

ACCESS SERVICE AND FACILITIES

2. GENERAL REGULATIONS (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.15 Determination of Intrastate Charges for Mixed Interstate and Intrastate Access Service (Cont'd)

- (B) For usage sensitive (i.e., access minutes and calls) chargeable rate elements, multiply the percentages of intrastate use time actual use (i.e., measured or Telephone Company assumed average use) times the stated tariff rate.

The intrastate percentage will change as revised usage reports are submitted and set forth in 2.3.14 preceding.

2.3.16 Identification and Rating of Intrastate Toll VoIP-PSTN Traffic

VoIP-PSTN Traffic is defined as traffic exchanged between a Company end user and the customer in Time Division Multiplexing (TDM) format that originates and/or terminates in Internet Protocol (IP) format. This section governs the identification of Intrastate Toll VoIP-PSTN Traffic that is required to be compensated at interstate access rates, unless the parties have agreed otherwise, by the FCC in its Report and Order in WC Dockets Nos. 10-90, etc., FCC Release No 11-161 (November 18, 2011) (FCC Order), as it may hereafter be amended, clarified or otherwise changed or abrogated by the FCC or a court or a regulatory body of competent jurisdiction. Specifically, this section establishes the method of separating Toll VoIP-PSTN Traffic from the customer's traditional intrastate access traffic, so that Toll VoIP-PSTN Traffic can be billed in accordance with the FCC Order.

Toll VoIP Traffic identified in accordance with the following tariff sections will be billed at rates equal to the Company's applicable tariffed interstate switched access rates.

In the event the FCC Order's requirement that intrastate Toll VoIP-PSTN traffic be billed at interstate rates is reversed by a final order of a court of competent jurisdiction, the Company reserves the right to revise its billings to the customer at intrastate access rates back to January 1, 2012.

(A) Calculation and Application of Percent-VoIP-Usage Factors (T)

- (1) The Company will determine the number of Intrastate Toll VoIP-PSTN Traffic minutes of use (MOU) to which interstate rates will be applied by applying an originating PVU factor to the total intrastate access MOU originated by a Company end user and delivered to the Customer and by applying a terminating PVU factor to the total intrastate access MOU terminated by the Customer to the Company. (T)
- (2) The Customer will calculate and furnish to the Company, along with supporting documentation, an originating PVU factor representing the whole number percentage of the Customer's total originating intrastate access MOU that the Customer receives from the Company and that is terminated in IP format and that would otherwise be billed by the Company as intrastate originating access MOU. (T)

¹A terminating PVU factor will not be necessary as long as the Company's intrastate terminating switched access rates are at parity with its interstate terminating switched access rates. (T)
(T)

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2. General Regulations (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.16 Identification and Rating of Intrastate Toll VoIP-PSTN Traffic (Cont'd)

(A) Calculation and Application of Percent-VoIP-Usage Factors (Cont'd)

- (3) The customer will calculate and furnish to the Company, along with supporting documenting, a terminating PVU factor representing the whole number percentage of the customer's total terminating intrastate access MOU that the customer exchanges with the Company that is sent to the Company and which originated in IP format and that would otherwise be billed by the Company as intrastate access MOU.¹
- (4) At the present time, the Company does not terminate calls to or originate calls from its customers in IP format. At such time as the Company terminates calls to or originate calls from its customers in IP format, it will calculate PVU factors to apply, in conjunction with a customer's terminating and originating PVU factors, to develop the appropriate terminating and originating PVU factors to apply to the customer's terminating and originating intrastate Toll VoIP-PSTN Traffic.
- (5) The customer shall not modify its reported PIU factors to account for Toll VoIP-PSTN Traffic.
- (6) The customer provided terminating and originating PVU factors shall be based on relevant and verifiable information such as the number of the customer's retail VoIP subscriptions in the state (e.g. as reported on the FCC Form 477), traffic studies, actual call detail or other relevant and verifiable information which will be provided to the Company upon request. All source detail must be provided along with any summaries.
- (7) The customer shall retain the call detail, work papers, and information used to develop the PVU factors for a minimum of one year.
- (8) If the customer does not furnish the Company with a PVU factors, the Company will utilize a PVU equal to zero.
- (9) If the customer does not supply sufficient supporting documentation, the Company will not accept or apply a customer supplied terminating and originating PVU greater than the applicable State percentage as identified in Paragraph 963 of the FCC Order.

(B) Initial Implementation of PVU Factors

- (1) If the originating PVU factor cannot be implemented in the Company's billing for Toll VoIP-PSTN traffic delivered on and after July 1, 2014, once the factor can be implemented the Company will adjust the customer's bills retroactive to July 1, 2014, provided that the customer provides the PVU factor to the Company prior to August 15, 2014. Otherwise, the Company will set the initial PVU factor as specified in (A)(8).
- (2) In making retroactive adjustments to bills for the originating PVU, the Company may choose to provide credits based on a quarterly basis or such other billing interval as is reasonable in the circumstances.

