

HOME TELEPHONE ILEC, LLC (SC)
DESCRIPTION AND JUSTIFICATION
Ethernet Transport Service (“ETS”)
John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 213
December 15, 2017

Home Telephone ILEC, LLC (alternatively “Home” or “Company”), through its consultant John Staurulakis, Inc. (“JSI”), hereby provides a Description and Justification for its proposed rates for the introduction of new speeds, 30 Mbps, 40 Mbps, 150 Mbps, 200 Mbps, 300 Mbps, 400 Mbps, 600 Mbps, 700 Mbps, 800 Mbps and 900 Mbps, to its Public Packet Data Network Ethernet Transport Service offerings (“ETS”) in John Staurulakis, Inc. Tariff F.C.C. No. 1 (“JSI Tariff”). The Company is an issuing carrier of the JSI Tariff in which it files interstate access rates on a prospective basis pursuant to Section 61.38 of the Commission’s rules.

Description of Filing

This summary together with the accompanying revised tariff material has been filed by JSI in order to comply with the rules and regulations of the Federal Communications Commission (“Commission”) with respect to addition of new services. Home’s ETS capabilities proposed under this transmittal comport to the existing Public Packet Data Network-ETS regulations at Section 16.4 of the JSI Tariff. With respect to earnings monitoring, all Public Packet Data Network revenue and costs are included in the Special Access category which will be the case also for the new ETS capacities once subscriptions for the proposed offerings begin.

This filing introduces ten new ETS transport speed options for Channel Terminations, Basic Ports, Ethernet Virtual Connections (“EVCs”), and Extended EVCs: 30 Mbps, 40 Mbps, 150 Mbps, 200 Mbps, 300 Mbps, 400 Mbps, 600 Mbps, 700 Mbps, 800 Mbps and 900 Mbps.

Justification for Cost Support and Rate Development

The Company provides the following cost support for the proposed new rates for the new ETS speeds contained in this transmittal.

Home proposes additional capacities for its existing ETS offerings. For ETS Channel Terminations, Basic Ports, and ETS Ethernet Virtual Connections, the Company currently offers the following capacities: 10 Mbps, 20 Mbps, 50 Mbps, 100 Mbps, 500 Mbps and 1 Gbps. Home proposed rates for the additional ETS offerings being introduced in this transmittal are based on conformance with the decrease in per Mbps costs as capacities increase reflected in the existing ETS rates.

Given that the existing ETS rates for Home reflect the combined effect of the initial cost of service calculations performed at the time of the introduction of ETS in JSI Tariff FCC No. 1 under JSI Transmittal No. 162, and application of increases and/or decreases filed by the Company for the subsequent annual access filings, the Company believes that the proposed rates reflect the appropriate proxies for the cost of service for the additional ETS capacities proposed in this filing.

Impact on Revenue and Demand – Exhibit 1

Exhibit 1 illustrates the effect of the expanded ETS capacities on Special Access Revenue. The estimates indicated on Exhibit 1 are based on the existing level of demand for Home’s currently tariffed ETS capacities. The estimates reflect a possible 12% increase in Special Access revenue over current levels. However, the Company expects that demand for the new ETS capacities will represent migration from existing ETS capacities, thereby reducing the total effect on Special Access Revenue. The total special access revenue

reflected on Exhibit 1 represents the revenues for the Test Year July 1, 2016 through June 30, 2017 per JSI Transmittal No. 198 filed on June 16, 2016.

Conclusion

Based on the Description and Justification herein, together with the accompanying Exhibit 1, the Company believes the proposed rates for its new ETS speeds are reasonable in all respects and supported by the cost and rate design discussed herein. Moreover, the Company has complied with all prescriptions regarding development of its interstate cost of service and, in turn, rate calculations.