trunk Transport Facility	DS3's per Mile		124.99		
43	17.2.2	DTT	Direct Trunk Transport Termination	DS1's per Term		89.5		
44	17.2.2	DTT	Direct Trunk Transport Termination	DS3's per Term		498.54		
45								
46	** DEDICATED SIGNALING TRANSPORT **							
47								
48								
49								
50								
51								
52	** ENTRANCE FACILITIES **							
53	17.2.2	EF	Entrance Facilities	DS1's		167.7		
54								
55								
56								
57								
58	** LINE INFORMATION DATABASE **							
59	17.2.2	DBQ	800 Database Query-Basic	Queries	0.0043	0.0043		
60	17.2.2	DBQ-V	800 Database Query - Vertical	Queries	0.0047	0.0047		
61								
62								
63								
64	** BILLING NAME AND ADDRESS **							
65								
66								
67								
68								
69								
70								
71	Total TY 2012-2013 Expected Maximum Interstate Revenue (Sum of Col. H)							
72								
73								
74	Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary.							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Filing Date: June 18, 2012																		
2	Filing Entity: Yadkin Valley Telephone Membership Corporation																		
3	Transmittal Number: 165																		
4	COSA: 230511																		
5																			
6																			
7	Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements														Sum of Col	O			
8	95% of Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements														Sum of Col	P			
9	Total FY 2012-2013 Expected Maximum Transitional Intrastate Access Service Revenue														Sum of Col	R			
10	Total FY 2012-2013 Intrastate Eligible Recovery														Sum of Col	S			
11																			
12																			
13	Intrastate Tariff Section	Interstate Tariff Section	USOC	Intrastate and Interstate Switched Access Rate Elements for Transitional Intrastate Access Service Categories	Unit of Demand (e.g., MOU or DS1)	12/29/2011 Intrastate Rate	12/29/2011 Interstate Rate												
14	Input	Input	Input	Input (Note 1)	Input	Input	Input												
15	** TERMINATING END OFFICE ACCESS SERVICE **																		
16																			
17				Terminating Carrier Common Line	MOU	0.0433	0												
18																			
19																			
20	Terminating Local Switching																		
21				Terminating Local Switching	MOU	0.09900	0.01078												
22																			
23																			
24																			
25																			
26	Terminating Other (e.g., Information surcharges, Transport or Residual Interconnection Charges)																		
27				Info Surcharge	100 MOU	0.0085	0.015772												
28				800 DBO - Basic	Query	0.0079	0.0043												
29				800 DBO - Vertical	Query	0.0082	0.0047												
30				ORP		0.07378452	0.0152946												
31				ACS		0.030782269	0.0152946												
32																			
33																			
34																			
35	** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE **																		
36	Terminating Tandem-Switched Common Transport																		
37				Local Transport Facility	MOU x Miles	0.0004	0.000353												
38				Local Transport Termination	MOU x Terms	0.0084	0.001799												
39																			
40																			
41																			
42	Terminating Tandem Switching																		
43																			
44				Tandem Switching	MOU	0	0.001193												
45																			
46																			
47																			
48	** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **																		
49	Originating and Terminating Entrance Facilities																		
50																			
51																			
52																			
53																			
54																			
55	Originating and Terminating Tandem-Switched Dedicated Transport																		
56																			
57																			
58																			
59																			
60																			
61	Originating and Terminating Direct-Trunked Transport																		
62																			
63	Direct Trunks																		
64	17.2.2	DTF		Direct Trunk Transport Facility	DS's per Mile		18.16												
65	17.2.2	DTT		Direct Trunk Transport Termination	DS's per Term		89.5												
66																			
67																			
68	Total																		
69																			
70																			
71	Note 1. Enter one rate element per line under the relevant category. Insert rows as necessary.																		

