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Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

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Ref: Election of a Federal High-Cost Universal Service Support Disaggregation Plan pursuant to the Federal Communication Commission's (FCC) Rules under Section 54.315, "Disaggregation and targeting of support by rural incumbent local exchange carriers".

Dear Corporation Commissioners and Staff,

In conformance with Section 54.315 of the FCC rules, this filing designates the Company's election for the Path of Disaggregation for the following rural incumbent local exchange companies operating in the State of Arizona.

**Path 2: State Regulatory Approval for Federal USF Support Disaggregation Plan**  
Citizens Telecommunications Company of the White Mountains (d/b/a Frontier Communications of the White Mountains)  
Navajo Communications Company, Inc.

**Path 3: Self-Certification for Disaggregation of Federal USF Support**  
Citizens Utilities Rural Company (d/b/a Frontier Citizens Utilities Rural)

For the Study Areas listed above, we have enclosed an affidavit titled "Certification of Disaggregation Plan" which provides a statement declaring the selected path for disaggregation the Company(s) have selected, the name and address of the individual(s) to be contacted concerning the plan being filed, the Study Area Code (SAC) assigned under the Federal Universal Service Fund (USF) program, and the signature of an authorized Corporate Officer.

In addition, for each of the Study Areas electing disaggregation under Path 2 or Path 3 above, we have enclosed a complete description of the rationale used to compute and disaggregate the Federal USF support by category of support, the wire centers which comprise each support zone, the Federal USF support per line per wire center (Exhibit 1), and exchange boundary maps which clearly identify the wire center boundaries of the designated disaggregation zones within the Company's study area.

Complete copies of this filing are also being sent to the Universal Service Administrative Company (USAC) in accordance with the FCC rules.

An additional copy of this filing is also enclosed. Please stamp this copy received and return it in the enclosed stamped, self-addressed envelope.

Should you have any questions on the information included in this filing, please contact me at 801-924-6358 or the individuals listed on the enclosed "Certification of Disaggregation Plan" document.

Sincerely,



Curt Huttsell, Ph.D.  
State Government Affairs  
*Frontier, A Citizens Communications Company*

Enclosures

xc: Administrator-USAC  
M. Shultz  
R. Brockmann



## Certification of Disaggregation Plan

The following incumbent local exchange carriers operating in the State of Arizona, have elected to follow Path 2, No Disaggregation of Federal USF Support, for the following Study Areas:

Company / Study Area	Study Area Code
Citizens Telecommunications Company of the White Mountains	454426
Navajo Communications Company, Inc.	457172

The following incumbent local exchange carriers operating in the State of Arizona, have elected to follow Path 3, Self-Certification for Disaggregation of Federal USF Support, for the following Study Areas:

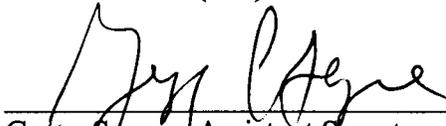
Company / Study Area	Study Area Code
Citizens Telecommunications Company of Arizona – Mohave	452172

Name and Address of Individuals to be contacted concerning this Plan:

Mr. Randall J. Brockmann  
Manager – Economic Costing  
Frontier Corporation  
180 South Clinton Avenue  
Rochester, NY 14646-0400  
(585) 777-1056

Mr. Michael J. Shultz  
Director – Federal Regulatory  
Frontier Corporation  
180 South Clinton Avenue  
Rochester, NY 14646-0300  
(585) 777-5619

