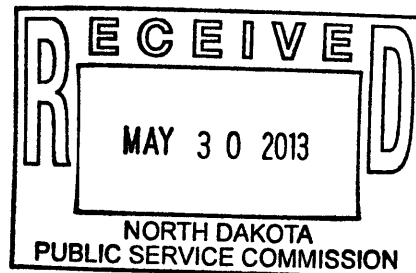




May 28, 2013

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



Dear Mr. Fahn,

Enclosed you will find SRT Communications, Inc. ("SRT") Local Exchange Pricing Schedule for the effective date of July 1, 2013. Due to the requirements specified in the FCC's Intercarrier Reform Order released November 18, 2011, the terminating Intrastate switched access rates have been reduced to the Interstate level, and the billing transport structure has been converted from the non-Local Transport Restructure ("LTR") method to the LTR method.

Also, due to SRT's inability to bill originating and terminating switched access on different transport rate structures, SRT has converted the originating switched access to the LTR method. The rates for originating access have been reduced to Interstate levels. A new rate referred to as the Residual Interconnection Charge ("RIC") was developed to maintain originating switched access revenues as they were prior to the transition to LTR. The Carrier Common Line and Access Recovery Charge (IntraLata traffic only) billing elements were retained from the previous rate structure in order to develop a lower RIC rate.

SRT has worked with John Staurulakis Incorporated ("JSI") on both the terminating and originating rates and transport structure revisions. A copy of the originating Intrastate rate calculation is enclosed to illustrate that the outcome in SRT's originating access revisions will be revenue neutral.

If you have any questions, please give me a call at 701-858-5233, or email me at julieel@srttel.com.

Sincerely,

A handwritten signature in cursive script that reads "Julie Lizotte".

Julie Lizotte
Director of Regulatory Affairs

Enclosures

1 **PU-13-266** Filed: 5/30/2013 Pages: 15
Revised tariff

SRT Communications, Inc.

Julie Lizotte

SRT COMMUNICATIONS, INC.

5/23/2013

Originating Access

	1/1/2013		Jan-Dec 2012 MOU used for state rate development	see below State Mileage, BIP factor	Current state price-out	InterState Mileage, BIP factor	Federal Price-out	Intra 2012	Intra 2012	miles/BP DT demand	2013 state rates and Revenue	
	Interstate Rates	State Rates						DT MOU	Common MOU		Rate	Revenue
CCL	\$ -	\$ 0.010841	13,770,246		\$ 149,283.24		\$ -				\$ 0.010841	\$ 149,283.24
Local Switching	\$ 0.013470	\$ 0.010500	13,770,246		\$ 144,587.58		\$ 185,485.21				\$ 0.013992	\$ 192,673.28
Information/100	\$ 0.049400	\$ 0.016200	13,770,246		\$ 2,230.78		\$ 6,802.50				\$ 0.051300	\$ 7,064.14
Transport Facility	\$ 0.000402	\$ 0.058670	13,770,246	0.79	\$ 638,241.26	14.24	\$ 78,827.50	13,588,500	181,746	14.24	\$ 0.000418	\$ 1,061.81
Transport Termination	\$ 0.002090	\$ 0.008500	13,770,246	2.11	\$ 246,969.36	0.70	\$ 20,145.87		181,746	0.70	\$ 0.002171	\$ 276.20
Tandem Switching	\$ 0.005272	\$ 0.005734	13,770,246	2.14	\$ 168,971.38	0.91	\$ 66,063.03			0.91	\$ 0.005476	\$ 68,619.34
Access Rate Adjustment - IntraLata only	\$ -	\$ 0.0054	10,968,183	1.00	\$ 59,228.19		\$ -				\$ 0.005400	\$ 59,228.19
DTT - DS1 (split 50/50 orig/term)					\$ -		\$ -			99.27	\$ 56.630000	\$ 5,621.66
DTF - DS1 (split 50/50 orig/term)					\$ -		\$ -			1,469.29	\$ 10.920000	\$ 16,044.65
DTT - DS3 (split 50/50 orig/term)										60.45	\$ 363.660000	\$ 21,983.25
DTF - DS3 (split 50/50 orig/term)										1,213.17	\$ 95.080000	\$ 115,348.20
RIC - used to meet revenue requirement			13,770,246								\$ 0.056084	\$ 772,290.48
					<u>\$ 1,409,511.80</u>		<u>\$ 357,324.11</u>					<u>\$ 1,409,514.43</u>
											State MOU using Interstate Rates	\$ 426,712.52
											Other State Revenue	\$ 208,511.43
											RIC Revenue	\$ 772,290.48
												<u>\$ 1,409,514.43</u>

