

VOLUME 1

DESCRIPTION AND JUSTIFICATION

I. Introduction

A. Background

This filing represents Aliant Communications Co.'s ("Aliant") support filing for the upcoming 2001 Annual Access Charge Tariff Filing. This filing is being made on not less than 45 days notice in accordance with the Commission's 2002 TRP Notice, DA 02-970, released April 26, 2002.

Aliant has an operating territory in the 958 LATA, which lies primarily in southeastern Nebraska with a few subscribers in Kansas and Iowa. Aliant has over 250,000 access lines in service.

This filing is being made in compliance with the following:

- Second Report and Order, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Released October 4, 1990;
- Order on Reconsideration, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Released April 17, 1991;

- First Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released April 7, 1995;
- Report and Order, *In the Matter of Price Cap Regulation of Local Exchange Carriers, Rate-of-Return Sharing and Lower Formula Adjustment*, CC Docket No. 93-179, Released April 14, 1995;
- Fourth Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released May 21, 1997;
- First Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released May 16, 1997;
- Second Order on Reconsideration and Memorandum Opinion and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released October 9, 1997;
- Third Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released November 26, 1997;
- Report and Order & Further Notice of Proposed Rulemaking, *In the Matter of Defining Primary Lines*, CC Docket No. 97-181, Released March 10, 1999;
- Public Notice, DA 99-584, Released March 25, 1999;
- Public Notice, DA99-1091, released June 4, 1999;
- Sixth Report and Order, *In the Matter of Access Charge Reform*, CC Docket 92-262, Released May 31, 2000 (CALLS);
- And in accordance with Commission Rules in 47 C.F.R. § 61.38 and § 61.41 through § 61.49;

Herein referred to collectively as the “Price Cap Rules”;

- And with Commission Rules in 47 C.F.R., Part 61, generally.

B. Waivers

Aliant lists below all currently applicable waivers that permit rate elements different than those specified in 47 C.F.R., Part 69.

The Commission in Memorandum Opinion and Order, *In the Matter of Annual 1989 Access Tariff Filings*, DA 88-1872, Released December 2, 1988, extended indefinitely the waiver allowing carriers to bill \$25.00 for a special access surcharge. This element is included in Aliant's Common Line basket.

The Commission in Memorandum Opinion and Order, *In the Matter of Lincoln Telephone and Telegraph Company Petition for Waiver of Part 69*, DA 89-654, Released June 21, 1989, granted a waiver allowing (then) Lincoln to establish a separate rate element for 900 Access Service. This element is included in Aliant's Local Switching service category within the Traffic Sensitive Basket.

The Commission in Memorandum Opinion and Order, *In the Matter of Lincoln Telephone and Telegraph Company Petition for Waiver of the Commission's Rules To Establish 500 Access Service*, DA 95-115, Released January 26, 1995, granted a waiver allowing (then) Lincoln to establish a separate rate element for 500 Access Service. This element is included in Aliant's Local Switching Service category within the Traffic Sensitive Basket.

The Commission in Memorandum Opinion and Order, *In the Matter of United States Telephone Association Petition for Waiver of Section 69.152 (b) and*

69.153 (c) (1) of the Commissions Rules, DA 99-1122, released June 8, 1999, granted a waiver to allow price cap LECs to use USTA's proposed interim calculations only when necessary to compensate for an anomaly that produces negative multi-line business PICCs.

C. New Services

Not applicable for this filing.

II. Index and Rate Development

A. Existing Indices

The existing indices are those indices that will be in effect on June 30, 2002. See Exhibit INDREF for transmittal numbers under which existing indices became effective.

B. PCI Development

Aliant calculated its Price Cap Indices ("PCIs") for existing baskets in accordance with the Price Cap Rules. See Exhibit RDEV.

1. GDP-PI

Aliant developed a value of 1.8742% for GDP-PI by dividing the most recent estimate of the 4th quarter 2001 fixed weight GDP-PI by the current 4th quarter 2000 fixed weight GDP-PI and then subtracting one.