Corporate Officer Signature: \_\_\_\_\_

  
Gregg Sayre – Assistant Secretary

**Exhibit 1**

**CTC of the White Mountains**  
**SAC Number: 454426**

Cilli	Exchange	Lines	Per Line LSS	Per Line HCF, IAF, LTS	Per Line
<b>Zone 1</b>					
PNTPAZXCRS0	Pinetop CC	3,014	\$ 5.74	\$ -	\$ 5.74
PNTPAZXARS0	Pinetop	6,590	\$ 5.74	\$ -	\$ 5.74
SHLWAZXCDS1	Show Low	11,215	\$ 5.74	\$ -	\$ 5.74
HLBKAZXCRS0	Holbrook	3,116	\$ 5.74	\$ -	\$ 5.74
WHRVAZXBRS0	Whiteriver	1,885	\$ 5.74	\$ -	\$ 5.74
SPVLAZXCRL0	Springerville	3,208	\$ 5.74	\$ -	\$ 5.74
<b>Total</b>		<b>29,028</b>	<b>\$ 5.74</b>	<b>\$ -</b>	<b>\$ 5.74</b>
<b>Zone 2</b>					
HEBRAZXCRS0	Heber	3,883	\$ 5.74	\$ 26.01	\$ 31.75
MCNRAZXCRL0	McNary	96	\$ 5.74	\$ 27.49	\$ 33.23
ALPIAZXCRS1	Alpine	957	\$ 5.74	\$ 35.51	\$ 41.25
<b>Total</b>		<b>4,936</b>	<b>\$ 5.74</b>	<b>\$ 27.88</b>	<b>\$ 33.62</b>
<b>Zone 3</b>					
HLLKAZXCRL0	Hawley Lake	6	\$ 5.74	\$ 43.17	\$ 48.91
SNWFAZXCRS0	Snowflake	4,176	\$ 5.74	\$ 48.79	\$ 54.53
GRERAZXCRL0	Greer	530	\$ 5.74	\$ 71.14	\$ 76.88
PNDLAZXCRS1	Pinedale	562	\$ 5.74	\$ 71.25	\$ 76.99
CIBCAZXCRL0	Cibique	268	\$ 5.74	\$ 111.67	\$ 117.41
STJHAZXBRS0	Saint John	2,115	\$ 5.74	\$ 113.04	\$ 118.78
<b>Total</b>		<b>7,657</b>	<b>\$ 5.74</b>	<b>\$ 71.93</b>	<b>\$ 77.67</b>
<b>Total Lines</b>		<b>41,621</b>			

Note: Lakeside (LKSDAZAERS0) (2995 lines) included in Pinetop

**Exhibit 1**

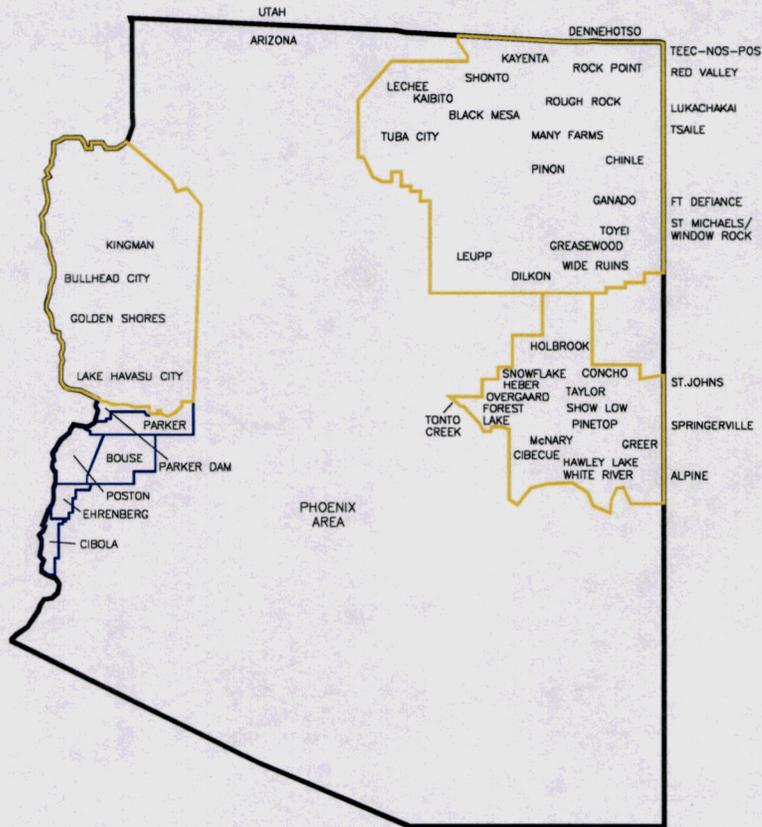
Navajo Communications - AZ  
SAC Number: 454449

