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C2-A. GENERAL

REGULATIONS

2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

2.3.16 Identification and Rating of VoIP-PSTN Traffic

B. Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic exchanged between the customer and to the Utility or another provider and facility rate elements identified in accordance with this tariff section will be billed at rates equal to the Utility's applicable tariffed interstate switched access rates as specified in Nevada Bell Telephone Company F.C.C. No. 1 unless the corresponding intrastate rate is lower. If the intrastate rate is lower, then that rate will be used for billing. Hereafter, these billed rates will be referred to in this tariff as the relevant "VoIP Rates."

(C)

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(D)

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1. Effective date of rates

- Between the Initial effective date of this tariff and July 12, 2012, the applicable rate elements used in providing originating and terminating access for VoIP-PSTN Traffic and associated facilities will be billed according to interstate access rates.
- Effective July 13, 2012 the applicable rate elements referenced in B following, used in providing originating access for intrastate VoIP-PSTN Traffic and associated facilities will be billed according to interstate access rates. The applicable rate elements used in providing originating access for interstate VoIP-PSTN Traffic and associated facilities will be billed according to intrastate access rates.
- Effective July 1, 2014 the applicable rate elements used in providing originating access for intrastate VoIP-PSTN Traffic and associated facilities will be billed according to interstate access.

C2-A. GENERAL

REGULATIONS

2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

2.3.16 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

C. Calculation and Application of Percent-VoIP-Usage Factors<sup>1</sup> (N)

The Utility will determine the number of Relevant VoIP-PSTN Traffic originating MOU and the originating facility rate elements effective July 1, 2014 to which VoIP Rates will be applied under subsection (B), above, by applying the Percent VoIP Usage ("PVU") factor to the originating intrastate access MOU and the facilities between the Utility and the customer. The PVU factors will be derived and applied as follows: (C)

1. The customer will calculate and furnish to the Utility a factor (the "PVUC") on an ACNA basis which would aggregate traffic from all Carrier Identification Codes ("CICs") or Operating Company Numbers ("OCNs") associated with the ACNA. This PVUC represents the percentage (whole number) of the originating intrastate access MOU that the customer receives from the Utility end users in the state which is sent from the Utility that is terminated in IP format at the customer's end user. This PVUC 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 satisfactory to the Utility. (C)

2. The Utility will calculate and periodically update a (the "PVUT") VOIP usage factor for the Utility. This factor (percentage) is calculated on an individual state basis: the intrastate originating minutes delivered to the customer which were originated in IP format by the Utility's end users divided by the total intrastate originating access MOU that the Utility delivered to the customer's end users. This PVUT 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. (C)

3. The Utility will develop a customer Percent VoIP Usage ("PVU") factors combining the customer's PVUC factor with the Utility's PVUT factor.

a) The PVU calculation below is applied when the Utility does not bill based on actual call detail records for the intrastate Utility's IP traffic at VoIP Rates.

$PVU = PVUC + [PVUT \times (1 - PVUC)]$  is applied to the Utility's end user's originating intrastate MOU and facility rate elements (C)

Example: The customer reported that their PVUC as 40%. The Utility's PVUT is 10%. This results in the following:

$PVU = 40\% \text{ plus } (10\% \text{ times } (1 - 40\%)) = 46\%$

This means that 46% of the originating Intrastate MOU exchanged between the Utility's end users and the customer will be rated at VoIP Rates. (C)

<sup>1</sup>Consistent with FCC regulations (47 CFR 51.913(a)), for the period of July 2012 through June 2014, Intrastate VoIP originating usage and originating dedicated facilities charges are required to be at the Intrastate rate and rate structure. Effective July 1, 2013, the Terminating usage and dedicated facilities are at the Interstate rate structure and the lower of the Interstate or Intrastate rates. (N)

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C2-A. GENERAL

REGULATIONS

2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

2.3.16 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

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

3. (Cont'd)

- b. The PVU calculation below is applied when the Utility bills are based on the actual originating call detail records for the intrastate Utility's IP traffic at VoIP Rates. (C)

The formula for usage will be as follows:

$PVU = PVUC \times (1 - PVUT)$  applied to the Utility's TDM end user's originating intrastate MOU. (C)

$PVU = PVUC + [PVUT \times (1 - PVUC)]$  applied to the facility rate elements.

