

2. General Regulations (Cont'd.)**2.5 Responsibility of the Customer (Cont'd.)****2.5.11 Determination of Intrastate Charges for Mixed Interstate and Intrastate Access Service**

- A.** Except as provided in Section 2.5.12 below, when mixed interstate and intrastate access service is provided, all charges (i.e., NRC, monthly and/or usage) including optional features charges, will be prorated between interstate and intrastate. The percentages (refer to Section 2.5.10) will serve as the basis for calculating the charges. The intrastate percentages will change as revised usage reports are submitted or a revised percentage is calculated as set forth in Section 2.5.10. The percentages of an access service to be charged as intrastate are applied in the following manner.
- 1.** For monthly and/or usage and nonrecurring chargeable rate elements associated with access services, multiply the intrastate percent times the quantity of chargeable elements times the state tariff rate per element.
 - 2.** For usage sensitive (i.e., access minutes) chargeable rate elements, multiply the percent intrastate use times actual use (i.e., measured or Telephone Company assumed average use) times the state tariff rates.

2.5.12 Identification and Rating of VoIP-PSTN Traffic

- A. Scope -** VoIP-PSTN Traffic is the traffic exchanged in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. Traffic originates and/or terminates in IP format if it originates from and/or terminates to an end user customer of a service that requires Internet protocol compatible customer premises equipment.
- This section governs the identification of VoIP-PSTN Traffic that is subject to the access compensation rules adopted by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90 et. al., FCC No. 11-161 (November 18, 2011) and in its Second Order on Reconsideration, FCC No. 12-47 (April 25, 2012). Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the Customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders.
- B. Rating of VoIP-PSTN Traffic -** The Company will bill Relevant VoIP-PSTN traffic identified in accordance with this tariff Section as follows:
- Between December 29, 2011 and July 12, 2012, the applicable rate elements used in providing access for Relevant VoIP PSTN Traffic that originates on the Company's network for termination to the Customer's end users (originating traffic) will be billed in accordance with the Company's interstate switched access tariff, Tariff F.C.C. No. 1.

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2.5 Responsibility of the Customer (Cont'd.)

- Beginning July 13, 2012 through June 30, 2014, the applicable rate elements used in providing access for Relevant VoIP PSTN Traffic that originates on the Company's network for termination to the Customer's end users (originating traffic) will be billed at intrastate access rates, as set forth in Section 30.
- Beginning July 1, 2014 the applicable rate elements used in providing access for Relevant VoIP PSTN Traffic that originates on the Company's network for termination to the Customer's end users (originating traffic) will be billed in accordance with the Company's interstate switched access tariff, Tariff F.C.C. No. 1.
- Beginning December 29, 2011, the applicable rate elements used in providing access for Relevant VoIP PSTN Traffic that originates from the Customer's end users and terminates on the Company's network (terminating traffic) will be billed in accordance with the Company's interstate switched access tariff, Tariff F.C.C. No. 1.

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2. General Regulations (Cont'd.)

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2.5.12 Identification and Rating of VoIP-PSTN Traffic (Cont'd.)	
C.	Calculation and Application of Percent-VoIP-Usage Factor - The Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection (B), above, by applying a Percent VoIP Usage ("PVU") factor to the total terminating intrastate access MOU (however determined – either based on call detail information or PIU) sent to a Company end user by the Customer (terminating traffic). Beginning July 1, 2014, the Company will apply the PVU to both terminating and originating intrastate access MOU exchanged between the Company and the Customer. The PVU will be derived and applied as follows:
1.	The Customer will calculate and furnish to the Company a factor (the "PVU-A") representing the percentage of the total terminating intrastate and interstate access MOU sent to a Company end user by the Customer that originates in IP format. This PVU-A shall be based on information such as the number of the Customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. Beginning July 1, 2014, the Customer's PVU-A shall be based on access MOU the Customer exchanges with the Company in State that is (i) sent to the Company that originated in IP format or (ii) is received from the Company and terminated in IP format.
2.	Company will, likewise, calculate a factor (the "PVU-B") representing the percentage of the Company's total access MOU in the State that the Company terminates in IP format. This PVU-B shall be based on information such as the number of the Company's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. Beginning July 1, 2014, the PVU-B shall be based on access MOU in the State that originates or terminates in IP format.
3.	The Company will use the PVU-A and PVU-B factors to calculate an effective PVU factor that represents the percentage of total terminating access MOU received from the Customer that is terminated in IP format by the Company and/or originated in IP format by the Customer. Beginning July 1, 2014, the PVU factor will represent the total intrastate access MOU exchanged between the Company and the Customer that originates or terminates in IP format at either the Company end or the Customer end. The PVU factor will be calculated as the sum of: (A) the PVU-A factor and (B) the PVU-B factor times (1.0 minus the PVU-A factor).

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2. General Regulations (Cont'd.)

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4.	<p>The Company will apply the effective PVU factor to the total terminating intrastate access MOU exchanged with the Customer to determine the number of Relevant VoIP-PSTN Traffic MOUs.</p> <p>Example 1: The PVU-B is 10% and the PVU-A is 40%. The effective PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's terminating intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.</p> <p>Example 2: The PVU-B is 10% and the PVU-A is 0%. The effective PVU factor is $0\% + (100\% \times 10\%) = 10\%$. The Company will bill 10% of the Customer's terminating intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.</p> <p>Example 3: The PVU-A is 100%. No matter what the PVU-B factor is, the effective PVU is 100%. The Company will bill 100% of the Customer's terminating intrastate access MOU in accordance with the Company's applicable interstate switched access tariff.</p> <p>In all of the examples above, the Company will apply the PVU to both originating and terminating intrastate access MOU beginning July 1, 2014.</p>
5.	If the Customer does not furnish the Company with a PVU-A pursuant to the preceding paragraph 1, the Company will utilize an effective PVU equal to the PVU-B.
D.	Initial PVU Factor - Until the Company receives a PVU-A from the Customer, the Company will set the initial PVU equal to the PVU-B, as specified in subsection C.5 above.
E.	PVU Factor Updates - The Customer may update the PVU-A factor or the Company may update the PVU-B quarterly using the method set forth in subsection (C)(1), above. If the Customer chooses to submit such updates, 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, a revised PVU-A factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Company will use the revised PVU-A to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.