Cilli	Exchange	Lines	Per Line LSS	Per Line HCF, IAF, LTS	Per Line
<b>Zone 1</b>					
	St. Michaels	4,242	\$ 12.37	\$ -	\$ 12.37
FTDFAZCRS0	FT. Defiance	2,526	\$ 12.37	\$ -	\$ 12.37
CHNLAZCRS0	Chinle	2,610	\$ 12.37	\$ -	\$ 12.37
TBCYAZCRS0	Tuba City	3,502	\$ 12.37	\$ -	\$ 12.37
	<b>Total</b>	<b>12,880</b>	<b>\$ 12.37</b>	<b>\$ -</b>	<b>\$ 12.37</b>
<b>Zone 2</b>					
KYNLAZCRS0	Kayenta	1,955	\$ 12.37	\$ 24.46	\$ 36.83
MNFRAZCRS0	Many Farms	446	\$ 12.37	\$ 25.44	\$ 37.81
LCHEAZCRL0	Lechee	284	\$ 12.37	\$ 25.59	\$ 37.96
GANDAZCRS0	Ganado	1,253	\$ 12.37	\$ 29.67	\$ 42.03
	<b>Total</b>	<b>3,938</b>	<b>\$ 12.37</b>	<b>\$ 26.31</b>	<b>\$ 38.68</b>
<b>Zone 3</b>					
TNPSAZRRS1	Teec Nos Pos	444	\$ 12.37	\$ 34.22	\$ 46.59
TSILA ZCRS0	Tsaile	378	\$ 12.37	\$ 43.36	\$ 55.73
LKCHAZCRS0	Lukachukai	331	\$ 12.37	\$ 48.38	\$ 60.74
GSWDAZCRS0	Greasewood	326	\$ 12.37	\$ 50.68	\$ 63.05
	Cottonwood	706	\$ 12.37	\$ 57.34	\$ 69.70
LEPPAZCRS0	Leupp	371	\$ 12.37	\$ 67.30	\$ 79.66
DLKNAZCRS0	Dilcon	445	\$ 12.37	\$ 73.70	\$ 86.07
RHRKAZCRS0	Rough Rock	213	\$ 12.37	\$ 74.77	\$ 87.14
TOYIAZCRL0	Toyey	185	\$ 12.37	\$ 75.06	\$ 87.42
SHNTAZCRS0	Shonto	405	\$ 12.37	\$ 92.43	\$ 104.79
RDVYAZCRL0	Red Valley	150	\$ 12.37	\$ 110.17	\$ 122.53
KABTAZCRS0	Kaibeto	225	\$ 12.37	\$ 115.92	\$ 128.29
RKPNAZCRL0	Rock Point	138	\$ 12.37	\$ 133.11	\$ 145.48
WDRNAZCRL0	Wide Ruins	153	\$ 12.37	\$ 135.13	\$ 147.50
BLMSAZFRS0	Black Mesa	112	\$ 12.37	\$ 143.36	\$ 155.72
DNHSAZCRL0	Dinnehots	75	\$ 12.37	\$ 187.67	\$ 200.03
	<b>Total</b>	<b>4,657</b>	<b>\$ 12.37</b>	<b>\$ 73.31</b>	<b>\$ 85.67</b>
	<b>Total Lines</b>	<b>21,475</b>			

**Exhibit 1**

CTC of Arizona - Mohave  
SAC Number: 452172

Cilli	Exchange	Lines	Per Line LSS	Per Line HCF, IAF, LTS	Per Line
<b>Zone 1</b>					
BLCYAZXCDS0	Riviera	22,448	\$ -	\$ -	\$ -
LHCYAZXCDS0	Lake Havasu Cit	37,556	\$ -	\$ -	\$ -
<b>Total</b>		60,004	\$ -	\$ -	\$ -
<b>Zone 2</b>					
MHVYAZXCRS0	Mohave Valley	8,718	\$ -	\$ 4.60	\$ 4.60
KGMNAZXCDS0	Kingman	13,000	\$ -	\$ 4.82	\$ 4.82
BLCYAZXERS1	Bullhead City	4,109	\$ -	\$ 4.97	\$ 4.97
KGMNAZXEDS0	Butler	14,404	\$ -	\$ 5.65	\$ 5.65
<b>Total</b>		40,231	\$ -	\$ 5.08	\$ 5.08
<b>Zone 3</b>					
CSRKAZXCRS1	Castle Rock	1,999	\$ -	\$ 7.43	\$ 7.43
GLVYAZXCRS0	Golden Valley	3,866	\$ -	\$ 9.93	\$ 9.93
DLSPAZXCRS0	Dolan Springs	1,554	\$ -	\$ 19.11	\$ 19.11
MDVWAZXCRS0	Meadview	824	\$ -	\$ 48.98	\$ 48.98
TXTNAZABRS0	Peach Springs	645	\$ -	\$ 64.28	\$ 64.28
YUCCAZXCRS0	Yucca	243	\$ -	\$ 73.97	\$ 73.97
WIKPAZXCRS0	Wikieup	203	\$ -	\$ 154.25	\$ 154.25
<b>Total</b>		9,334	\$ -	\$ 22.93	\$ 22.93
<b>Total Lines</b>		109,569			