The state mileage/BIP factor was determined based on the 2011 FY information. We knew the total minutes and the total revenue for the period. By dividing the revenue for each element by the total local switching minutes and the rate, we arrived at the factor for each rate element. The state factor for Transport Facility was 0.79, Transport Termination was 2.11, and Tandem Switching 2.14. (If we change this to 2012 MOU the result is the same)

ELEMENT	2011			
	LS MOU	Intra Rev	Intra Rate	
Transport Facility	14857295	688966	0.05867	0.79
Transport Term		266000	0.0085	2.11
Tandem Switching		182728	0.005734	2.14

The Interstate Mileage/BIP factor was also determined based on the 2011 Interstate price-out. Since Interstate billing was already being done as LTR, we used the interstate minutes, revenues and rates to arrive at the factors of 14.24 for Tandem Switched Facility, 0.70 for Tandem Switched Termination, and 0.91 for Tandem Switching.

INTRASTATE SWITCHED ACCESS SERVICE

A. Switched Access Service**1. General**

Switched Access Service, which is available to customers for their use in furnishing their services to end users, provides a two-point communications path between a customer's designated premises and an end user's premises. It provides for the use of common terminating, switching, and trunking facilities and for the use of common subscriber plant of the Telephone Company. Switched Access Service provides for the ability to originate calls from an end user's premises to a customer designed premises, and to terminate calls from a customer designed premises to an end user's premises in the LATA where it is provided.

2. Local Transport Restructure ("LTR") Method

Under this Pricing Schedule, Switched Access Local Transport is offered under one methodology, Local Transport Restructure ("LTR"). Local Transport rates are provided in Section B below.

The customer must specify when ordering Switched Access Service (1) whether the service is to be directly routed to an end office switch or through an access tandem switch, and (2) the type of Direct Trunked Transport and whether it will overflow to Tandem Switched Transport when service is directly routed to an end office, (3) the type of Entrance Facility, (4) the directionality of the service, and (5) when multiplexing is required, the hub(s) at which the multiplexing will be provided.

The Local Transport mileage for Switched Access Service will be measured in multiple segments. When the facility is directly trunked to the Minot Host Office, Direct Trunked Facility mileage will be measured between the Bismarck Serving Wire Center and the Minot Host Office, and Tandem Switched Facility mileage will be measured between the Minot Host Office and the SRT Remote Office. The Tandem Switching Charge will not apply.

When the facility is directly trunked to the Minot Access Tandem, Direct Trunked Facility will be measured from the Bismarck Serving Wire Center to the Minot Access Tandem, Tandem Switched Facility will be measured from the Minot Access Tandem to the Minot Host Office, and another segment of Tandem Switched Facility will be measured from the Minot Host Office to the SRT Remote Office. A Tandem Switching charge would be applicable at the Minot Access Tandem.

INTRASTATE SWITCHED ACCESS SERVICE

B. Switched Access Rate Elements – Local Transport Restructure (“LTR”) – Recurring

	<u>Originating</u>	<u>Terminating</u>
1. <u>Local Switching</u> Per Access Minute	\$0.013992	\$0.013992

The Local Switching rate element provides for the use of the end office access switching arrangement.

2. <u>Carrier Common Line</u> Per Originating Access Minute	\$0.010841	\$0.000000
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Carrier Common Line Access provides for the use of end users' Telephone Company provided common lines by customers for access to such end users to furnish Intrastate Communications.

3. <u>Information Surcharge</u> Per 100 Access Minutes	\$0.051300	\$0.051300
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Information Surcharge rates are 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.

4. <u>Access Adjustment Rate</u> Per Originating IntraLata Access Minute	\$0.005400	\$0.000000
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The Access Adjustment Rate is a rate effecting an adjustment resulting from the North Dakota Access Charge Order dated October 8, 1985, in which average schedule telephone companies were directed to use the 1984 IntraLata settlements as a surrogate for their Intrastate IntraLata toll revenue requirements.

5. <u>Residual Interconnection Charge</u> Per Originating Access Minute	\$0.056084	\$0.000000
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The Residual Interconnection Charge is a rate developed due to the conversion to Local Transport Restructure effective July 1, 2013, as a result of the FCC's November 2011 Order. It serves as a revenue requirement for originating switched access to remain revenue neutral prior to July 1, 2013 when the non-Local Transport Restructure method was used for switched access billing.