2. Productivity Factor

Aliant is using a productivity factor of 6.5% for the Common Line, Traffic Sensitive, Trunking Baskets and Special Access Basket.

3. Exogenous Costs

Aliant developed exogenous cost changes according to the Price Cap Rules. These dollar effects were measured at 2001 base period level of operations and apportioned on a cost-causative basis between the price cap baskets. See Exhibit RDEV. In addition, a final 2000 and initial 2001 Form 492A are provided as Exhibit 492A,

a) Regulatory Fees

Local Exchange Companies are allowed to recover the impact of regulatory fees as an exogenous cost. The impact of regulatory fees is shown in Exhibit RDEV.

b) Telecommunications Relay Service

All common carriers providing interstate telecommunications services are required to contribute to a fund designated to support telecommunications relay services. TRS contributions are treated as exogenous costs and their impact is shown in Exhibit RDEV.

c) North American Numbering Plan Fee

In the North American Numbering Plan (NANP) Order, the Commission required all telecommunications carriers to contribute to the cost recovery for numbering administration. Previously, Aliant was not a contributor to the fund; therefore, the cost of such fees was not included in Aliant's rates when Aliant converted to price cap regulation in 1993. To remain consistent in the price cap treatment of such fees, i.e. Regulatory Fee and Telecommunications Relay Services Fee, Aliant is treating the NANP fee as an exogenous change.

The impact for NANP fees for Aliant can be found in Exhibit RDEV.

4. CMT Per Line Revenue

Part 61.3(d) of the Commission's Rules discuss the calculation of the maximum SLC for the residential and single-line business, non-primary residential and multi-line business service categories

based on the average common line, marketing and transport interconnection charge revenues (CMT revenue) per line. Exhibit CMT displays the current CMT per line rate for Aliant and calculates the adjusted CMT per line rate based upon 2001 access lines.

5. Excluded Services

Exhibit OUTPC-1 provided a detailed listing of those services which are not included under price cap regulation.

Filing Date: 05/01/2002
 Filing Entity: LTNE - Aliant Communications
 Transmittal Number: Letter
 May 1, 2002 Access Charge Tariff Filing (LTNEAS02.wk4)

6/17/02 PCI Development

Exhibit RDEV

	<u>Common Line (A)</u>	<u>Traffic Sensitive (B)</u>	<u>Trunking (C)</u>	<u>Interexchange (D)</u>	<u>Special (E)</u>
1. Revenues (R)	16,979,415	5,495,883	5,823,425	0	10,020,465
2. Exogenous Changes (Z)	4,542	187	0	0	2,680
a. EDFIT / ITC / Access Cost Changes	0	0	0	0	0
b. Telecom. Relay Service Changes	777	32	0	0	459
c. Lower Formula Adjustment (LFAM)	0	0	0	0	0
d. Regulatory Fee Support Changes	3,719	153	0	0	2,195
e. North America Numbering Plan Admin.	46	2	0	0	27
3. Z/R = (Ln 2 / Ln 1)	0.000267	0.000034	0.000000	0.000000	0.000267
4. W = ((Ln 1 + Ln 2) / R)	1.000267	1.000034	1.000000	0.000000	1.000267
5. GDP-PI Chain Weighted (4 Qtr 2001)	109.8000	109.8000	109.8000	109.8000	109.8000
6. GDP-PI Chain Weighted (4 Qtr 2000)	107.7800	107.7800	107.7800	107.7800	107.7800
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	1.8742%	1.8742%	1.8742%	1.8742%	1.8742%
8. Productivity (X)	6.5000%	6.5000%	6.5000%	3.0000%	6.5000%
9. GDP-PI - X (Ln 8 - Ln 7)	-4.6258%	-4.6258%	-4.6258%	-1.1258%	-4.6258%
10. Growth Rate of CCL MOU/Line (g)	6.3951%	N/A	N/A	N/A	N/A
11. Existing PCI	0.0000	33.1231	44.7131	0.0000	61.7342
12. Targeted Revenue Differential TRP Form TGT- 1 r1100	N/A	0	0	N/A	N/A
13. Prop. PCI (NonExog Only: Annual Filing col.b&c: Ln 11; col.e: Ln 11 * (1+ Ln 9) SBI Upper Limit calculations only)	N/A	33.1231	44.7131	0.0000	58.8785
14. Proposed PCI col.b&c: Ln 11 * (1+ Ln 3 + Ln 12 / Ln 1) col.d&e: Ln 11 * (1+ Ln 3 + Ln 4 * Ln 9)	N/A	33.1242	44.7131	0.0000	58.8943

