

Bixby Telephone Company

Tariff FCC NO. 1

**Streamlined Tariff Filing**

Transmittal No. 7

FRN #0003-7081-61

Description and Justification

For Revised Tariff Rates Transferring Local Switching Line Port Costs to Common Line (FCC CFR 69.306) and the Reallocation of the Transport Interconnection Charge (FCC CFR 69.415) as a Result of the Second Report and Order and Further Notice of Proposed Rulemaking in CC Docket No. 00-256, Fifteenth Report and Order in CC Docket No. 96-45, and Report and Order in CC Docket Nos. 98-77 and 98-166.

Filed December 17, 2001

To be effective January 1, 2002

### **Description and Justification**

#### **Purpose of Filing**

With this Streamlined Tariff Filing, Bixby Telephone Company proposes revised rates to reflect the transfer of line port costs determined at 30% of the local switching revenue requirement to the Common Line category and the reallocation of the transport interconnection charge to the Common Line, Local Switching, Information Surcharge, Transport and Special Access categories.

#### **Rate Development**

The attached rate development and supporting work papers reflect a revenue neutral tariff filing in that all shifts from the traffic sensitive pool to the common line pool reflect equivalent adjustments to the underlying revenue requirements. The last annual tariff filing was based on a total combined Common Line and Traffic Sensitive revenue requirement of \$1,934,969. With this revised tariff filing and after the adjustments reflected in the previous paragraph, total combined Common Line and Traffic Sensitive revenue requirements remain at \$1,934,969. All calculations are based on the demand data used in the last annual tariff filing.

As depicted on the attached rate development and supporting work papers, the line-side port costs assigned to the Common Line rate category are based on thirty percent of the two-year historical interstate Local Switching revenue requirement less local switching support. Total interstate Local Switching revenue requirement, less local switching support, based on the last annual tariff filing was \$185,123. The revenue

requirement shifted from the local switching element to the common line category, based on the 30% proxy cost was \$55,537.

The revenue requirement shifted from the transport interconnection charge (TIC) to the common line category is \$89,333, creating a net change or increase in the carrier common line revenue requirement of \$144,870.

For the period January 1, 2002 through June 30, 2002, Bixby Telephone Company estimates total end user subscriber line charge revenues to be approximately \$350,161 of which \$109,024 is attributable to the increase in the end user subscriber line charge rates to \$5.00 for residential and single-line businesses and \$9.20 for multi-line businesses, depicted as follows:

<u>For Period January 1 – June 30, 2002</u>	<u>Estimated Total Revenues</u>	<u>Estimated Increase Resulting from SLC Increases</u>
Residential	\$ 252,720	\$ 75,816
Single-Line Business	14,310	4,293
Multi-Line Business	83,131	28,915

#### Rate Summary

Bixby Telephone Company's accounting system conforms to accounting rules in Parts 32 and 64 of the FCC's rules. Interstate access costs are based on current cost allocation rules in Parts 36 and 69 of the FCC's rules. The tariff rate development conforms to rules in Parts 61 and 69 of the FCC's rules, for non-price cap local exchange carriers. Attached to this volume are the two-year historical cost studies and rate development work sheets used to calculate Bixby Telephone Company's proposed rates, which represent the same costs and demand used in the last annual tariff filing.