

**JOHN STAURULAKIS, INC.  
REVISIONS TO ACCESS TARIFF F.C.C. NO. 1  
LOCAL NUMBER PORTABILITY CHARGES**

**COMPORIUM COMMUNICATIONS COMPANIES:  
ROCK HILL TELEPHONE COMPANY SAC 240542**

**TRANSMITTAL NO. 124  
December 15, 2006**

**DESCRIPTION AND JUSTIFICATION**

**1. INTRODUCTION**

John Staurulakis, Inc. (“JSI”) proposes to modify JSI Tariff F.C.C. No. 1 on behalf of Rock Hill Telephone Company d/b/a Comporium Communications (“Rock Hill” or “Company”), SAC 240542. Rock Hill is an operating subsidiary of Comporium Communications, Inc. On behalf of Rock Hill, JSI proposes addition to JSI Tariff F.C.C. No. 1 of Local Number Portability (LNP) end user charges, LNP Query Service charges, LNP Order Charges and LNP Billing Charges. The Company has received a bonafide request for number portability. The proposed services will be provided under existing regulations in JSI Tariff F.C.C. No. 1 at Section 13.15.

**2. LNP DEMAND, COST AND RATE DEVELOPMENT**

The demand for LNP capable access lines, including basic lines, PBX lines and ISDN PRI arrangements was projected over five years. The ISDN-PRI End User charge was calculated at five times the End User charge. The PBX End User charge was calculated at nine times the End User charge. Additionally, queries required for originating Company calls have been projected over five years. Finally, Query Service demand (also called “default query” service) has also been projected over five years.

Costs provided by the Company include switch upgrade investment required to support wireline and wireless LNP capability, expenses incurred to-date and also projected ongoing expenses over five years. LNP End User Charges were set to equate the present value of revenues to the present value of cost outlays. Present values of total costs were obtained using a discount factor of 15.21%, which is the after-tax cost of money (11.25%) grossed up for the federal income taxes at 35%.

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The circuit switching costs used in the development of the LNP End User Charges are only those direct costs required to implement LNP. In identifying which of these LNP costs could be included in the rate, the Company used two criteria to isolate LNP costs, based on the FCC guidelines: (1) the costs would not have been incurred by the Company if number portability was not implemented, and (2) the costs were incurred "for the provision of" number portability. Using these criteria yielded an investment amount of \$131,901. This amount includes switch manufacturer LNP switch upgrade and translation costs.

Expenses recovered by the End User Charge over the allowed levelization period range between \$40,705 for costs incurred up to the effective date of the filing and projected costs for the ensuing five years of \$38,852 for year one, \$39,861 for year two, \$40,899 for year three, \$41,965 for year four and \$13,652 for year five. Where a category of cost was included in the implementation year, the same category of cost has been excluded from the fifth operational year. Expenses fall into the following categories: a) projected charges to be paid to the query provider for queries that the Company initiates in its capacity as an N-1 carrier, b) operating support system expenses for service order administration, c) regional database charges, d) implementation fully loaded labor costs including project management, engineering and traffic. Query expenses are only for queries necessary to complete local and Extended Area Service (EAS) calls originated from the Company's end users. End user query expenses were obtained by multiplying query projections by the per query rate, paid by the Company to its query provider.

The demand and costs used to develop LNP End User Charges for the Company are detailed in Exhibit 1A. (See Exhibit 1A attached.) In comporting with Commission prescriptions, costs and demand have been levelized based on discount factors for each of five years calculated based on the rate-of-return grossed up for income taxes as mentioned above.

Allocation of investments and expense to the LNP Query Service charges are based on the ratio of N-1 queries to total queries. Expenses include charges for queries performed on behalf of N-1 carriers. Demand for LNP Query Service is the total projected demand for prearranged and default N-1 queries. The development of the Query Service Charge is detailed in Exhibit 1B. (See Exhibit 1B attached.)

A one time LNP Order Charge (per order) applies to N-1 carriers who prearrange to have the Company perform queries on their behalf. Cost support for the LNP Order Charge is shown in Exhibit 1C. (See Exhibit 1C attached.) A one time LNP Billing Charge (per account) applies to N-1 carriers who terminate non-queried traffic on the Company's network and have not prearranged with the Company to perform LNP queries. Cost support for the LNP Billing Charge is shown in Exhibit 1C. (See Exhibit 1C attached.)