

Citizens Telecommunications Companies  
Tariff F.C.C. No. 1  
Description and Justification  
Transmittal No. 149  
May 17, 2004

Citizens Telecommunications Companies ("Citizens") submits herewith its Description and Justification ("D&J") in support of changes to its Tariff F.C.C. No. 1 filed under Transmittal No. 149, pursuant to sections 61.41 through 61.49 of the Commission's rules and relevant Commission orders. This filing is made on behalf of the exchange carriers issuing Citizens Tariff F.C.C. No. 1. In this tariff, four separate rate schedules are maintained. These rate schedules are referred to as Rate Group 1 through Rate Group 4, and correspond to the COSA codes CTC1 through CTC4.

In this filing, Citizens reduces the recovery period of its Local Number Portability (LNP) Surcharge rate element for exchanges where this charge is already in effect, under authority of a waiver of §52.33(a)(1)(iv) of the Commission's rules granted by an *Order* released by the Commission On April 30, 2004 (DA 04-1252). Citizens is also changing its rate schedules to add additional exchanges where Local Number Portability (LNP) is now available so that Citizens may recover the LNP investment and expenses.

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The recovery of these costs was provided for in the FCC's Third Report and Order in Docket CC No. 95-116, "In the Matter of Telephone Number Portability," released May 12, 1998.

Citizens had originally filed an LNP Surcharge rate of \$0.41 per line. This rate was tarified for the LNP surcharge to be recovered on a per line basis for five years in accordance with Section 52.33(a)(1)(iv). In several filings, Citizens implemented this rate for various exchanges with different five year recovery periods. In reviewing the costs for a recent filing, it was determined that the cost study that underlay this rate included certain costs that should have been excluded. With this filing, Citizens will submits a revised cost study that excludes these costs and results in a rate of \$0.34 per line. This lower rate will be applied to exchanges where Citizens implements the LNP Surcharge in the future, including the exchanges being added by this filing.

Because the \$0.41 rate has been collected for part of the five year

recovery period for several exchanges, it is no longer possible to recover the appropriate amount for these exchanges through a levelized rate over five years as required by Section 52.33(a)(1)(iv). Changing the rate in these exchanges is likely to result in considerable customer confusion. Citizens believes the most reasonable thing to do for these exchanges is to reduce the recovery period sufficiently to ensure that Citizens does not over-recover the costs of providing Local Number Portability. Citizens accordingly applied for and was granted a Waiver<sup>1</sup> of Section 52.33(a)(1)(iv) in order to make this reduction of recovery period while maintaining the existing \$0.41 rate in the exchanges where LNP Surcharge is already being assessed. In this filing, Citizens submits cost information showing the calculations of the reduced recovery period for those exchanges where the LNP Surcharge is already being assessed.

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<sup>1</sup> See, *Order*, Citizens Telecommunications Companies Petition for Waiver of Section 52.33(a)(1)(iv) of the Commission Rules to Reduce Recovery Period of Local Number Portability Surcharge, DA 04-1252, released April 30, 2004.

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Citizens has received bona fide requests for Local Number Portability in numerous additional switches. In this filing, Citizens implements the LNP Surcharge rates resulting from the revised cost study to the exchanges served by these switches and their associated host-remote complexes. The five year cost recovery period is set to start on June 1, 2004. Citizens will have the ability to provide permanent LNP to competitors in the requested exchanges effective with that date.