

**DESCRIPTION AND JUSTIFICATION**  
**John Staurulakis, Inc. Tariff F.C.C. No. 1**  
**Transmittal No. 84**  
**Concord Telephone Company (NC)**  
**FRN #0003-7620-10**

Concord Telephone Company (Concord) hereby provides a Description and Justification for its individual single line and multi-line End User Common Line (EUCL) rates proposed under Transmittal No. 84 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (JSI Tariff). Concord is an Issuing Carrier of the JSI Tariff.

**Description of Filing**

The accompanying revised tariff material is being filed by John Staurulakis, Inc. (JSI) on behalf of Concord Telephone Company (Concord), operating in the state of North Carolina. The JSI Tariff F.C.C. No. 1 governs the provision by Concord of switched access, special access and miscellaneous services and end user common line (EUCL) rates. Concord participates in the National Exchange Carrier Association (NECA) Common Line Pool and references NECA Tariff F.C.C. No. 5 with respect to Carrier Common Line (CCL) rates. The instant filing revises Concord's EUCL rates in order to comply with the increase in the single line EUCL cap to \$6.50 effective July 1, 2003 as ordered in the *Rate-of-Return Access Charge Reform See 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, 16 FCC Rcd 19613 (2001) (*Rate-of-Return Access Charge Reform Order*).

On June 17, 2002 Concord filed rates for switched access, special access, miscellaneous services and EUCL effective July 2, 2002 in its 2002 biennial filing pursuant to Section 61.38 of the Commission's rules. The instant filing does not propose revised rates for switched access, special access and miscellaneous services.

**Justification for Cost Support and Rate Development**

The entire cost support data associated with this filing is contained in one volume including the D&J and Attachments #1-10. The Certification of the cost support data for this filing is shown in Attachment #10. Because this filing is limited to modification of the EUCL rates, which is supported by Schedules 1 through 9, Concord is not providing TRP Schedules.

In accordance with Section 61.38(b)(1)(ii) of the Commission's rules and regulations, a projection of Concord's costs has been made for the fiscal year ending June 30, 2004. The costs for the twelve (12) month period ending June 30, 2004 have been based on financial estimates and projections of Concord, and are summarized as follows:

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Summary Development of Traffic Sensitive Revenue Requirement .....	Attachment #1
Part 69 - Access Charge Development .....	Attachment #2
Part 36 – Separations of Costs .....	Attachment #3
Unseparated Cost Information .....	Attachment #4

In accordance with Section 61.38(b)(1)(i) of the Commission’s rules and regulations, attached is a cost of service study for the most recent twelve (12) month period ending December 31, 2002, identified as follows:

Summary Development of Traffic Sensitive Revenue Requirement .....	Attachment #5
Part 69 - Access Charge Development.....	Attachment #6
Part 36 – Separations of Costs.....	Attachment #7
Unseparated Cost Information.....	Attachment #8

The effect of the EUCL rate adjustments in this filing is an increase in the Residence and Single Line EUCL rates from \$6.00 to \$6.50 and an increase in the Multiline Business EUCL from \$7.26 to \$7.30. The increases in EUCL charges will result in additional annual revenue of \$606, 677. See Attachment #9.

### **Bad Debt Expense or Allowance**

Concord has not made any provision for projected bad debt expense or allowance in the cost and rate development for this filing.

### **Carrier Common Line (CCL) Rate Elimination**

As mentioned above, Concord is a participant in the National Exchange Carrier Association (NECA) Common Line Pool and references the rates in NECA Tariff F.C.C. No. 5 with respect to Carrier Common Line (CCL). Accordingly, Concord’s elimination of the CCL charge in compliance with the *Rate-of-Return Access Charge Reform Order* is based on NECA’s elimination of the CCL rate in NECA Tariff F.C.C. No. 5 effective July 1, 2003 and elimination in this filing of the reference to NECA Tariff F.C.C. No. 5 CCL rates in Concord’s rate section in JSI Tariff F.C.C. No. 1.