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September 27, 2012

By Hand Delivery

FILED/ACCEPTED

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 Citizens Telephone Company**

Dear Ms. Dortch:

John Staurulakis, Inc. hereby files the attached Direct Case on behalf of Citizens Telephone Company 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

SEP 27 2012
Federal Communications Commission
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
CITIZENS TELEPHONE COMPANY**

Citizens Telephone Company, (“Citizens”) 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, Citizens Telephone Company, (alternatively “Citizens” 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”). Citizens is an Issuing Carrier of the JSI Tariff.

Citizens 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 Annual Access Tariff filings of all issuing incumbent local exchange carriers (“ILECs”)

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”).

that charged an ARC, including those filed on behalf of Citizens. Pursuant to the *Designation Order*, Citizens hereby submits the required information and demonstrates that in light of the adjustments discussed in this Direct Case, Citizens' 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 Citizens is not re-filing its financial information in conjunction with this Direct Case, Citizens 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, Citizens 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.

II. ISSUES DESIGNATED FOR INVESTIGATION

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

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").

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.

Citizens bills its carrier access bills ("CABs") on a calendar month cycle. Consequently, intrastate terminating billing usage reflected in the June 18th filing for Citizens 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

Citizens 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

Citizens 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 -9.98 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 -8.57 percent. This review indicates that Citizens' projected interstate and/or intrastate demand loss is less than an annualized rate of fifteen percent. Accordingly, Citizens 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 Citizens 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 Citizens' filed ARC rates and the ARC rates supported by this Direct Case. In this Direct Case, Citizens 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. Citizens 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 Citizens will not be filing revised ARC rates with the Commission in conjunction with this Direct Case.

III. CONCLUSION

Citizens presents this Direct Case in compliance with the aforementioned August 31, 2012 Designation Order. Citizens 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.

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

Respectfully submitted,

September 27, 2012

Citizens Telephone Company

/s/ Matthew L. Dosch

Matthew L. Dosch

Senior Vice President – External Affairs

225 East Main Street

P.O. Box 1137

Brevard, North Carolina 28712

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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:			18-Jun-12				
2	Filing Entity:			Citizens Telephone Company d/b/a Comporium Communications				
3	Transmittal Number:			165				
4	COSA:			230473				
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 (A)		Local Switching	MOU	\$ 0.005276			
18								
19								
20								
21								
22	** INFORMATION **							
23	17.2.3 (B)		Info. Surcharge (Per 100 MOU)	MOU	\$ 0.032380			
24								
25								
26								
27								
28	** TANDEM-SWITCHED TRANSPORT AND TANDEM **							
29	17.2.2		Tandem Switching Facility	MOU per Mile		\$ 0.000189		
30	17.2.2		Tandem Switched Terminator	MOU per Term		\$ 0.000554		
31	17.2.2		Tandem Switching	MOU per Tand		\$ 0.001946		
32								
33								
34	** SIGNALING FOR TANDEM SWITCHING **							
35								
36								
37								
38								
39								
40	** DIRECT-TRUNKED TRANSPORT **							
41	17.2.2		Direct Trunk Transport - Facility	VG per Mile		\$ 1.83		
42	17.2.2		Direct Trunk Transport - Facility	DS1's per Mile		\$ 8.28		
43	17.2.2		Direct Trunk Transport - Terminator	VG per Term		\$ 18.36		
44	17.2.2		Direct Trunk Transport - Terminator	DS1's per Term		\$ 42.95		
45								
46	** DEDICATED SIGNALING TRANSPORT **							
47								
48								
49								
50								
51								
52	** ENTRANCE FACILITIES **							
53	17.2.2		Entrance Facility	DS1's per Term		\$ 120.82		
54								
55								
56								
57								
58	** LINE INFORMATION DATABASE **							
59	17.2.2		800 Series Data Base Access Service Basic	Queries	\$ 0.0022	\$ 0.0013		
60	17.2.2		800 Series Data Base Access Service Vert ca	Queries	\$ 0.0025	\$ 0.0025		
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	Billing Date	18 Jan 12																	
2	Billing Entity	Citizens Telephone Company (JVA) Company Communications																	
3	Transmittal Number	195																	
4	COCA	250473																	
5																			
6																			
7	FOIA/FY 2012 Actual Revenue for Transitional Interstate Access Service Rate Elements																		
8	85% of FOIA/FY 2011 Actual Revenue for Transitional Interstate Access Service Rate Elements																		
9	15% of FOIA/FY 2011 Actual Revenue for Transitional Interstate Access Service Rate Elements																		
10	Total FY 2012-2013 Interstate Eligible Revenue																		
11																			
12																			
13	Interstate Tariff	USOC																	
14	Interstate Tariff	USOC																	
15	** TERMINATING AND OFFICE ACCESS SERVICE **																		
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44																			
45																			
46																			
47	** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **																		
48																			
49																			
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51																			
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53																			
54																			
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66																			
67	Total																		
68																			
69																			

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EXHIBIT 2

Initial ARC Rate and Direct Case ARC Rate Comparison Table

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CITIZENS TELEPHONE COMPANY

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

REDACTED VERSION FOR PUBLIC VIEW

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

6/18/2012
 Comporium Communications
 Citizens Telephone Company d/b/a Comporium Communications

