

DESCRIPTION AND JUSTIFICATION
John Staurulakis, Inc. Tariff F.C.C. No. 1
Transmittal No. 120
Concord Telephone Company (CTC) (NC) – SAC 230474
FRN #0003-7620-10

Concord Telephone Company (CTC), through its consultant John Staurulakis, Inc. (JSI) hereby provides a Description and Justification for its individual rates proposed under Transmittal No. 120 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (JSI Tariff). CTC is an Issuing Carrier of the JSI Tariff.

Description of Filing

The accompanying revised tariff material has been filed by JSI in order to comply with the rules and regulations of the Federal Communications Commission (Commission) with respect to annual access charge filings.

The JSI Tariff F.C.C. No. 1 governs the provision by CTC of end user rates. CTC provides all other interstate access services under NECA Tariff F.C.C. No. 5. CTC provides the cost support described herein in compliance with Section 61.38 of the Commission's rules,

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 #1-7 included comprising this D&J document (Adobe Acrobat PDF). The Certification of the cost support data for this filing is shown in Attachment #8 included separately. As in 2004, because CTC's annual filing is limited to end user charges, the TRP files are not included in the filing,

Description and Justification**John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 120****CTC**

In accordance with Section 61.38(b)(1)(ii) of the Commission's rules and regulations, a projection of CTC's costs has been made for the fiscal year ending June 30, 2007. The costs for the twelve (12) month period ending June 30, 2007 have been based on financial estimates and projections of CTC, and are summarized as follows:

Summary Development of End User Common Line Revenue Requirement	Attachment #1
Part 69 - Access Charge Development	Attachment #2
Part 36 – Separations of Costs	Attachment #3

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, 2005, identified as follows:

Summary Development of End User Common Line Revenue Requirement	Attachment #4
Part 69 - Access Charge Development	Attachment #5
Part 36 – Separations of Costs	Attachment #6

Additionally, the Company has included as Attachment 7 schedules analyzing revenue impacts of the filing.

Description and Justification**John Staurulakis, Inc. Tariff F.C.C. No. 1 -Transmittal No. 120****CTC****End User Common Line Revenue Requirement Analysis**

	2005 PYCOS Trans 120 Attach. 4	2007 TYCOS Trans 120 Attach. 1	Change	% Change
Common Line Revenue Requirement	\$12,132,074	\$13,289,381	\$1,157,307	9.5%
Access Lines	107,645	103,936	-1,223	-1.1%
Monthly Rev. Req. Per Line	\$9.39	\$10.66	\$1.26	13.4%

	2005 TYCOS Trans 97 Attach. 1	2007 TYCOS Trans 120 Attach. 1	Change	% Change
Common Line Revenue Requirement	\$11,993,863	\$13,289,381	\$1,295,518	10.8%
Access Lines	118,423	103,936	-1,223	-1.0%
Monthly Rev. Req. Per Line	\$8.44	\$10.66	\$2.22	26.2%

Because the Company's End User Common Line revenue requirement per line is projected to exceed the Section 69.104(o)(1)(i) cap of \$9.20, the Company has proposed in this filing a revised End User Common Line Multi-Line Business rate of \$9.20. Following is an analysis of the impact of the proposed rate increase on customers.

	Rate Differenc e	Projected Year Ending 6/30/07 Lines	Projected Monthly Revenues	Annualized Year Ending 6/30/07 Revenues
Multiline Business Lines	\$0.76	19,986	\$15,189	\$182,272
Residential and Single Line Business Lines	\$0.00	83,950	\$0	\$0
Total Increase (Decrease) in End User Revenue			\$15,189	\$182,272

Based on the foregoing, including the analyses at Attachments 1 through 7, the annual filing of Concord Telephone Company resulting in a rate increase to the Multiline Business End User Common Line charge cap of \$9.20 is compliant with applicable Commission rules and otherwise reasonable in all respects.