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EXHIBIT 2

Initial ARC Rate and Direct Case ARC Rate

Comparison Table

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YADKIN VALLEY TELEPHONE MEMBERSHIP CORPORATION

Exhibit 2

Initial ARC Rate and Direct Case ARC Rate Comparison Table

	Initial ARC Rate	Direct Case ARC Rate
Primary Residential or Single Line Business End User Common Line Charge	\$0.50	\$0.50
Multi-Line Business End User Common Line Charge	\$1.00	\$1.00

Excludes Lifeline Customers

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EXHIBIT 3

Tariff Review Plan

Calculation of ARC Rates

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Filing Date (enter w/leading '):
 Holding Company:
 Filing Name:

6/18/2012

Yadkin Valley Telephone Membership Corporation

ARCCTR-CAF-1

Study Area EXCHANGES

Rate Ceiling Component Charges Calculation (51.915(b)(11))									
RESIDENCE / NP / BRI / SLB (excluding Lifeline)									
Stand-alone R1 rate	Mandatory EAS	Mandatory		State SLC	E911	TRS	State USE	Federal SLC	Total Rate Ceiling Comp. Chgs
		Zone Charges	State						
\$ 15.44	\$ -	\$ -	\$ -	\$ -	\$0.60	\$0 11	\$0.00	\$6.50	\$22.65
\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00		\$0.00	\$0.00	\$0.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00		\$0.00	\$0.00	\$0.00

MULTI-LINE BUSINESS

Federal SLC-MLB
\$ 9.20
\$ -
\$ -
\$ -

23051 All Exchanges

Certification of Officer for Rate-of-Return Carrier Not Seeking Duplicative Recovery

I certify that I am an officer of the reporting carrier and that, to the best of my knowledge, the reporting carrier is not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism as per §51.917(d)(vii).

Name of Reporting Carrier	Yadkin Valley Telephone Membership Corporation		
Signature of Authorized Officer		Date	9/20/2012
Printed name of Authorized Officer	Mitzie S. Branon		
Title or position of Authorized Officer	Chief Executive Officer		
Telephone number or Authorized Officer.	(336) 463-5022 ext. _ _ _ _		
Study Area Code of Reporting Carrier	230511	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification of Officer for Rate-of-Return Carrier Eligibility for CAF/ICC Recovery

I certify that I am an officer of the reporting carrier and that, to the best of my knowledge, the reporting carrier on this form certifies that it has complied with Eligible Recovery §51.917(d) and Access Recovery Charge §51.917(e) and is eligible to receive the CAF ICC support requested pursuant to §51.917(f).

Name of Reporting Carrier		Yadkin Valley Telephone Membership Corporation	
Signature of Authorized Officer			Date 9/20/2012
Printed name of Authorized Officer		Mitzie S. Branon	
Title or position of Authorized Officer		Chief Executive Officer	
Telephone number or Authorized Officer.		(336) 463-5022 ext. _____	
Study Area Code of Reporting Carrier	230511	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012

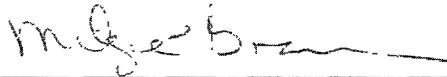
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification of Officer as to the Accuracy of the CAF ICC Data Reported

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual data reported; and, to the best of my knowledge, the information reported on this form is accurate.

Name of Reporting Carrier **Yadkin Valley Telephone Membership Corporation**

Signature of Authorized Officer



Date
9/20/2012

Printed name of Authorized Officer
Mitzie S. Branon

Title or position of Authorized Officer **Chief Executive Officer**

Telephone number of Authorized Officer. **(336) 463-5022** ext. _____

Study Area Code of Reporting Carrier

230511



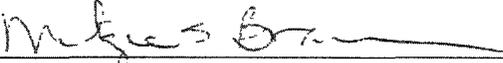
Filing Due Date for this form
(mm/dd/yyyy)

09/27/2012

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

**Certification of Officer
to Authorize an Agent to File Data on Behalf of Reporting Carrier**

I certify that (Name of Agent) John Staurulakis, Inc. (JSI) is authorized to submit information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the data provided to the Authorized Agent; and, to the best of my knowledge, the actual data provided to the Authorized Agent are accurate.

Name of Authorized Agent	John Staurulakis, Inc. (JSI)		
Name of Reporting Carrier	Yadkin Valley Telephone Membership Corporation		
Signature of Authorized Officer		Date	9/20/2012
Printed name of Authorized Officer	Mitzie S. Branon		
Title or position of Authorized Officer	Chief Executive Officer		
Telephone number or Authorized Officer.	(336)463-5055 ext. _____		
Study Area Code of Reporting Carrier	230511	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.			