

JOHN STAURULAKIS, INC.
REVISIONS TO TARIFF FCC NO. 1
Transmittal No. 115

BLUFFTON TELEPHONE COMPANY – SAC 240512

DESCRIPTION AND JUSTIFICATION

A. INTRODUCTION

John Staurulakis, Inc. (JSI) proposes to modify JSI Tariff F.C.C. No. 1 on behalf of Bluffton Telephone Company (Bluffton) for reduction of High Speed Internet Access Service (HSI Access Service) rates.

B. BACKGROUND

Bluffton became an issuing carrier for JSI Tariff F.C.C. No. 1 effective July 1, 2006 under JSI Transmittal No. 108 filed with the Commission on June 16, 2005. Concomitant with becoming an issuing carrier for JSI Tariff F.C.C. No. 1, Bluffton withdrew from the National Exchange Carrier Association (NECA) Traffic Sensitive Pool. Additionally, NECA removed Bluffton as an issuing carrier for NECA Tariff F.C.C. No. 5. As part of the annual filing establishing Bluffton's initial access rates in the new Bluffton rate section of JSI Tariff F.C.C. No. 1, Bluffton filed HSI Access Service rates to replace the former Asymmetric DSL (ADSL) and Symmetric DSL (SDSL) rates. Since the annual filing, demand for the 2 Mbps and 6 Mbps offerings has exceeded projections used in the annual filing. Because the revenues produced by 2 Mbps and 6 Mbps customers is causing HSI Access Service revenues to exceed costs, JSI proposes on behalf of Bluffton to reduce the rates for 2 Mbps and 6 Mbps HSI Access Service.

C. SUPPORTING DOCUMENTATION

Bluffton files access rates under Section 61.38 of the Commission's rules. Accordingly, rate development is further explained following and demand and cost support is included at Exhibits 1 and 2.

Exhibit 1: Revenue Requirement Projection

Exhibit 2: Demand and Revenue Projection

D. PROJECTED REVENUE REQUIREMENT

In the annual filing individual rates for HSI Access Service reflected the level of rates required to cover the HSI Access Service revenue requirement at the projected demand. Since that time, existing greater than expected demand for 2 Mbps and 6 Mbps HSI Access Service is producing revenue greater than the combined HSI Access Service revenue requirement. Exhibit 1 analyzes the incremental cost of providing additional 2 Mbps and 6 Mbps at projected demand levels.

E. DEMAND and REVENUE PROJECTION

In Exhibit 2, 2 Mbps and 6 Mbps are reduced in order that the projected revised revenue requirement approximate total revenue at the revised rates.