

**Qwest Corporation d/b/a CenturyLink QC – South Dakota**  
**Description of Methodology**

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the Transitional Intrastate Access Service reductions required by 47 C.F.R. §51.907(b). CenturyLink's supporting calculations utilize the "ICC-Access Reduction" template released by the Federal Communications Commission ("FCC") on April 19, 2012, for calculating the July 3, 2012 intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate reductions and identifies in detail the intrastate access rates that are required to be reduced consistent with the rules. The access rates to be reduced are referred to by the FCC as "Transitional Intrastate Access Service" and defined to include rates within the following categories:

- Terminating End Office Access Service
- Terminating Tandem-Switched Transport Access Service
- Originating and Terminating Dedicated Transport Access Service

Section 51.907(b) of the FCC Rules sets forth the specific steps to calculate the rates for Transitional Intrastate Access Service to be effective July 3, 2012.

1. Calculate total revenue from Transitional Intrastate Access Service at the interstate access rates in effect on December 29, 2011 using Fiscal Year 2011 intrastate switched access demand for each rate element (defined by the FCC as the period from October 2010 through September 2011).
2. Calculate total revenue from Transitional Intrastate Access Service at the intrastate access rates in effect on December 29, 2011 using Fiscal Year 2011 intrastate switched access demand for each rate element.
3. Calculate the Step 1 Access Revenue Reduction which is equal to one-half of the difference between the amounts calculated in steps 1 and 2 above.
4. Calculate the rates for Transitional Intrastate Access Service such that the revenues from Transitional Intrastate Access Service revenue at the proposed rates is no greater than the total revenues calculated in step 2 less the access revenue reduction calculated in step 3.

The required Access Revenue Reduction from Step 3 was accomplished in the following manner. The required Access Revenue Reduction was targeted to the Carrier Common Line Terminating Rate Element and can be found in column (H). The revenue reduction impact can be found in column (J).