INTRASTATE SWITCHED ACCESS SERVICE

B. Switched Access Rate Elements – Local Transport Restructure (“LTR”) – Recurring

	<u>Originating</u>	<u>Terminating</u>
6. <u>Tandem Switched Termination</u> Per Access Minute, Per Termination	\$0.002171	\$0.002171

The Tandem Switched Termination rate recovers a portion of the costs of the circuit equipment that is necessary for the termination of each end of the Tandem Switched Facility.

7. <u>Tandem Switched Facility</u> Per Access Minute, Per Mile	\$0.000418	\$0.000418
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The Tandem Switched Facility rate recovers a portion of the costs of the transmission facilities, including intermediate transmission circuit equipment, between the end points of the interoffice circuits.

8. <u>Tandem Switching</u> Per Access Minute Per Tandem	\$0.005476	\$0.005476
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The Tandem Switching rate recovers a portion of the costs of switching traffic through the Telephone Company’s Access Tandem.

	<u>Monthly Rate</u>
9. <u>Direct Trunked Termination</u> Per Termination	
High Capacity DS1	\$ 56.63
High Capacity DS3	\$363.66

Direct Trunk Termination rate covers the costs of the circuit equipment that is necessary for the termination of each end of the Direct Trunked Facility.

	<u>Monthly Rate</u>
10. <u>Direct Trunked Facility</u> Per Mile	
High Capacity DS1	\$ 10.92
High Capacity DS3	\$ 95.08

The Direct Trunked Facility rate covers the transmission facilities, including intermediate transmission circuit equipment, between the end points of the interoffice circuits.

INTRASTATE SWITCHED ACCESS SERVICE

B. Switched Access Rate Elements – Local Transport Restructure (“LTR”) – Recurring

11.	<u>Multiplexing</u>	<u>Monthly Rate</u>
	Per DS3-DS1 Arrangement	\$331.80

The Multiplexing rate applies when a High Capacity DS3 Direct Facility is connected with High Capacity DS1 Direct Transport.

12.	<u>800 Data Base Access Service Queries</u>	
	Per Query	
	Basic	\$0.008000
	Vertical Feature	\$0.008400

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 SERVICE

C. Switched Access Rate Elements Other – Local Transport Restructure (“LTR”) – Nonrecurring

	<u>Non Recurring Rate</u>
1. <u>Access Order Charge</u> Per Order	\$ 86.00
2. <u>Multiplexing – DS3 to DS1</u> Per Arrangement	\$331.80
3. <u>Direct Trunk Transport</u> Per 24 Trunks Activated or Fraction	\$476.80

D. Presubscription

- | | | |
|----|---|---------|
| 1. | <u>PIC Change</u> | \$ 5.50 |
| a. | Per Telephone Exchange Service Link or Trunk | |
| b. | This charge is billed to the end user who is the Subscriber to the Telephone Exchange Service. | |
| c. | This charge applies per LATA PIC changed. | |
| d. | In the event an end user is incorrectly presubscribed due to misassignment on the part of the Company, no charge shall apply. In the event an end user is incorrectly presubscribed due to misassignment of the part of the IC, and the IC is unable to document such an assignment, the Company will apply the charge to the IC responsible for the misassignment of the end user and assign the end user to an IC of the end user’s choice. | |

INTRASTATE SWITCHED ACCESS SERVICE

E. Switched Access - Toll VoIP-PSTN Traffic**1. General**

This section governs the identification of Toll VoIP-PSTN Traffic which the FCC in its Report and Order in WC Dockets Nos. 10-90, etc., F.C.C. Release No. 11-161 (November 18, 2011) (F.C.C. Order) has allowed it to be tariffed in both federal and state access tariffs unless the parties have a negotiated agreement.¹ The Telephone Company recognizes that according to the FCC Order all VoIP-PSTN traffic is governed by section 251(b)(5) Framework including Toll PSTN VoIP Traffic which is included in this tariff.

For the purposes of this Tariff, Toll VoIP-PSTN Traffic is defined as interexchange traffic exchanged between a Telephone Company end user and the customer in Time Division Multiplexing (TDM) format that originates and/or terminates in Internet Protocol (IP) format. Toll VoIP-PSTN traffic originated and/or terminates in IP format when it originates from and/or terminates to an end user customer of a service that requires IP-compatible customer premises equipment.

The customer shall deliver all Toll VoIP-PSTN traffic on its facilities that deliver other voice access traffic. Toll VoIP-PSTN traffic shall not be delivered on local trunk groups. 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 F.C.C. Order.

