Attachment D

Description of Methodology

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the Transitional Intrastate Access Service reductions required by 47 C.F.R. §51.907(b). CenturyLink's supporting calculations utilize the "ICC-Access Reduction" template released by the Federal Communications Commission ("FCC") on April 19, 2012, for calculating the July 1, 2012 intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate reductions and identifies in detail the intrastate access rates that are required to be reduced consistent with the rules. The access rates to be reduced are referred to by the FCC as "Transitional Intrastate Access Service" and defined to include rates within the following categories:

- Terminating End Office Access Service
- Terminating Tandem-Switched Transport Access Service
- Originating and Terminating Dedicated Transport Access Service

Section 51.907(b) of the FCC Rules sets forth the specific steps to calculate the rates for Transitional Intrastate Access Service to be effective July 1, 2012.

1. Calculate total revenue from Transitional Intrastate Access Service at the interstate access rates in effect on December 29, 2011 using Fiscal Year 2011 intrastate switched access demand for each rate element (defined by the FCC as the period from October 2011 through September 2011).
2. Calculate total revenue from Transitional Intrastate Access Service at the intrastate access rates in effect on December 29, 2011 using Fiscal Year 2011 intrastate switched access demand for each rate element.
3. Calculate the Step 1 Access Revenue Reduction which is equal to one-half of the difference between the amounts calculated in steps 1 and 2 above.
4. Calculate the rates for Transitional Intrastate Access Service such that the revenues from Transitional Intrastate Access Service revenue at the proposed rates is no greater than the total revenues calculated in step 2 less the access revenue reduction calculated in step 3.

For the CenturyLink companies in Missouri, the current rate structure of intrastate Local Transport service varies significantly from the current rate structure of interstate Local Transport service. Specifically, the intrastate Local Transport rates have not undergone Local Transport Restructure ("LTR"); a more granular rate structure that allows access customers to better manage their transport networks and costs. To simplify the calculations to determine the required reductions and to better align the rate structures for the required mirroring on July 1, 2013 pursuant to the FCC rules, CenturyLink has completed neutral calculations for the affected rate elements to synchronize intrastate and interstate rate structures for local transport services. These calculations can be found in the second spreadsheet tab labeled "LTR Restructure" and are performed as follows:

1. Calculate intrastate Local Transport revenue using the current rates and structure and the Fiscal Year 2011 demand.

2. Calculate surrogate intrastate demand for tandem and dedicated switched transport based on relationships to interstate demand.
    a) For the tandem switched elements, intrastate demand was determined based on the relationship of intrastate local switching minutes to interstate local switching minutes.
    b) For the dedicated switched transport elements, intrastate demand was determined based on the inverse of the interstate PIU currently utilized for that element.
3. Price out restructured intrastate transport revenues by applying interstate LTR rates to calculated intrastate demand from Step 2 for each LTR element.
4. Compare this price-out to current intrastate transport revenues.
5. For any shortfall from current intrastate transport revenues, develop an "interconnection charge" transport rate element that when applied to local switching minutes provides revenues to equal the shortfall. In this manner, the local transport rates will mirror the interstate rates and rate structure and the terminating "interconnection charge" will be eliminated in the July 1, 2013 reductions.

The restructured intrastate rates for the local transport elements from the "LTR Restructure" tab and the interconnection charge are then carried forward to column (B) of the FCC template spreadsheet; the tab is denoted by the company name. The rates in column (B) of the spreadsheet are then used to calculate the revenue at existing intrastate access described above which becomes that basis for determining the require 50% reduction when compared to the revenue that would have been produced using interstate rates and the Fiscal Year 2011 demand. Finally, the required rate reduction is targeted to the intrastate terminating CCL. The resulting proposed rates can be found in column (I).