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PUBLIC SERVICE COMMISSION

June 7, 2012

Mr. Pat Fahn
North Dakota Public Service Commission
12th Floor State Capitol
600 E. Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

The North Dakota Public Service Commission issued a Letter Order Dated May 3, 2012, regarding the Federal Communications Commission Report and order FCC 11-161. Commission's Request for Carrier to Submit Revised Tariff to the Commission for Implementation on July 1, 2012. In this document addressed to all North Dakota Local Exchange Companies, the North Dakota Public Service Commission directed all price cap carriers, like SRT Communications, Inc., to file tariff/price list revisions by June 8, 2012. All carriers must also provide specific support information, including:

1. Fiscal Year 2011 intrastate demand (volume) for intrastate access services by rate element.
2. All intrastate access rates in effect as of December 29, 2011.
3. All interstate access rates in effect as of December 29, 2011.
4. If the carrier's intrastate rate structure and the interstate rate structure are not the same, a full explanation of how the LEC will map its Fiscal Year 2011 intrastate demand for intrastate access services into its interstate rate structure to determine the interstate revenues used in the FCC mandated revenue reduction calculations. See 47 CFR §§ 51.907, 51.909, 51.911.
5. A full description of the methodology the carrier will use to set reduced intrastate rates to reflect the calculated rate reductions.
6. A full description of the rate structure option that the carrier will utilize as of July 1, 2012 (if the carrier in fact currently has different intrastate and interstate rate structures for carrier access charges.)
7. Contact information for the person(s) who prepared the information.

The information requested in items 1, 2, and 3 above is enclosed along with an Application for Trade Secret Protection for these particular items.

1 **PU-12-286** Filed: 6/7/2012 Pages: 8
Intrastate switched access price schedule

SRT Communications, Inc.

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Also enclosed is the information requested in items 4, 5, and 6 above which is the "Transitional Intrastate Access Service Rate Development-Supporting Rate Development Calculations for SRT Communications, Inc. Access Tariff Filing."

The information requested in the item 7 is addressed below.

The information provided by SRT Communications, Inc. is provided by or under the supervision of Ms. Valerie Wimer, Vice President, John Staurulakis, Inc. (301-459-7590 or vwimer@jsitel.com).

In addition, a copy of the SRT Communications, Inc. General Exchange Tariff, Intrastate Access Service tariff pages relating to the above items.

If you have any questions, please feel free to contact me at 701-858-5233, or julieel@srttel.com.

Sincerely,


Julie Lizotte
Director of Regulatory Affairs

Enclosure

**Transitional Intrastate Access Service Rate Development
Supporting Rate Development Calculations for
SRT Communications, Inc. Intrastate Access Tariff Filing**

This document details the contents and methodology of the price cap client-specific supporting rate development worksheets that will accompany SRT Communications, Inc. tariff filings made with the Public Service Commission of North Dakota to comply with the Commission's Letter dated May 3, 2012 and the prescriptions of the FCC's USF / ICC Transformation Order and specifically §51.909 of the FCC's rules related to the transition of rate-of-return carrier intrastate terminating access charges.

Demand Data:

The FCC order CRR 51.909(b)(2) specifies that the transitional intrastate rates be calculated using the fiscal year 2011 ending September 30, 2011 demand. The demand was obtained from CABs billing summary reports of the terminating intrastate IntraLATA and InterLATA for the time period. Direct trunked transport demand is based on December 2011 CABs billing.

Revenue Calculation:

Terminating Interstate revenue is calculated based on the formula in 51.909(b)(2)(i). IntraLATA and InterLATA revenue were calculated separately.

Terminating Intrastate revenue is calculated based on the formula in 51.909(b)(ii). IntraLATA and InterLATA revenue is calculated.

Access Revenue Reduction:

The intrastate terminating access revenue rate reduction is calculated as prescribed in 51.909(b)(iii), by taking the difference of the interstate revenue and interstate terminating revenue calculated above.

2012 Rates Development:

LECs have the options of retaining the current intrastate rate structure for 2012 or implementing the federal rate structure in 2012. If a LEC chose to move to the federal rate structure in 2012, the rates filed are the federal transport rates (Tandem Transport Facility, tandem Switched Termination and Tandem Switching) and the lower of the intrastate and the interstate terminating End Office Switching and Information Surcharge rate elements. When necessary, a per minute of use Transitional rate is applied to the terminating End Office switching demand for the fiscal year ending September 30, 2011 to account for the 50% reduction between the current Intrastate terminating Access Rates and the NECA Interstate terminating Access Rates.