IND-1 References
 Filing Date: 5/1/02
 Filing Entity:
 Transmittal Number: XXX

EXHIBIT INDREF
 RDEV-1 Page 1 of 3

Price Cap Tariff Review Plan
 Transmittal No. or Letter Dates

	EXISTING PCI (A)	EXISTING API (B)	EXISTING SBI (C)	6/30/02 PCI (D)	6/30/02 SBI (E)
<u>Common Line Basket</u>					
100 Total Common Line	N/A	N/A	N/A	N/A	N/A
<u>Traffic Sensitive Basket</u>					
200 Local Switching	N/A	N/A	38	N/A	38
210 Information	N/A	N/A	38	N/A	38
220 Database Access	N/A	N/A	38	N/A	38
230 800 DB VertSvcs Sub-Cat	N/A	N/A	38	N/A	38
240 Billing Name and Address	N/A	N/A	38	N/A	38
250 Local Switching Trunk Ports	N/A	N/A	38	N/A	38
260 STP Port Terminations	N/A	N/A	38	N/A	38
299 Total Traffic Sensitive	38	38	38	38	N/A
<u>Trunking Basket</u>					
300 Interconnection Charge	N/A	N/A	0	N/A	0
310 Tandem Switched Transport	N/A	N/A	38	N/A	38
311 TST Density Zone 1	N/A	N/A	38	N/A	38
312 TST Density Zone 2	N/A	N/A	38	N/A	38
313 TST Density Zone 3	N/A	N/A	38	N/A	38
314 TST Density Zone 4	N/A	N/A	0	N/A	0
315 TST Density Zone 5	N/A	N/A	0	N/A	0
316 TST Density Zone 6	N/A	N/A	0	N/A	0
317 TST Density Zone 7	N/A	N/A	0	N/A	0
320 VoiceGrade - Switched	N/A	N/A	38	N/A	38
321 VG DTT/EF Density Zone 1	N/A	N/A	0	N/A	0
322 VG DTT/EF Density Zone 2	N/A	N/A	0	N/A	0
323 VG DTT/EF Density Zone 3	N/A	N/A	0	N/A	0
324 VG DTT/EF Density Zone 4	N/A	N/A	0	N/A	0
325 VG DTT/EF Density Zone 5	N/A	N/A	0	N/A	0
326 VG DTT/EF Density Zone 6	N/A	N/A	0	N/A	0
327 VG DTT/EF Density Zone 7	N/A	N/A	0	N/A	0
340 High Cap & Other - Switched	N/A	N/A	38	N/A	38
350 DS-1 SubCat - Switched	N/A	N/A	38	N/A	38
351 DS1 DTT Density Zone 1	N/A	N/A	38	N/A	38
352 DS1 DTT Density Zone 2	N/A	N/A	38	N/A	38
353 DS1 DTT Density Zone 3	N/A	N/A	38	N/A	38
354 DS1 DTT Density Zone 4	N/A	N/A	0	N/A	0
355 DS1 DTT Density Zone 5	N/A	N/A	0	N/A	0
356 DS1 DTT Density Zone 6	N/A	N/A	0	N/A	0
357 DS1 DTT Density Zone 7	N/A	N/A	0	N/A	0
360 DS-3 SubCat - Switched	N/A	N/A	38	N/A	38
361 DS3 DTT Density Zone 1	N/A	N/A	38	N/A	38
362 DS3 DTT Density Zone 2	N/A	N/A	38	N/A	38
363 DS3 DTT Density Zone 3	N/A	N/A	38	N/A	38
364 DS3 DTT Density Zone 4	N/A	N/A	0	N/A	0
365 DS3 DTT Density Zone 5	N/A	N/A	0	N/A	0
366 DS3 DTT Density Zone 6	N/A	N/A	0	N/A	0
367 DS3 DTT Density Zone 7	N/A	N/A	0	N/A	0

