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January 12, 2012

Ms. Jocelyn Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29211

Dear Ms. Boyd:

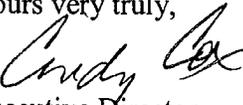
TC Systems, Inc. respectfully submits the following tariff pages for filing with the Public Service Commission of South Carolina:

Access Services Tariff

|               |                       |
|---------------|-----------------------|
| Section 2.3.5 | First Revised Page 15 |
|               | Original Page 15.1    |
|               | Original Page 15.2    |
|               | Original Page 15.3    |
|               | Original Page 15.4    |
|               | Original Page 15.5    |
| Section 2.3.6 | Original Page 15.6    |

This filing adds language to TC Systems' intrastate tariff to implement the transitional Intercarrier Compensation framework for "VoIP-PSTN traffic" that the FCC adopted in its Intercarrier Compensation Order. *See, e.g.,* Report and Order for Further Notice of Proposed Rulemaking, *In the matter of Connect America Fund*, WC Docket Nos. 10-90 etc., FCC Release No. 11-161, 2011 WL 5844975 at ¶¶933-74 (Rel. November 18, 2011).

Yours very truly,

  
Executive Director

ISSUED: JANUARY 12, 2012  
EFFECTIVE: JANUARY 26, 2012  
CAROL PAULSEN, DIRECTOR

## 2. GENERAL REGULATIONS

### 2.3 Obligations of the Customer (Cont'd)

#### 2.3.5 Determination of Charges for Mixed Intrastate, Interstate and/or Local Usage

##### A. Usage Sensitive Rate Elements

(C)

When the Customer's usage has mixed intrastate and interstate traffic, for that portion of the usage for which the Company is unable to determine the appropriate jurisdiction, the usage charges will be prorated between the intrastate and interstate. The jurisdictional percentages or default procedure set forth in 2.3.4, preceding, will serve as the basis for prorating the charges.

##### B. Monthly and Nonrecurring Chargeable Rate Elements

(C)

When the jurisdiction of the rate element can be determined by the Company the charges applicable to the appropriate jurisdiction will be applied. Rate elements for which the Company cannot determine the appropriate jurisdiction will be prorated between intrastate and interstate. The jurisdictional percentages or default procedure set forth in 2.3.4, preceding, will serve as the basis for prorating the charges.

(M)

##### C. Identification and Rating of VoIP-PSTN Traffic

(N)

###### 1. Scope

This section applies to VoIP-PSTN (Voice over Internet Protocol-Public Switched Telephone Network) traffic exchanged between the Company and the Customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. VoIP-PSTN 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.

/1/ Although the Company has taken the position that this Service Guide, by its own terms, already applies to VoIP-PSTN traffic, as defined herein, the Company has included this section in the Service Guide 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. Including this section in the Service Guide in no way alters or otherwise affects the applicability of this Service Guide to VoIP-PSTN Traffic before the effective date of the FCC Order.

(N)

(M) Moved to Section 2, Original Page 15.6.

(N)

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## 2. RULES AND REGULATIONS

### 2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

#### 2.3.5 Determination of Charges for Mixed Intrastate and Interstate Usage (Cont'd)

##### C. Identification and Rating of VoIP-PSTN Traffic (Cont'd)

###### 1. Scope (Cont'd)

- a. This section governs the identification of originating and terminating intrastate toll VoIP-PSTN traffic and facilities to which interstate switched access rates apply (unless the parties have agreed otherwise) in accordance with the transitional Intercarrier Compensation framework for VoIP-PSTN traffic adopted by the Federal Communications Commission in its Report and Order, FCC Release No. 11-161 (Nov. 18, 2011) ("FCC Order"). Specifically, this section establishes the method that will be used to identify the percentage of the Customer's intrastate access traffic, that will be treated as intrastate toll VoIP-PSTN traffic (referred to in this Service Guide as "Relevant VoIP-PSTN Traffic"),
- b. This section applies to originating and terminating intrastate switched access minutes of use ("MOU") and facility rate elements of all Access customers.
- c. The Customer shall not modify its reported PIU factor to account for the VoIP-PSTN Traffic for MOU and facility rate elements.

###### 2. Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic and facility rate elements identified in accordance with this Service Guide section will be billed at rates equal to the Company's applicable tariffed interstate switched access rates as specified at <http://serviceguide.att.com/ABS/ext/TariffDetails.cfm>, TCG FCC No. 2, Section 5, Paragraphs. 5.3 and 5.53.

