

From: Pat Mastel [mailto:pmastel@orbitcominc.net]
Sent: Monday, July 16, 2012 9:04 AM
To: Jacobson, David
Subject: RE: TC12-054 Data request #2

Mr. Jacobson,

Please see OrbitCom's responses below.

2-1. Please explain why minutes of use (MOU) is not a factor in determining the new transition rates.

RESPONSE: The MOUs are the volume used and have nothing to do with the rate. The same rate is applied to all IXC minutes, whether their volume is 10,000 MOUs or 10,000,000 MOUs. The rate was calculated as per the chart on pages 270-271 of the FCCs Order.

2-2. Please describe the derivation of the .008610 local switching rate found in the workpaper.

RESPONSE: OrbitCom's followed the FCC's wording in calculating the new Local Switching- Terminating by reducing the rate by 50% of the differential between the existing rate (0.008610) minus the Dec. 31, 2011 Interstate rate for local switching (0.001974) which equals $0.008610 - 0.001974 = 0.006636 \times 50\% = 0.003318$. This number (0.003318 is subtracted (FCC = "reduced by") from the existing rate (0.008610) which results in the new rate of 0.005292.

2-3. Please describe the derivation of the .038420 Carrier Common line rate found in the workpaper and explain why this method of rate calculation is appropriate.

RESPONSE: OrbitCom's followed the FCC's wording in calculating the new Carrier Common Line rate. However, since there is no interstate CCL, OrbitCom used the same procedure the Iowa Utilities Board required in its intrastate access terminating rate reductions, that is, the new rate for terminating access is arrived at by reducing the existing CCL access rate by 50%.

2-4. Regarding the calculation of the "Tandem Transport Terminating" rates on the workpaper supplied in response 1-1, the rates .000273 (8 to 25 miles), .000308 (26 to 50 miles) and .000311 (over 50 miles) can be found on OrbitCom's existing South Dakota intrastate tariff, however the wording in the South Dakota tariff indicates these may be originating rates. The same language discrepancy occurs in OrbitCom's FCC tariff and the .000240 rate shown on the workpaper. Please explain this discrepancy.

RESPONSE: The rates for Tandem or Host Transport Originating & Terminating on the existing tariff, Section 15.1.3.4.3, page 69, are for both originating and terminating as the rates were the same for both originating and terminating tandem transport. The originating tandem transport rates remains the same in the new tariff as in the old tariff as the FCC did not order any originating rate to be adjusted. Because only the terminating rate must be

reduced, originating and terminating rates are now shown separately. The Interstate Access rates are the same for originating and terminating access.

2-5. Provide the TDM rate, or calculation of the TDM rate if not specifically tariffed, applicable to VOIP traffic.

RESPONSE: The TDM rates are the same as the originating TDM rates listed in the new tariff which are the same as the Originating and terminating rates listed in the old tariff. Taken from the new tariff, they are:

15.1.3.4.1 Local Switching

Feature Groups B & D

Per Access Minute of Use

Originating \$0.008610

15.1.3.4.2 Carrier Common line Rates

Per Access Minute of Use

Originating \$0.038420

15.1.3.4.3 Switched Transport Usage Rates

Access Rate
Per Minute

Access Rate
Per Mile

Local Transport

Originating \$0.000000 \$0.000000

Tandem Switching

Originating \$0.007700 \$0.007700

Tandem Transport Originating

Per Minute

Per Mile

Between 0 and 8 miles \$0.000237 \$0.000015

Over 8 to 25 Miles \$0.000273 \$0.000018

Over 26 to 50 Miles \$0.000308 \$0.000019

Over 50

miles \$0.000311 \$0.000020

2-6. Regarding OrbitCom's response to question 1-5 in Staff's first data request, please find attached page 66 and 67 of OrbitCom's existing South Dakota access tariff and OrbitCom's proposed sheets 66 and 67. Is it OrbitCom's intent to remove the language currently existing on sheets 66 and 67?

RESPONSE: OrbitCom is not deleting any language on the new tariff. As indicated on page 4 of the tariff, where OrbitCom is changing language, there is a (C). Where OrbitCom is reducing a rate, the reduction is indicated by an (R). New language is indicated with an (N). There are no deletions of language. Therefore the "First Revised Page No. 66" and the "First Revised Page No. 67" will be replacing the current tariff pages 66 and 67 which are labeled "Original Page No. 66" and "Original Page No. 67".

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From: David.Jacobson@state.sd.us [mailto:David.Jacobson@state.sd.us]
Sent: Friday, July 13, 2012 5:14 PM
To: pmastel@orbitcominc.net
Cc: Karen.Cremer@state.sd.us
Subject: TC12-054 Data request #2

Patrick:
Following is Staff's second data request in Docket TC12-054.

- 2-1. Please explain why minutes of use (MOU) is not a factor in determining the new transition rates.
- 2-2. Please describe the derivation of the .008610 local switching rate found in the workpaper.
- 2-3. Please describe the derivation of the .038420 Carrier Common line rate found in the workpaper and explain why this method of rate calculation is appropriate.
- 2-4. Regarding the calculation of the "Tandem Transport Terminating" rates on the workpaper supplied in response 1-1, the rates .000273 (8 to 25 miles), .000308 (26 to 50 miles) and .000311 (over 50 miles) can be found on OrbitCom's existing South Dakota intrastate tariff, however the wording in the South Dakota tariff indicates these may be originating rates. The same language discrepancy occurs in OrbitCom's FCC tariff and the .000240 rate shown on the workpaper. Please explain this discrepancy.
- 2-5. Provide the TDM rate, or calculation of the TDM rate if not specifically tariffed, applicable to VOIP traffic.

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Please reply or contact me if you have any questions regarding the above.

Thank you,

Dave Jacobson
SDPUC
605-773-3201