Toll VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Telephone Company's applicable tariffed interstate switched access rates as set forth in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 5. If the F.C.C. Order is stayed or overturned, Toll VoIP-PSTN Traffic that is jurisdictionally intrastate will be billed at rates under this tariff. This Section is to comply with the F.C.C. Order.

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Filed With: ND Public Service Commission

Effective Date: 12/29/11

Case Number: PU-12-61

¹ Although the Company has taken the position that this tariff, by its own terms, already applies to VoIP-PSTN traffic, as defined herein, the Company has included this Section in the tariff out of an abundance of caution to prevent any claim that it does not so apply, and to implement the decision by the Federal Communications Commission in its Report and Order in WC Docket Nos. 10-90, etc., FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order") that VoIP-PSTN access traffic should be exchanged at interstate access rates (unless the parties have agreed otherwise). By its terms, the FCC Order is prospective only, and does not address preexisting law with regard to the applicability of intercarrier compensation or the enhanced service providers ("ESP") exemption to VoIP-PSTN Traffic.

B. Switched Access - Toll VoIP-PSTN Traffic

1. Calculation and Application of Percent-VoIP- Usage Factors
 - a. The Telephone 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 Percent Toll VoIP-PSTN Usage (PVU) factor to the total intrastate access MOU originated by a Telephone Company end user and delivered to the customer, and by applying a terminating PVU factor to the total intrastate access MOU terminated by a customer to the Telephone Company's end user.
 - b. The customer will calculate and furnish to the Telephone Company an originating PVU factor representing the whole number percentage of the customer's total originating intrastate access MOU that the customer exchanges with the Telephone Company in the state that is received from the Telephone Company and that is terminated in IP format and that would be billed by the Telephone Company at interstate rates.
 - c. The customer will calculate and furnish to the Telephone Company a terminating PVU factor representing the whole number percentage of the customer's total terminating intrastate access MOU that the customer exchanges with the Telephone Company in the state that is sent to Telephone Company and which originated in IP format and that would be billed by the Telephone Company as interstate access MOU.
 - d. The customer shall not modify their reported PIU factor to account for Toll VoIP-PSTN Traffic.
 - e. Both the customer provided originating PVU and the terminating PVU shall be based on information such as the number of the customer's retail Toll VoIP subscriptions in the state (e.g. as reported on F.C.C. Form 477), traffic studies, actual call detail or other relevant and verifiable information which will be provided to the Telephone Company upon request.
 - f. The customer shall retain the call detail, work papers, and information used to develop the PVU factors for a minimum of one year.

B. Switched Access - Toll VoIP-PSTN Traffic

1. Calculation and Application of Percent-VoIP- Usage Factors
 - g. If the Customer does not furnish the Telephone Company with a PVU factor according to Section 13.(B), the Telephone Company will utilize a PVU equal to zero.
2. PVU Factor

The customer may provide a PVU to Telephone Company upon the effective date of this Tariff or with an initial order. Such PVU shall be implemented in the billing cycle following the receipt of the PVU. The customer may update the PVU factors quarterly using the method set forth in Section 13.(B). If the customer chooses to submit such updates, it shall forward to the Telephone 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 based on the updated PVU factors.

PVU Factor Verification

- a. Not more than twice in any year, the Telephone Company may request from the customer an overview of the process used to determine the PVU factors, the call detail records, description of the method for determining how the end user originates and terminated call in IP format, and other information used to determine the customer's PVU factors furnished to the Telephone Company in order to validate the PVU factors supplied. The customer shall comply, and shall reasonably supply the requested data and information within 15 days of the Telephone Company's request.

B. Switched Access - Toll VoIP-PSTN Traffic

2. PVU Factor

The Telephone Company may dispute the Customer's PVU factor based upon:

A review of the requested data and information provided by the customer,

The Telephone Company's reasonable review of other market information, F.C.C. reports on VoIP lines, such as F.C.C. Form 477 or state level results based on the F.C.C. Local Competition Report or other relevant data.

A change in the reported PVU factor by more than five percentage points from the preceding quarter.

- a. If after review of the data and information, the customer and the Telephone Company established revised PVU factors, the Telephone Company will begin using those revised PVU factors with the next bill period.
- b. If the dispute is unresolved, the Telephone Company may initiate an audit. The Telephone 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.

In the event that the customer fails to provide adequate records to enable the Telephone Company or an independent auditor to conduct an audit verifying the customer's PVU factors, the Telephone Company will bill the usage for all contested periods using the most recent undisputed accepted PVU factors reported by the customer. These PVU factors will remain in effect until the audit can be completed.