IND-1 References
 Filing Date: 5/1/02
 Filing Entity:
 Transmittal Number: XXX

EXHIBIT INDREF
 RDEV-1 Page 2 of 3

Price Cap Tariff Review Plan
 Transmittal No. or Letter Dates

	EXISTING	EXISTING	EXISTING	6/30/02	6/30/02	
	PCI	API	SBI	PCI	SBI	
	(A)	(B)	(C)	(D)	(E)	
370	HC Other Sw Density Zone 1	N/A	N/A	0	N/A	0
371	HC Other Sw Density Zone 2	N/A	N/A	0	N/A	0
372	HC Other Sw Density Zone 3	N/A	N/A	0	N/A	0
373	HC Other Sw Density Zone 4	N/A	N/A	0	N/A	0
374	HC Other Sw Density Zone 5	N/A	N/A	0	N/A	0
375	HC Other Sw Density Zone 6	N/A	N/A	0	N/A	0
376	HC Other Sw Density Zone 7	N/A	N/A	0	N/A	0
380	Signalling Interconnection	N/A	N/A	0	N/A	0
381	SigIntCon Density Zone 1	N/A	N/A	0	N/A	0
382	SigIntCon Density Zone 2	N/A	N/A	0	N/A	0
383	SigIntCon Density Zone 3	N/A	N/A	0	N/A	0
384	SigIntCon Density Zone 4	N/A	N/A	0	N/A	0
385	SigIntCon Density Zone 5	N/A	N/A	0	N/A	0
386	SigIntCon Density Zone 6	N/A	N/A	0	N/A	0
387	SigIntCon Density Zone 7	N/A	N/A	0	N/A	0
499	Total Trunking	38	38	N/A	38	N/A
	<u>Interexchange Basket</u>					
600	Total Interexchange	0	0	N/A	0	N/A
	<u>Special Access Basket</u>					
720	VG/WATS, Met, Tgh - Special	N/A	N/A	38	N/A	38
721	VG Spec Density Zone 1	N/A	N/A	0	N/A	0
722	VG Spec Density Zone 2	N/A	N/A	0	N/A	0
723	VG Spec Density Zone 3	N/A	N/A	0	N/A	0
724	VG Spec Density Zone 4	N/A	N/A	0	N/A	0
725	VG Spec Density Zone 5	N/A	N/A	0	N/A	0
726	VG Spec Density Zone 6	N/A	N/A	0	N/A	0
727	VG Spec Density Zone 7	N/A	N/A	0	N/A	0
730	Audio & Video	N/A	N/A	38	N/A	38
731	Audio/Video Density Zone 1	N/A	N/A	0	N/A	0
732	Audio/Video Density Zone 2	N/A	N/A	0	N/A	0
733	Audio/Video Density Zone 3	N/A	N/A	0	N/A	0
734	Audio/Video Density Zone 4	N/A	N/A	0	N/A	0
735	Audio/Video Density Zone 5	N/A	N/A	0	N/A	0
736	Audio/Video Density Zone 6	N/A	N/A	0	N/A	0
737	Audio/Video Density Zone 7	N/A	N/A	0	N/A	0
740	High Cap & DDS - Special	N/A	N/A	38	N/A	38
750	DS-1 SubCat - Special	N/A	N/A	38	N/A	38
751	DS1 Spec Density Zone 1	N/A	N/A	38	N/A	38
752	DS1 Spec Density Zone 2	N/A	N/A	38	N/A	38
753	DS1 Spec Density Zone 3	N/A	N/A	38	N/A	38
754	DS1 Spec Density Zone 4	N/A	N/A	0	N/A	0
755	DS1 Spec Density Zone 5	N/A	N/A	0	N/A	0
756	DS1 Spec Density Zone 6	N/A	N/A	0	N/A	0
757	DS1 Spec Density Zone 7	N/A	N/A	0	N/A	0
760	DS-3 SubCat - Special	N/A	N/A	38	N/A	38
761	DS3 Spec Density Zone 1	N/A	N/A	38	N/A	38
762	DS3 Spec Density Zone 2	N/A	N/A	38	N/A	38
763	DS3 Spec Density Zone 3	N/A	N/A	38	N/A	38
764	DS3 Spec Density Zone 4	N/A	N/A	0	N/A	0
765	DS3 Spec Density Zone 5	N/A	N/A	0	N/A	0
766	DS3 Spec Density Zone 6	N/A	N/A	0	N/A	0
767	DS3 Spec Density Zone 7	N/A	N/A	0	N/A	0

