SECTION 5. SWITCHED ACCESS

VIII.   Rates and Charges (Continued)

K.   Calculation and Application of Percent VoIP-PSTN Usage

Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied by applying a Percent VoIP Usage ("PVU") factor to the intrastate access MOU exchanged between a Company End User and the Customer. The PVU will be derived and applied as follows.   **(T)**

1. The Customer will calculate and furnish to Company a factor (the "PVU-A") representing the percentage of the terminating[1] intrastate access MOU that the Customer exchanges with Company in the State, that is sent to Company and that originated in IP format. This PVU-A 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.   **(T)**

2. Company will similarly calculate a factor (the "PVU-B") representing the percentage of Company's terminating[1] intrastate access MOU in the State that Company terminates[1] on its network in IP format. This PVU-B shall be based on information such as the number of Company'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.   **(T)** **(T)**

3. Company will use the PVU-A and PVU-B factors to calculate a PVU factor that represents the percentage of terminating[1] intrastate access MOU exchanged between a Company End User and the Customer that is originated or terminated in IP format, whether at the Company's end, at the Customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-A factor and (B) the PVU-B factor times (1.0 minus the PVU-A factor).   **(T)**

[1] Effective July 1, 2014, Originating and Terminating VoIP-PSTN traffic will be subject to this provision.   **(N)**