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2. General Regulations (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.16 Identification and Rating of Intrastate Toll VoIP-PSTN Traffic (Cont'd)

(C) PVU Factor Updates

The customer may update the terminating and originating PVU factors quarterly using the method set forth in (A) (2) and (A) (3), preceding. If the customer chooses to submit such update, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, revised PVU factors based on data for the prior three months, ending the last day of December, March, June and September, respectively. The revised PVU factors will serve as the basis for future billing and will be effective on the bill date of each such month and shall serve as the basis for subsequent monthly billing until superseded by new PVU factors. No prorating or back billing will be done on the updated PVU factors.¹

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(D) PVU Factor Verification

(1) Not more than four times in any year, the Company may request from the customer an overview of the process used to determine the PVU factor, the call detail records, description of the method for determining how the end user originates and terminates calls in IP format, and other information used to determine the customer's PVU factor furnished to the Company in order to validate the PVU factor supplied. The customer shall comply, and shall reasonably supply the requested data and information within 15 days of the Company's request.¹

(T)

(2) The Company may dispute the Customer's PVU factor based upon relevant and verifiable information, including, but not limited to, the following:

- A review of the requested data and information provided by the customer.
- The Company's reasonable review of other market information, FCC reports on VoIP lines, such as FCC Form 477 or state level results based on the FCC Local Competition Report or other relevant data.
- A change in the reported PVU factor by more than five percentage points from the preceding quarter.

(3) If after review of the data and information, the customer and the Company agree to establish a revised PVU factor, the Company will begin using the revised PVU factor with the next bill period.

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¹A terminating PVU factor will not be necessary as long as the Company's intrastate terminating switched access rates are at parity with its interstate terminating switched access rates.

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2. General Regulations (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.16 Identification and Rating of Intrastate Toll VoIP-PSTN Traffic (Cont'd)

(D) PVU Factor Verification (Cont'd)

- (4) If the dispute is unresolved, the Company may initiate an audit. The Company shall limit audits of the customer's PVU factor to no more than twice per year. The customer may request that the audit be conducted by an independent auditor. In such cases, the associated auditing expenses will be paid by the customer. (T)
- In the event that the customer fails to provide adequate records to enable the Company or an independent auditor to conduct an audit verifying the customer's PVU factor, the Company will bill the usage for all contested periods using the most recent undisputed PVU factor reported by the customer. These PVU factor will remain in effect until the audit can be completed. (T)
(T)
(T)
 - During the audit, the most recent undisputed PVU factor from the previous reporting period will be used by the Company. (T)
 - The Company will adjust the customer's PVU factor based on the results of the audit and implement the revised PVU in the next billing period or quarterly report date, whichever is first. The revised PVU factor will apply for the next two quarters before a new factor can be submitted by the customer. (T)
(T)
 - If the audit supports the customer's PVU factor, the usage for the contested periods will be adjusted to reflect the customer's audited PVU factor. (T)
(T)

(E) Rate Categories

(1) End Office

The End Office rate category establishes the charges related to the local end office switching and end user termination functions necessary to complete the transmission of Switched Access communications to and from the end users served by the local end office. The End Office rate category includes the Local Switching and Information Surcharge rate elements.

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2. General Regulations (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.16 Identification and Rating of Intrastate Toll VoIP-PSTN Traffic (Cont'd)

(E) Rate Categories (Cont'd)

(1) End Office (Cont'd)

(a) Local Switching

The Local Switching rate element establishes the charges related to the use of end office switching equipment, the termination in the end office of end user lines, the terminations of calls at Telephone Company Intercept Operators or recordings, the STP costs, and the SS7 signaling function between the end office and the Signaling Transfer Point.

(b) Information Surcharge

Information Surcharge rates are assessed to a customer based on the total number of access minutes.

(2) Billing of Transport for Toll VoIP-PSTN Traffic

The Toll VoIP-PSTN Traffic Tandem Switched Facility rate recovers a portion of the costs of transmission facilities, including intermediate transmission circuit equipment, between the end point of interoffice circuits. The Toll VoIP-PSTN Traffic Tandem Switched Facility rate is applied on a per access minute per mile basis for all terminating and originating minutes of use routed over the facility. (T)

The Toll VoIP-PSTN Traffic Tandem Switched Termination rate recovers a portion of the costs of the circuit equipment necessary for the termination of each end of each measured segment of the Toll VoIP-PSTN Traffic Tandem Switched Facility. The Toll VoIP-PSTN traffic Tandem Switched Termination rate is applied on a per access minute basis (for all terminating and originating minutes of use routed over the facility) at each end of each measured segment of the Toll VoIP-PSTN Traffic Tandem Switched Facility (e.g. at the end office, Feature group A dial tone office, host office and the access tandem). When the Toll VoIP-PSTN Traffic Tandem Switched Facility mileage is zero, neither the Toll VoIP-PSTN Traffic Tandem Switched Facility rate nor the Toll VoIP-PSTN Traffic Tandem Switched Termination rate will apply. (T)

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6. Switched Access Service (Cont'd)6.6 Rates and Charges6.6.3 End Office (Cont'd)

(B) RESERVED FOR FUTURE USE

(C) 8XX Data Base Access Service

	<u>Rates Per Access Minutes</u>
1. Basic Rate – per query	\$.003665

6.6.4 Toll VoIP-PSTN Traffic Access Charges

	<u>Originating</u>	<u>Terminating</u>
(A) End Office Local Switching	** (T) (R)	**
(B) Information Surcharge	** (T) (R)	**
(C) Tandem Switched Transport		
1. Facility, per mile	** (T) (R)	**
2. Termination, per term	** (T) (R)	**

** The Company concurs with the rates of NECA's Tariff FCC No. 5 for this element, which can be viewed at https://www.neca.org/Tariff_5_Landing_Page.aspx