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## 2. RULES AND REGULATIONS

### 2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

#### 2.3.5 Determination of Charges for Mixed Intrastate and Interstate Usage (Cont'd)

#### C. Identification and Rating of VoIP-PSTN Traffic (Cont'd)

#### 3. Calculation and Application of Percent-VoIP Usage Factors

The Company will determine the number of Relevant VoIP-PSTN Traffic MOU and facility rate elements to which interstate rates will be applied under paragraph (2), above, by applying the Percent VoIP Usage ("PVU") factor to the intrastate access MOU exchanged and facilities between the Company and the Customer. The PVU factors will be derived and applied as follows:

- a. The Customer will calculate and furnish to the Company a factor (the "PVUC") delineated by Carrier Identification Code ("CIC") or Operating Company Numbers ("OCNs"), representing the percentage (whole number) of the total intrastate access MOU that the customer exchanges with the Company end users in the State, that (a) is sent to the Company that originated in IP format at the end user; or (b) is received from Company and terminated in IP format at the 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 Company.
- b. The Company will calculate and periodically update a factor (the "PVUT") representing the percentage (whole number) of the total intrastate access MOU that the Company exchanges with the customer end users in the State, that (a) is sent to the Customer that originated in IP format at the end user; or (b) is received from the Customer and terminated in IP format at the end user. 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.

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## 2. RULES AND REGULATIONS

### 2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

#### 2.3.5 Determination of Charges for Mixed Intrastate and Interstate Usage (Cont'd)

#### C. Identification and Rating of VoIP-PSTN Traffic (Cont'd)

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

c. The Company will develop a Customer Percent VoIP Usage ("PVU") factors combining the Customer's PVUC factor with the Company's PVUT factor.

i. The PVU calculation below is applied when the Company does not bill based on actual call detail records for the intrastate Company's IP traffic at interstate rates.

$PVU = PVUC + [PVUT \times (1 - PVUC)]$  applied to the Company's end user's total intrastate MOU and facility rate elements.

Example: The Customer reported that their PVUC as 40%. The Company'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 Intrastate MOU exchanged between the Customer and the Company's end users will be rated at Interstate rates.

ii. The PVU calculation below is applied when the Company bills are based on the actual call detail records for the intrastate Company's IP traffic at interstate rates.

The formula for usage will be as follows:

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

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

Example: The Company has identified that there was 10,500 Intrastate MOU that were identified exchanged between the Customer and the Company's IP end users. The Customer reported that their PVUC as 40%. The Company's PVUT is 10%. This results in the following:

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

This means that 36% of the Intrastate MOU exchanged between the Customer and the Company's TDM end users will be rated at Interstate rates and the intrastate 10,500 MOU will also be rated at Interstate rates.

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## 2. RULES AND REGULATIONS

### 2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

#### 2.3.5 Determination of Charges for Mixed Intrastate and Interstate Usage (Cont'd)

#### C. Identification and Rating of VoIP-PSTN Traffic (Cont'd)

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

##### c. (Cont'd)

##### ii. (Cont'd)

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

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

Therefore 46% of the Intrastate facilities will be rated at interstate rates.

##### d. If the Customer does not furnish the Company with a PVUC pursuant to paragraph (3)(a) above, the Company will utilize a customer PVUC of 0%.

#### 4. Initial PVU Factor

If the PVU factors are not available and/or cannot be implemented in the Company's billing systems by January 1, 2012, when the factors are available and can be implemented in the Company billing systems, the Company will adjust the Customer's bills to reflect the PVU factors as of January 2012 usage and facilities. In calculating the initial PVU factors, the Company will employ the customer-specified PVUC as of January 2012 usage and facilities, provided that the Customer provides the factor to the Company no later than April 15, 2012. Otherwise, it will set the initial PVU factors as specified in paragraph(3)(d) above.

#### 5. PVU Factor Updates

The Customer may update the PVUC factor quarterly using the method set forth in paragraphs (3)(a) and (d), 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 PVUC 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 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.

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2. RULES AND REGULATIONS

2.3 OBLIGATIONS OF THE CUSTOMER (Cont'd)

2.3.5 Determination of Charges for Mixed Intrastate and Interstate Usage (Cont'd)

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

6. PVU Factor Verification

Not more than twice in any year, the Company may ask the Customer to verify the PVUC factor furnished to the Company. The Customer shall comply, and shall reasonably provide the records and other information used to determine their PVUC as specified in paragraphs (3)(a) and (d) 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 Company's tariffs, Service Guides, Guidebooks or applicable law requires a longer period). The verification process shall be conducted consistent with the provisions in this Section.

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2. GENERAL REGULATIONS

2.3 Obligations of the Customer (Cont'd)

2.3.6 SS7 Signaling; Call Detail Information

(M1)

A. SS7 Signaling

The Customer will use SS7 signaling to set up Calls pursuant to this tariff. The Customer shall provide Calling Party Number (CPN) within the SS7 signaling message, if available. If it is technically infeasible for the Customer to use SS7, multi-frequency (MF) signaling shall be used by the Customer. The Customer may elect to arrange for signaling connectivity through a third party provider which is connected to the Company's SS7 network.

B. Call Detail Information

To the extent not provided pursuant to A. preceding, the Customer shall, to the extent technically feasible and consistent with industry standards, cause to be transmitted to the Company with each Call information sufficient to identify the originating and terminating telephone numbers for such Call and each Carrier (including the Customer) with respect to such Call.

(M1)

(M1) Moved from Section 2, Original Page 15.

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