IND-1 References
 Filing Date: 5/1/02
 Filing Entity:
 Transmittal Number: XXX

EXHIBIT INDREF
 RDEV-1 Page 3 of 3

Price Cap Tariff Review Plan
 Transmittal No. or Letter Dates

	EXISTING	EXISTING	EXISTING	6/30/02	6/30/02
	PCI (A)	API (B)	SBI (C)	PCI (D)	SBI (E)
770 DDS&Other Sp Density Zone 1	N/A	N/A	0	N/A	0
771 DDS&Other Sp Density Zone 2	N/A	N/A	0	N/A	0
772 DDS&Other Sp Density Zone 3	N/A	N/A	0	N/A	0
773 DDS&Other Sp Density Zone 4	N/A	N/A	0	N/A	0
774 DDS&Other Sp Density Zone 5	N/A	N/A	0	N/A	0
775 DDS&Other Sp Density Zone 6	N/A	N/A	0	N/A	0
776 DDS&Other Sp Density Zone 7	N/A	N/A	0	N/A	0
790 Wideband	N/A	N/A	0	N/A	0
791 WB Density Zone 1	N/A	N/A	0	N/A	0
792 WB Density Zone 2	N/A	N/A	0	N/A	0
793 WB Density Zone 3	N/A	N/A	0	N/A	0
794 WB Density Zone 4	N/A	N/A	0	N/A	0
795 WB Density Zone 5	N/A	N/A	0	N/A	0
796 WB Density Zone 6	N/A	N/A	0	N/A	0
797 WB Density Zone 7	N/A	N/A	0	N/A	0
899 Total Special Access	38	38	N/A	38	N/A

See reverse side for information regarding public burden estimate.

1. Name and Address of Reporting Company: Aliant Communications, Inc. One Allied Drive Little Rock, AR 72203	2. Reporting Period (A) From: Jan. 1, 2001 To: Dec. 31, 2001 (B) First Report Filed: March 27, 2002 (C) Final Report Filed:
---	--

FCC 492A

**PRICE CAP REGULATION
RATE OF RETURN MONITORING REPORT**
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
	1. Total Revenues	\$39,754	
2. Total Expenses and Taxes	\$33,123		(\$33,123)
3. Oper. Inc. (Net Return)(1-2)	\$6,631		(\$6,631)
4. Rate Base (Avg. Net Invest.)	\$52,750		(\$52,750)
5. Rate of Return (Ln3/Ln4)	12.57%		-12.57%
6. Sharing/Low End Adjustment Amount	\$0		\$0
7. FCC Ordered Refund - Amortized for Current Period	\$0		\$0

Remarks

Subtotals, totals and rates of return were calculated from whole dollars and may not match detail lines due to rounding. Revenues from services excluded from Price Cap regulation totaled, in thousands, \$2148, while expenses totaled \$1937 and rate base totaled \$3403.