If a LEC selects to stay on the current intrastate access rate structure, the individual terminating rate elements are reduced until the 50% reduction is achieved when calculating the revenue produced by the reduced rates using the fiscal year ending September 30, 2011 demand. SRT Communications, Inc. has chosen to stay on the current intrastate access rate structure.

Other rates included in the tariff for originating access, non-recurring, and misc rate elements are the existing effective state rate elements.

July 1, 2013

July 1, 2013 terminating access rates are set at the federal rates and rate structure for Terminating Tandem Switched Transport service. The terminating End Office and Information Surcharge rates element is the lower of the interstate rate and the intrastate rate. IntraLATA and InterLATA are determined separately.

July 1 2014 - July 1, 2017

The terminating Tandem-Switched Transport Access Service rates are not changed between July 1, 2014 and July 1, 2017.

All Concurring carriers have decided to eliminate the terminating information surcharge by 2014.

The End Office Switching rates is set at a rate equal to the Target Composite Terminating End Office Access Rate as defined in 51.909(d)(3) for 2014, 51.909(e) for 2015, and 51.909(f) for 2016 and the July 1, 2013 terminating end office switching rate.

July 1, 2017 – July 1, 2020

The terminating Tandem-Switched transport Access service rates are not changed between July 1, 2016 and July 1, 2020.

The End Office Switching rates are set at the lesser of the Target Composite terminating End Office Access Rate as calculated in 51.909(g) for 2012, 51.909(h) for 2018, and 51.909(i) in 2019 and the July 1, 2013 End office Switching rates.

July 1, 2020

The Terminating Tandem Switched Transport Access Service rates are not changed in 2020.

The terminating End Office Access service rate is zero in July 1, 2020.

Definitions:

End Office Access Service means (1) the switching of access traffic at the carrier's end office switch and the delivery to or from of such traffic to the called party's premises;

(2) The routing of interexchange telecommunications traffic to or from the called party's premises, either directly or via contractual or other arrangements with an affiliated or unaffiliated entity, regardless of the specific functions provided or facilities used: or

(3) Any functional equivalent of the incumbent local exchange carrier access service provided by a non-incumbent local exchange carrier. End Office Access service rate elements for an incumbent local exchange carrier include the local switching rate elements specified in CFR 61.106, the carrier common line rate elements specified in CFR 69.154, and the intrastate rate elements for functionally equivalent access services. End Office Access Service rate elements for an incumbent local exchange carrier also included any rate elements assessed on local switching access minutes, including the information surcharge and residual rate elements. End office Access service rate elements for a non-incumbent local exchange carrier include any functionally equivalent access service.

Tandem-Switched Transport Access Service means (1) Tandem switching and common transport between the tandem switch and end office: or (2) Any functionally equivalent of the incumbent local exchange carrier access service provided by a non-incumbent local exchange carrier via other facilities. Tandem-Switched Transport rate elements for an incumbent local exchange carrier include the rate elements specified in CFR 69.111, except for the dedicated transport rate elements specified in that section, and intrastate rate elements for the functionally equivalent service. Tandem Switch Transport Access service rate elements for a non-incumbent local exchange carrier include any functionally equivalent access service.

INTRASTATE ACCESS SERVICE

GENERAL

Switched Access Service, which is available to customers for their use in furnishing their services to end users, provides a communications path between a customer's premises and an end user's premises. It provides for the use of common terminating, switching and trunking facilities, and both common subscriber plant and unshared subscriber plant (ie., WATS access lines) of the Telephone Company. Switched Access Service provides for the ability to originate calls from an end user's premises in the LATA where it is provided.

INTRASTATE SWITCHED ACCESS RATE ELEMENTS – NON-LOCAL TRANSPORT RESTRUCTURE METHOD

Local Transport Facility (non-LTR) – applies to IntraState switched originating and terminating access minutes-of-use.

For purposes of determining Local Transport Facility (non-LTR) measurement, distance will be measured from the BSMRNBCDSO Serving Wire Center to SRT Communications, Inc. end office switches listed in NECA Tariff 4 under Company Code 3303. Non-Local Transport Restructure (Non-LTR) Intrastate Local Transport Service is mileage based sensitive and is billed on a per minute of use basis on Intrastate originating and terminating traffic. NECA Tariff 4 will be used to determine air miles.

Local Switching - provides for the use of the end office access switching equipment, the terminations in the end office of end user lines, the terminations of calls at SRT Communications, Inc. Intercept Operators or recording, the Signaling Transport Point (STP) costs, and the SS7 signaling function between the end office and the STP. Local Switching is billed on a per minute of use basis for both originating and terminating Intrastate traffic.