— EXCHANGE BOUNDARY, EXISTING CITIZENS PROPERTY  
 — EXCHANGE BOUNDARY, CITIZENS PROPERTY  
 — EXCHANGE BOUNDARY, CITIZENS PROPERTY

REVISIONS			
ISSUE	WORK ORDER #	ENC	DRAFT
START CITIZENS COMMUNICATIONS			
ESTABLISH DRAWING.			
1	N/A	N/A	SLJ 6/99



DWG NAME	EXCHANGE BOUNDARY MAP		
FACILITY LOCATION	ARIZONA		
CLLJ CODE	BUSINESS AREA		
N/A	N/A		
SCALE	NTS	CAD FILE	AZ-EXCHANGE
DRAFT DATE	SLJ 6/99	ENG DATE	N/A
		ISSUED DATE	
DWG. SIZE	C	SHT 1 OF	DWG NO AZ-EXCH. BOUND.



## **USF Disaggregation Plan**

### **Methodology Used for Path 2 and Path 3 Certifications**

The following document describes the Disaggregation Plan and specific procedures used by Frontier, a Citizen's Communications Company (the "Company"), to determine the allocation of its' Federal Universal Service Fund (USF) support per line, per Study Area. The plan is based in part, on wire center costs as developed from forward-looking cost proxy models.

The Company began by segregating wire centers within each Study Area into three separate cost zones based on line cost estimates from two forward looking cost proxy models – the Citizens Costmap Wireline Model and the HAI 5.0a model<sup>1</sup>. For each of the Company's Study Areas within the State, a forward-looking weighted average cost per line was computed. Next, for each of the wire centers in a given Study Area, an average cost per line, per wire center was computed. The average cost per line, per wire center was then compared to the average cost per line for the entire Study Area. The wire centers were then classified into three cost zones depending on the relationship between the average cost per line for the wire center and the average cost per line for the study area. Zone 1 includes all wire centers whose average cost per line were below 75% of the study area average cost per line. Zone 2 includes those wire centers whose average cost per line were between 75% and 125% of the study area average and Zone 3 includes all wire centers greater than 125% of the study area average.

Next the Company calculated the estimated Federal Universal Support per line by dividing its 2002 budgeted USF support by study area over the 12/31/2001 access line counts. The Company disaggregated the USF support per study area between local switching support (LSS), high cost fund (HCF), interstate access support (IAF) and long-term support (LTS). The final allocation was to spread the aggregate USF support dollars over all wire centers in the three cost zones.

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<sup>1</sup> Estimated forward looking line costs for Citizen's wire centers were computed using the Company's Costmap Wireline Model, while estimated forward looking line costs for Frontier's wire centers were computed using results from the HAI Model, v5.0a.

The Company first allocated the LSS (assuming the Company receives this support in the Study Area), equally by wire center over all lines in the study area. This is based on the fact that LSS support is generally not influenced by factors such as distance and density, both of which directly affect loop costs. The LSS cost per line was computed by dividing the annual LSS expected by the total access lines in the Study Area. The remainder of the Federal USF support (HCF, IAF & LTS) was added together for each Study Area and allocated between cost Zones 2 and 3. These support dollars were allocated between Zones 2 and 3 on the basis of the ratio of the wire center's total cost per Zone to the total combined cost of Zones 2 and 3. The wire center's total cost is equal to the average cost per line, as computed by the cost proxy model, times the number of access lines in the wire center. The total allocated costs to each wire center were then divided by the access lines in that wire center to arrive at the total allocated USF per line, per wire center.

In summary, under the Company's plan, each wire center is classified into only one distinct cost zone. Support on a per line basis is then based on the relationship of the total cost of the specific wire center to the total cost of all wire centers included in that cost zone.