Information for excluded services was included in Column A in the previous report which is why Column C shows differences.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Signature
March 27, 2002	Michael D. Rhoda	VP- Business Development	
	Telephone No.		
	501-905-5346		

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR
IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

See reverse side for information regarding public burden estimate.

1. Name and Address of Reporting Company: Aliant Communications, Inc. One Allied Drive Little Rock, AR 72203	2. Reporting Period (A) From: Jan. 1, 2000 To: Dec. 31, 2000 (B) First Report Filed: March 30, 2001 (C) Final Report Filed: March 27, 2002
---	---

FCC 492A

PRICE CAP REGULATION
RATE OF RETURN MONITORING REPORT
 (Read Instructions on Reverse Before Completing)
 Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
	1. Total Revenues	\$43,404	\$41,234
2. Total Expenses and Taxes	\$36,935	\$34,719	(\$2,216)
3. Oper. Inc. (Net Return)(1-2)	\$6,469	\$6,515	\$46
4. Rate Base (Avg. Net Invest.)	\$53,909	\$50,135	(\$3,774)
5. Rate of Return (Ln3/Ln4)	12.00%	12.99%	0.99%
6. Sharing/Low End Adjustment Amount	\$0	\$0	\$0
7. FCC Ordered Refund - Amortized for Current Period	\$0	\$0	\$0

Remarks

Subtotals, totals and rates of return were calculated from whole dollars and may not match detail lines due to rounding. Revenues from services excluded from Price Cap regulation totaled, in thousands, \$2170, while expenses totaled \$2216 and rate base totaled \$3774.

Information for excluded services was included in Column A in the previous report which is why Column C shows differences.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Signature
March 27, 2002	Michael D. Rhoda	VP- Business Development	
	Telephone No.		
	501-905-5346		

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR
IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

Filing Date: May 1, 2002
Transmittal Number: XX

Exhibit CMT

**July 2, 2002 Price Cap Annual Filing
CMT / Line Composite Rate**

	TL#38 6/18/2001 CMT/Line <u>CAP-1 Row 460</u> (A)	Total 2001 Access Lines <u>CAP-1 Row 130</u> (B)	Maximum CMT Revenue <u>CAP-1 Row 600</u> (C) = A * B	CMT/Line <u>CAP-1 Row 440</u> (D) = C / B
Aliant	4.96498919	3,340,465	\$ 16,589,914.58	4.96634887

Services Outside of Price Cap

Company Name: Aliant Communications, Co.

Filing Date: 05/1/02

OUTPC-1

Rate Element Detail

Tariff Section

Special Construction/ICBs

Special Construction - ICBs

FCC #3 3

Collocation/Interconnection

EIS - Physical Collocation - Recurring and NonRecurring

FCC #1 8.4.2

Packet Services

Frame Relay Services - Recurring and NonRecurring

Digital Services Tariff 9.6

Digital Subscriber Line Technology - Recurring and NonRecurring

FCC #1 9.4

Switched Access Elements

Interim 500 Access Service - Pass-Through Charge

FCC #1 6.8.3

End User Charges

Federal USF End User Charge

FCC #1 4.7

Gov't Services

Special Federal Government Access Services - GETS - Recurring and NonRecurring

FCC #1 10.5.3

Miscellaneous/Other

Special Facilities Routing of Access Services - ICBs

FCC #1 11.2

Specialized Services or Arrangements - ICBs

FCC #1 12.2

End User Presubscription - NonRecurring

FCC #1 13.5.2