Example: The Utility has identified that there were 10,500 originating intrastate MOU from the Utility's IP end users and delivered to the customer's end user. The customer reported that their PVUC as 40%. The Utility's PVUT is 10%. This results in the following: (T)

$PVU = 40\% \text{ times } (1 - 10\%) = 36\%$

This means that 36% of the originating Intrastate MOU exchanged between the Utility's TDM end users and the customer will be rated at VoIP Rates and the originating intrastate 10,500 MOU will also be rated at VoIP Rates. (C)

For the originating facility rate elements, the formula that is applied to the intrastate dedicated facilities is as follows: (C)

$PVU = 40\% \text{ plus } (10\% \text{ times } (1 - 40\%)) = 46\%$

Therefore, 46% of the originating intrastate facilities will be rated at VoIP Rates. (C)

4. The Utility will apply the customer's PVUC to originating traffic exchanged between the third party providers (e.g. Independent Utility and local exchange carrier) subtending the Utility's access tandem and customer. (C)

The customer may elect to provide a different factor ("PVUC3") that represents the originating VoIP-PSTN traffic that is exchanged between the third party providers and customer. (C)

5. If the customer does not furnish the Utility with a PVUC pursuant to the preceding paragraph (C) (1), the Utility will utilize a customer PVUC of 0%.

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C2-A. GENERAL

REGULATIONS

2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

2.3.16 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

D. PVU Factor Updates

The customer may update the PVUC factor quarterly using the method set forth in Subsection (C)(1) and (4), above. If the customer chooses to submit such updates, it shall forward to the Utility, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVUC factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Utility will use the revised PVUC to calculate a revised PVU. The revised PVU factor will only apply prospectively and serve as the basis for billing until superseded by a new PVU.

The customer must update the PVUC factor no later than June 1, 2014 (C)  
to reflect the use of originating VoIP traffic as delineated in (C)  
Subsection (C)(1) and (4), or the Utility will utilize a customer (C)  
PVUC of 0%. (C)

E. PVU Factor Verification

Not more than twice in any year, the Utility may ask the customer to verify the PVUC factor furnished to the Utility. The customer shall comply, and shall reasonably provide the records and other information used to determine their PVUC, as specified in section (C)(1), and (4), above. The customer shall retain and maintain (for verification purposes) the records and other information used to determine the PVUC, for at least 12 months after the PVUC is filed (or longer if any other section of the Utility's tariffs or applicable law requires a longer period). The verification process shall be conducted consistent with the provisions in Section 2.3.14(B) of Nevada Bell Telephone Company Tariff F.C.C. No. 1.

F. Verification Process

The Utility will review these customer provided PVUC records referenced in (E) above. If the review results represent what the Utility considers to be a substantial deviation from the customer's previously reported PVUC or if the PVUC appears unreasonable as compared to other related types of data, the Utility will contact the customer within 30 days. This deviation issue will be dealt with in one of the following ways. The current PVUC will continue to be utilized until resolution from either of the 2 methods below.

- 1) The Utility and the customer will come to an agreement as to an appropriate PVUC within 30 days of the provision of the PVUC records.
- 2) The Utility within 90 days of the receipt of these records will review or audit these records. If these PVUC records are not available or these records are not substantive enough to calculate a PVUC, then a PVUC factor of zero will be assigned. This zero PVUC will be utilized until either a PVUC can be agreed upon between the Utility and the customer or an audit can be completed utilizing records acceptable for an audit conclusion. When an audit has been completed employing the records acceptable for an audit conclusion, the PVUC resulting from the audit will be employed until the next customer provided PVUC is available as referenced in the (D) or (E) procedures above.