During the audit, the most recent undisputed PVU factors from the previous reporting period will be used by the Telephone Company.

B. Switched Access – Toll VoIP-PSTN Traffic

2. PVU Factor

- c. The Telephone Company will adjust the customer's PVU factors 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 factors will apply for the next two quarters before new factors can be submitted by the customer.

If the audit supports the customer's PVU factors, the usage for the contested periods will be adjusted to reflect the customer's audited PVU factors.

As used in this Section, "Toll VoIP-PSTN Traffic" is defined as interexchange traffic exchanged between a Telephone Company end user and the customer in Time Division Multiplexing (TDM) format that originates and/or terminates in Internet Protocol (IP) format. Toll VoIP-PSTN traffic originates and/or terminates in IP format when it originates from and/or terminates to an end user customer of a service that requires IP-compatible customer premises equipment.

DEFINITIONS

Customer Message

A completed intrastate call originated by a customer's end user. A customer message begins when answer supervision from the premise of the ordering customer is received by Telephone Company recording equipment indicating that the called party answered. A message ends when disconnect supervision is received by Telephone Company recording equipment from either the premise of the ordering customer or the customer's end user premise from which the call originated.

Customer Designated Premises

The premises specified by the customer for the provision of Access Service.

Customers

Any individual, partnership, association, joint-stock company, trust, corporation, or governmental entity or other entity which orders to the services offered under this tariff, including Local Exchange Carrier(s), Interexchange Carrier(s) (IC's), providers of originating and terminating VoIP-PSTN traffic and End Users(s).

Initial Billing Company

A telephone company who bills Local Transport access charges to Interexchange Carriers on behalf of one or more Local Exchange Carriers.

Interconnection Point

This is a point where a facility of the Telephone Company meets facilities of a connecting exchange telephone company. This point can be defined as the Vertical and Horizontal coordinate of this location as calculated in NECA Tariff #4 online system.

Interexchange Carrier (IC) or Interexchange Common Carrier

Any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged for hire in intrastate communication by wire or radio, between two or more exchanges.

Internet Protocol (IP)

The term "Internet Protocol" denotes a packet data-oriented protocol used for communicating call signaling information.

Interstate Call

A term which denotes both interstate and foreign communications.

Intrastate Call

Any toll communications which originates and terminates in the same state.

Originating Direction

The use of access service for the origination of calls from an End User Premises to an IC Premises or a Customer's Premises.

DEFINITIONS

Pay Telephone

Telephone Company, or privately provided instruments and related facilities that are available to the general public for public convenience and necessity, including public and semipublic telephones, and coinless telephones.

Point of Termination

The point of demarcation within a customer-designated premises at which the Telephone Company's responsibility for the provision of Access Service ends.

Premises

A building or building on continuous property (except Railroad Right-of-Way, etc.) not separated by a public highway.

Public Switch Telephone Network (PSTN)

Public Switch Telephone Network refers to the local, long distance and international phone system which we use every day. In the United States, PSTN refers to the entire interconnected collection of local, long distance and international phone companies, which could be thousands.

Remote Switching Modules and/or Remote Switching Systems

Small, remotely controlled electronic end office switches which obtain all or part of their call processing capability from a Host Office. The Remote Switching Modules and/or Remote Switching Systems cannot accommodate direct trunks.

Termination Direction

The use of Access Service for the completion of calls from an IC premises or a Customer's premises to an End User Premises.

Toll VoIP-PSTN Traffic

The term "toll VoIP-PSTN Traffic" denotes a customer's interexchange voice traffic exchanged with the Telephone Company in Time Division Multiplexing format over PSTN facilities, which originates and/or terminates in Internet Protocol (IP) format. "Toll VoIP-PSTN Traffic" originates and/or terminates in IP format when it originates from and/or terminates to an end user customer of a service that requires IP-compatible customer premises equipment.

Trunk

A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

Trunk Group

A set of trunks which are traffic engineered as a unit for the establishment of connections between switching Systems in which all of the communications paths are interchangeable.

DEFINITIONS

Trunk Side Connection

The connection of a transmission path to the trunk side of a local exchange switching system. This type of connection is used when providing FGC and FGD Switched Access Service.

VoIP-PSTN Traffic

VoIP-PSTN Traffic is defined as traffic exchanged between the Company end user and the Customer in TDM format that originates and/or terminates in IP signaling format. VoIP- PSTN traffic includes tariff that is jurisdictionally local, intrastate IntraLATA, Intrastate InterLATA and interstate.

Wire Center

A building in which one or more central offices, used for the provision of Telephone Exchange Services, are located.