

**FIDELITY TELEPHONE COMPANY
REVISIONS TO TARIFF F.C.C. NO. 1
MAG ACCESS CHARGE TARIFF FILING
TRANSMITTAL NO. 12
JANUARY 1, 2002
DESCRIPTION AND JUSTIFICATION**

1. INTRODUCTION

This filing supports Fidelity Telephone Company Tariff F.C.C. No. 1 in accordance with the Federal Communications Commission's *December 17, 2001 MAG Access Charge Tariff Filings Order*, CCB/CPD 01-23 (rel. Nov. 26, 2001). The proposed access service tariff maintains the same rate development methods (including the 11.25% rate of return), historical costs and demand from Fidelity's last biennial tariff filing effective July 3, 2001, but modifies certain rates and charges in accordance with the *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, CC Docket No. 00-256, Second Report and Order and Further Notice of Proposed Rulemaking, FCC 01-304 (rel. Nov. 8, 2001) ("*Rate-of-Return Access Charge Reform Order*"), as described below in detail. Attachment A in the attached Tariff Rate Development file presents a summary comparison between current rates and the proposed switched and special access rates to become effective January 1, 2002.

2. DESCRIPTION AND JUSTIFICATION

- a. The tariff changes in this filing are made in accordance with the *Rate-of-Return Access Charge Reform Order* and include eliminating the transport interconnection charge ("TIC"), reallocating the TIC revenue requirements to other rate elements and shifting line port costs from local switching to carrier common line. All necessary calculations are documented in the attached cost support (named "Tariff Rate Development" file).
- b. Fidelity participates in NECA's carrier common line pool and, accordingly, this filing affects only Fidelity's traffic sensitive rates. As documented in Schedule 1 of the Tariff Rate Development file, Fidelity has transferred total revenue requirement of \$218,796 from traffic sensitive to carrier common line. This amount was reported to NECA on November 30, 2001.
- c. This tariff filing is revenue neutral.
- d. Fidelity used the default amount of 30% to shift line port costs from local switching to carrier common line in the amount of \$152,326. For purposes of this filing, Fidelity has used the same amount of \$152,326 for the year 2000 and 1999 (i.e. a total of \$304,652),

because Fidelity files biennially using the historical method(see Schedule 1, Page 2 of 3, in the Tariff Rate Development file).

- e. Based upon actual TIC revenues billed from July 1, 2000 through June 30, 2001 of \$102,044, Fidelity shifted revenue requirement to other rate elements, including \$66,470 (\$132,940 for 2 years) to carrier common line. New transport rates were developed based upon the remaining unrecovered transport revenue requirement of \$118,655. Nonrecurring transport rates were left unchanged. Calculations of the new transport rates are documented in Schedule 3, Page 6 of 6, of the Tariff Rate Development file.