ARCCTRP-CAF-1

Study Area EXCHANGES

Rate Ceiling Component Charges Calculation (51.915(b)(11))

RESIDENCE / NP / BRI / SLB (excluding Lifeline)

MULTI-LINE BUSINESS

Study Area	EXCHANGES	Mandatory	Rate Ceiling Component Charges Calculation (51.915(b)(11))							Total Rate Ceiling	Federal SLC-MLB	
			Stand-alone R1 rate	Mandatory EAS	Zone Charges	State SLC	E911	TRS	State USF			Federal SLC
230473 Brevard			\$ 12.71	\$ -	\$ -	\$ -	\$ 0.60	\$ 0.11	\$ 0.00	\$ 6.50	\$ 19.92	\$ 9.20
			\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ -

REDACTED VERSION FOR PUBLIC VIEW

Filing Date (enter w/leading '): 6/18/2012
 Holding Company: Comporium Communications
 Filing Name: Citizens Telephone Company d/b/a Comporium Communications

ARCCTRP-CAF-2

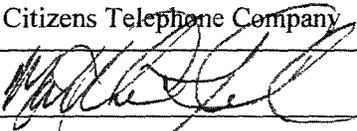
Eligible Revenue - Current Yr Recovery		Eligible Revenue - Current Yr Recovery	
Maximum Imputed ARC Revenue		Tariffed ARC Revenue + Expected CAF ICC Support	
Tariffed ARC Revenue			
Expected CAF ICC Support	\$ 706,359		
Residential Rate Ceiling (51.915(b)(12))	\$ 30.00		
Maximum MLB SLC+ARC (51.915(e)(5)(iv))	\$ 12.20		
Max ARC for current year: Res/SLB	\$ 0.50		
Max ARC for current year: MLB	\$ 1.00		

Totals

Exchange/RG	RESIDENCE / NP / BRI / SLB (excluding Lifeline)				MULTI-LINE BUSINESS				
	Residential Total Rate Ceiling Chgs	RES/NP/BRI Current Year Maximum ARC Rate	Tariffed ARC Rate	SLB Tariffed ARC Rate	Centrex Tariff Period Projected Lines	MLB Federal SLC	MLB Curr Yr Maximum ARC Rate	NonCentrex Tariffed ARC Rate	Centrex Tariffed ARC Rate
Brevard	\$ 19.92	\$ 0.50	\$ 0.50	\$ 0.50	0	\$ 9.20	\$ 1.00	\$ 1.00	\$ 1.00
0	\$ -	\$ 0.50	\$ 0.50	\$ 0.50	0	\$ -	\$ 1.00	\$ 1.00	\$ 1.00
0	\$ -	\$ 0.50	\$ 0.50	\$ 0.50	0	\$ -	\$ 1.00	\$ 1.00	\$ 1.00

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

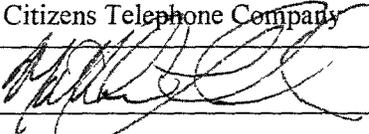
I certify that (Name of Agent) John Staurulakis, Inc. (JSI) is authorized to submit information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the data provided to the Authorized Agent; and, 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	Citizens Telephone Company		
Signature of Authorized Officer		Date	09-21-12
Printed name of Authorized Officer	Matthew L. Dosch		
Title or position of Authorized Officer	SVP – External Affairs		
Telephone number or Authorized Officer.	(803) 326-7287 ext. _____		
Study Area Code of Reporting Carrier	230473	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

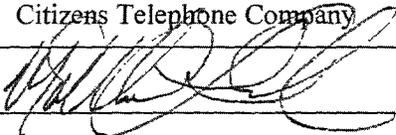
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual data reported; and, to the best of my knowledge, the information reported on this form is accurate.

Name of Reporting Carrier	Citizens Telephone Company		
Signature of Authorized Officer		Date	09-21-12
Printed name of Authorized Officer	Matthew L. Dosch		
Title or position of Authorized Officer	SVP – External Affairs		
Telephone number of Authorized Officer.	(803) 326-7287 ext. _ _ _ _		
Study Area Code of Reporting Carrier	230473	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

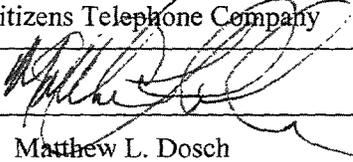
I certify that I am an officer of the reporting carrier and that, to the best of my knowledge, the reporting carrier on this form certifies that it has complied with Eligible Recovery §51.917(d) and Access Recovery Charge §51.917(e) and is eligible to receive the CAF ICC support requested pursuant to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

Name of Reporting Carrier	Citizens Telephone Company		
Signature of Authorized Officer		Date	09-21-12
Printed name of Authorized Officer	Matthew L. Dosch		
Title or position of Authorized Officer	SVP – External Affairs		
Telephone number of Authorized Officer.	(803) 326-7287 ext. _____		
Study Area Code of Reporting Carrier	230473	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 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	Citizens Telephone Company		
Signature of Authorized Officer		Date	09-21-12
Printed name of Authorized Officer	Matthew L. Dosch		
Title or position of Authorized Officer	SVP – External Affairs		
Telephone number of Authorized Officer.	(803) 326-7287 ext. _____		
Study Area Code of Reporting Carrier	230473	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.			