

FORT BEND TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION AND COST SUPPORT
FOR
JOHN STAURULAKIS, INC. (JSI) TARIFF F.C.C. No. 1
TRANSMITTAL NO. 76

February 11, 2003

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Prepared by Fort Bend Telephone Company

DESCRIPTION AND JUSTIFICATION

SECTION 1

Description

This filing is being made on behalf of Fort Bend Telephone Company by John Staurulakis, Inc. (JSI) to add Service Provider Number Portability (SPNP) service to the John Staurulakis, Inc. (JSI) Tariff F.C.C. No. 1 for Fort Bend Telephone Company. Fort Bend Telephone Company is an issuing carrier for JSI Tariff F.C.C. No. 1. JSI Tariff FCC No. 1 already has regulations for SPNP in Section 6.10.1 applicable to those issuing carriers for JSI Tariff F.C.C. No. 1 offering SPNP. Issuing carriers for JSI Tariff F.C.C. No. 1 offering SPNP are those carriers with SPNP rates included in the respective issuing carrier's Section 17 rate section.

Justification

This filing is being made pursuant to 61.38 (b)(2) of the annotated F.C.C. Rules as revised February 1, 1998.

SECTION 2

COST DEVELOPMENT

SPNP Investment and Expenses

The Investment and Expenses associated with SPNP were identified by the engineering, software and system employees at Fort Bend Telephone. Direct investments are a combination of actual amounts already expended plus quotes from vendors for the remaining work to be done. Both investments and expenses are estimated for the period beginning in mid-2002 through 2007. It is anticipated that these rates will go into effect, with the FCC's approval early 2003.

This filing includes only costs that are directly associated with SPNP. There are other joint costs that might be associated to some extent with SPNP but the company has elected to use only the direct costs in this rate calculation and to continue to recover such joint costs through other settlement mechanisms. The direct investment and direct expenses are shown on FB Chart 1 (Exhibit 1, Page .2).

Next, the total investment and expenses associated with SPNP are allocated to two rate categories: End User and Database Query. A description of each investment and expense and the method of apportionment between the two rate categories is shown on the Exhibit labeled Apportionment Methods (Exhibit 1, Page 10) and Percents to SPNP. The apportionment to rate elements is accomplished on FB Chart 2 (Exhibit 1, Page 3).

The detailed calculation of rates required for cost recovery for the two SPNP rate categories is shown on FB Charts 3 and 4 (respectively Exhibit 1, Page 4 and Exhibit 1, Page 5).

The exhibit named Overhead Cost Loadings (Exhibit 1, Page 6) shows the calculation of overhead percentages that are used to calculate the overhead costs that are used in the SPNP cost calculations.

Forecasted demand units were also calculated along with the development of costs. Forecasted demand units are projected to coincide with the cost recovery period. The Exhibit named Demand Units (Exhibit 1, page 7) shows the projected SPNP chargeable units for the 60-month recovery period.

A summary of costs, demand and rates, along with proof of SPNP cost recovery is shown on the Exhibit named SPNP Net Income Worksheet (Exhibit 1, page 10)

Rate Applicability

All Fort Bend Telephone Company exchanges will provide SPNP service. All subscribers to local exchange lines for each Fort Bend Telephone Company exchange will be charged the applicable SPNP End User charge. All customers ordering SPNP Query service will be charged the SPNP Query Service charges based on queries subject to the charge.