Line Termination - provides for the termination of end user lines in the local end offices. Line Termination is billed on a per minute of use basis for both originating and terminating Intrastate traffic.

Intercept - provides for the use of the local end office intercept functions. The operator or recording tells a caller why a call, as dialed, could not be completed, and if possible, provides the correct number. Intercept is billed on a per minute of use basis for both originating and terminating traffic.

Carrier Common Line Charge (CCL) - provides the local end office switching functions associated with the various access switching arrangements. CCL covers a portion of the costs associated with the local loop. Carrier Common Line is billed on a per minute of use basis for originating traffic. The CCL rate for IntraState terminating traffic has been reduced to zero, effective July 1 2012, due to the FCC's National Broadband Plan's transition to Interstate Switched Access Rates.

**INTRASTATE SWITCHED ACCESS RATE ELEMENTS – NON-LOCAL TRANSPORT
RESTRUCTURE METHOD, cont'd...**

Tandem Switching - recovers a portion of the costs of switching traffic through the Telephone Company's Access Tandem (MNOTNDXA01T). Tandem Switching is applied on a per minute of use basis for all originating and terminating Intrastate minutes of use switched at the access tandem, MNOTNDXA01T.

800 Data Base Access Service - is provided to all customers in conjunction with FGC and FGD switched access service. A Basic or Vertical Feature Query charge is assessed for each query launched to the 800 data base. The Basic Query provides the identification of the customer to whom the call will be delivered and includes area of service routing which allows routing of 800 calls by telephone companies to different interexchange carriers based on the Local Access Transport Area (LATA) in which the call originates. The Vertical Feature Query provides this same customer identification function in addition to vertical features which may include: 1) call validation (ensuring that call originates from subscribed service area); 2) POTS translation of 800 numbers (which is generally necessary for the routing of 800 calls); 3) alternate POTS translation (which allows subscribers to vary the routing of 800 calls based on factors such as time of day, place of origination of the call, etc.); and 4) multiple carrier routing based on factors similar to those in 3.

INTRASTATE SWITCHED ACCESS RATE TABLE**IntraState/InterLata**

	Rates Per Access Minute	
	<u>Originating</u>	<u>Terminating</u>
Local Transport (Non-LTR)		
0 to 1 call miles	\$0.0076	\$0.0076
Over 1 to 8 miles	\$0.0134	\$0.0134
Over 8 to 16 call miles	\$0.0310	\$0.0310
Over 16 to 25 call miles	\$0.0574	\$0.0574
Over 25 to 50 call miles	\$0.0620	\$0.0620
Over 50 to 100 call miles	\$0.0579	\$0.0579
Over 100 call miles	\$0.0597	\$0.0597
Local Switching	\$0.010500	\$0.010500
Line Termination	\$0.008500	\$0.004354 (C)
Intercept – per 100 Access Minutes	\$0.016200	\$0.016200
Carrier Common Line	\$0.0108412	\$0.000000 (C)
Tandem Switching Charge	\$0.005734	\$0.005359 (C)
800 Data Base Access Service Queries –	<u>Rates Per Query</u>	
Basic	\$0.0080	
Vertical Feature	\$0.0084	

IntraState/IntraLata

	Rates Per Access Minute	
	<u>Originating</u>	<u>Terminating</u>
Local Transport (Non-LTR)		
0 to 1 call miles	\$0.0076	\$0.0076
Over 1 to 8 miles	\$0.0134	\$0.0134
Over 8 to 16 call miles	\$0.0310	\$0.0310
Over 16 to 25 call miles	\$0.0574	\$0.0574
Over 25 to 50 call miles	\$0.0620	\$0.0620
Over 50 to 100 call miles	\$0.0579	\$0.0579
Over 100 call miles	\$0.0597	\$0.0597
Local Switching	\$0.010500	\$0.007059 (C)
Line Termination	\$0.008500	\$0.006000 (C)
Intercept – per 100 Access Minutes	\$0.016200	\$0.000000 (C)
Carrier Common Line	\$0.0108412	\$0.000000 (C)
Access Adjustment Rate (AAR) (intralata only)	\$0.005400	\$0.000000 (C)
Tandem Switching Charge	\$0.005734	\$0.005272 (C)
800 Data Base Access Service Queries –	<u>Rates Per Query</u>	
Basic	\$0.0080	
Vertical Feature	\$0.0084	