June 9, 2017

Missouri Public Service Commission
Governor Office Building
200 Madison
P.O. Box 360
Jefferson City, MO 65102-0360

Dear Secretary:

Attached for electronic filing are revisions to the Embarq Missouri, Inc. d/b/a CenturyLink, Access Service Tariff, P.S.C. MO.-No. 26. These revisions are filed, in accordance with Missouri Public Service Commission Rules and Regulations and electronically submitted with a May 1, 2017 issue date and a proposed effective date of July 1, 2017.

This filing proposes a revision to the May 1, 2017 tariff filing (Tracking No.: YI-2017-0229; Case No.: TT-2012-0317). The Tandem Switched Transmission – Termination rates on Pages 263.12 and 694 have been revised and the new tariff pages should replace the previously filed pages. The factors used to determine the Terminating 3rd Party demand were revised resulting in the Terminating End Office rates to change slightly. These newly revised rates will be filed in the CenturyLink Operating Companies F.C.C. No. 9 tariff on June 16, 2017.

The list of tariff sheets reflecting a change are provided in Attachment A following.

A narrative describing the methodology and supporting calculations utilized by CenturyLink to implement the Terminating Switched End Office Access Service reductions is provided in Attachment B following.

Should you have questions or need additional information regarding this filing, please contact me or Doug Galloway at (573) 634-1511.

Sincerely,

Christina L. Chushuk

Christina L. Chushuk
Manager – Regulatory Operations

Attachments

Pc: Gerry Flurer
Office of Public Counsel (e-mail)

17-08A

600 New Century Pkwy
New Century, KS 66211
Tel: 913.353.7070
Fax: 913.791.2375
chris.chushuk@centurylink.com

Attachment A

The following tariff pages are being revised:

Tariff
Second Revised Page 263.12
Second Revised Page 694

Embarq Missouri, Inc.
d/b/a CenturyLink

Description of Methodology

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the process of reducing terminating switched end office rates to bill-and-keep (not to exceed $0.0000/MOU) and terminating traffic traversing a tandem switch. When a CenturyLink Price Cap ILEC owns the tandem and a CenturyLink Price Cap ILEC owns the terminating End Office Switch, the tandem switched rates will be considered "Tandem-to-End Office" and will transition to $0.0007/MOU as required by 47 C.F.R. §51.907(g)[1], which addresses changes beginning July 1, 2017. All other tandem traffic that traverses a CenturyLink Price Cap ILEC-owned tandem and does not terminate to an end user served by a CenturyLink Price Cap ILEC end office will be considered "Tandem-to- 3rd Party" and will continue to be billed at the current Interstate rates, including tandem traffic traversing a CenturyLink Price-Cap ILEC-owned tandem to an affiliated CenturyLink CLEC end office. Tandem-Switched Transport charges associated with traffic traversing a non-CenturyLink Price Cap ILEC-owned tandem, but terminating to a CenturyLink-owned end office will also remain at current Interstate rates. CenturyLink's supporting calculations utilize the "Access Reduction Spreadsheet" template released by the Federal Communications Commission ("FCC") on April 24, 2017 for calculating the July 1, 2017 Interstate and Intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate changes and identifies, in detail, the Interstate access rates that are required to be changed consistent with the FCC rules. Step 6 of the USF ICC Transformation Order adjusts Interstate Terminating End Office Access rates down to the target composite rate of $0.0000/MOU and Tandem-Switched Transport to the target composite rates as discussed above. The Interstate rates will be mirrored on the Intrastate side so that rates will remain in parity.

Section 51.907(g) of the FCC rules required the Access Reduction Spreadsheet to be modified to reflect rate reductions for July 1, 2017. For Price Cap carriers that file Interstate tariffs assessing a single rate applicable in different states, the Interstate demand utilized shall be the sum of the demand for all of the states included in the tariff, rather than making separate state-by-state calculations. For companies with a single rate in multiple states, the calculations are done at the regional level and the regional rates are mirrored in each study area[2]. For individual study areas, the calculations are done at the study area level. An overview of the steps and methodology used to reduce terminating End Office and Tandem-Switched Transport access rates are as follows:

1. Lower the terminating End Office Switched Access Rates to bring the 2017 composite rate to zero.
2. Establish the 2011 Baseline Composite Terminating Tandem-Switched Transport Access Rate by splitting the Tandem- Switched Transport demand between various traffic scenarios. Tandem-to-End Office traffic is the affiliate-terminated traffic that the Order requires for further transitions/reductions. This traffic was identified by using a relationship of 2016 traffic and applied to the demand already loaded in the model. Dedicated Tandem Trunk Ports are not part of the transition per Rule 51.903(i) that expressly excludes rate elements in Part 69.111.
3. Calculate the 2017 Target Composite Terminating Tandem-Switched Transport Access Rate for Tandem-to-End Office by reducing the 2011 Baseline Composite Terminating Tandem-Switched Rate to not exceed $0.0007/MOU.
4. Calculate the individual Interstate Terminating Tandem-Switched Access Tandem-to-End Office rate levels such that the reduced rates and demand will equal the 2017 Target Composite Terminating Tandem-Switched Access Rate.
5. Set Intrastate Terminating End Office and Tandem-Switched Transport Access rates equal to their functionally equivalent Interstate rates.
6. Prepare Intrastate and Interstate tariff documents as required by each tariff jurisdiction.

[1] Per guidance from FCC Staff.

[2] See footnote No. 27 in clarification order: Connect America Fund, et al., DA 14-434, WC Docket No. 10-90 et al.