

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING BY )  
VERIZON DELAWARE LLC TO MAKE TEXTUAL ) PSC DOCKET NO. 12-005T  
CHANGES TO ITS ACCESS SERVICE )  
(FILED JUNE 14, 2012) )

ORDER NO. 8175

This 3<sup>rd</sup> day of July 2012, the Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on June 14, 2012, Verizon Delaware LLC ("Verizon DE") filed with the Commission proposed tariff revisions to its Access Service tariff, specifically P.S.C. - Del. - No. 35; and

WHEREAS, these proposed tariff revisions update Verizon DE's methodology for separating relevant VoIP-PSTN traffic from access traffic that Verizon DE will bill at applicable intrastate switched access rates and will put Verizon DE in compliance with the Second Reconsideration Order of the Federal Communications Commission ("FCC") in WC Docket Nos. 10-90, et al., released on April 25, 2012; and

WHEREAS, Verizon DE also requested a waiver of the statutory requirement of 60-days' notice for these tariff changes.<sup>1</sup> As "good cause" for the waiver, Verizon DE stated that the FCC's Second Reconsideration Order was published in the Federal Register on May 29, 2012, but requires Verizon DE to implement the changes to its Access Service tariff effective July 13, 2012. Thus, Verizon DE was not able to provide 60 days' notice to the Commission. In addition, Verizon DE

---

<sup>1</sup> See 26 Del. C. §304(a); see also 26 Del. Admin. C. §§4003-3.5.1.7 and 3.5.1.8.

must still meet the requirements of the FCC Order to implement the tariff changes effective July 13, 2012; and

**WHEREAS**, Staff has reviewed Verizon DE's filing and does not oppose Verizon DE's requested tariff revisions. In addition, Staff believes that "good cause" exists for granting Verizon DE's waiver request because the tariff changes are being implemented to comply with an FCC Order that was not published until May 29, 2012; and

**WHEREAS**, for the reasons provided by Verizon Delaware LLC, the Commission finds "good cause" to waive the 60-day notice requirement, as required by 26 Del. C. §304(a) and 26 Del. Admin. C. §§4003-3.5.1.7 and 3.5.1.8, and will grant the requested tariff change, effective July 13, 2012;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That for Verizon Delaware LLC's June 14, 2012 tariff filing regarding revisions to its Access Service tariff, the Commission hereby grants a waiver of the 60-day notice requirement for such tariff changes.

2. That the Commission hereby grants Verizon Delaware LLC's June 14, 2012 request for a tariff change to comply with the Second Reconsideration Order of the Federal Communication Commission ("FCC") in WC Docket Nos. 10-90, et al., released on April 25, 2012. The new revised tariff pages are attached as Exhibit "A."

3. That Verizon Delaware LLC is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. §114(b).

4. That the Commission reserves jurisdiction and authority to enter such further Orders in this docket as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

\_\_\_\_\_  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
Secretary

EXHIBIT "A"

REVISED TARIFF LEAF

VERIZON DELAWARE LLC

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

2.3.13 Identification and Rating of VoIP-PSTN Traffic

(A) VoIP-PSTN Traffic is defined as traffic exchanged between a Verizon end user and the customer in time division multiplexing ("TDM") format that originates and/or terminates in Internet protocol ("IP") format. This section 2.3.13 governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates 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) ("Order"), as modified by its Second Order on Reconsideration, FCC Release No. 12-47 (Apr. 25, 2012), and as codified in 47 C.F.R. § 51.319 ("Reconsideration Order"), and unless Verizon and the customer have agreed otherwise. Specifically, this section establishes the method of separating such traffic (referred to in this tariff as "Relevant VoIP-PSTN Traffic") from the customer's traditional intrastate access traffic, so that such Relevant VoIP-PSTN Traffic can be billed in accordance with the FCC Orders:

(T)

(C)

(T)

This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Orders.

(T)

(B) Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to Verizon's applicable tariffed interstate switched access rates as specified in Tariff FCC No. 1. Intrastate access minutes of use not required to be billed at interstate rates pursuant to this section 2.3.13 will be billed in accordance with the other rate provisions of this Tariff (absent an agreement between Verizon and the customer on a different compensation mechanism).

(T)

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

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

(C) Calculation and Application of Percent-VoIP-Usage Factor

Verizon will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection (B), above, through the use of a Percent VoIP Usage ("PVU") factor, which in turn will be based on a PVU-C factor and a PVU-V factor. These factors will be derived and applied as set forth below. The PVU-V and PVU-C factors will be based on information such as the number of Verizon's or 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.

(1) For the period from December 29, 2011 through July 12, 2012, and for the period on and after July 1, 2014: (N)

(a) The customer will calculate and furnish to Verizon a PVU-C factor representing the percentage of the total access MOU that the customer exchanges with Verizon in the State that (a) is sent to Verizon and that originated in IP format; or (b) is received from Verizon and terminated in IP format. A PVU-C factor for the period December 29, 2011 through July 12, 2012 must be submitted by April 15, 2012, in order to apply retroactively to December 29, 2011. A PVU-C factor for the period on and after July 1, 2014 will be submitted by June 1, 2014. (T)

(b) Verizon will, likewise, calculate PVU-V factors for the two periods representing the percentage of Verizon's total access MOU in the State that Verizon originates or terminates on its network in IP format, and will begin applying those PVU-V factors to the calculation of the PVU factor as of December 29, 2011 and July 1, 2014, respectively. (C)

(2) For the period from July 13, 2012 through June 30, 2014: (N)

(a) The customer will calculate and furnish to Verizon, before July 1, 2012, a PVU-C factor representing the percentage of the total access MOU sent by the customer to Verizon in the State that the customer originates in IP format. If the customer submitted a PVU-C factor under section 2.3.13(C) (1) (a) and does not furnish a new factor under this section 2.3.13(C) (2) (a), Verizon will use that previously submitted factor as the PVU-C for purposes of this subsection (2) (a).

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

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

(C) Calculation and Application of Percent-VoIP-Usage Factor (Cont'd)

(b) Verizon will, likewise, calculate a PVU-V factor for this period representing the percentage of Verizon's total terminating access MOU in the State that Verizon terminates on its network in IP format, and will begin applying that PVU-V factor to the calculation of the PVU factor as of July 13, 2012. (N)

(3)

(D) (M)

The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-V factor times (100% minus the PVU-C factor). (C)

(4) For the period from December 29, 2011 through July 12, 2012 and for the period on and after July 1, 2014, Verizon will apply the PVU to the total intrastate access MOU exchanged with the customer to determine the number of such minutes that will be billed at the applicable interstate switched access rates. For the period from July 13, 2012 through June 30, 2014, Verizon will apply the PVU factor to the total terminating intrastate access MOU received from the customer, and the resulting number of minutes will be billed at terminating interstate access rates.

Example 1: For February 2013, the PVU-V is 10% and the PVU-C is 40%. The PVU factor is equal to  $40\% + (10\% \times 60\%) = 46\%$ . Verizon will bill 46% of the customer's terminating intrastate access MOU at its tariffed interstate terminating switched access rates. (C)

Example 2: For September 2014, the PVU-V is 10% and the PVU-C is 0%. The PVU factor is  $0\% + (100\% \times 10\%) = 10\%$ . Verizon will bill 10% of the customer's intrastate access MOU at Verizon's tariffed interstate switched access rates (originating or terminating, as applicable). (C)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

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

(C) Calculation and Application of Percent-VoIP-Usage Factor  
(Cont'd)

Example 3: For a period after December 29, 2011 and prior to July 13, 2012, the PVU-C is 100%. No matter what the PVU-V factor is, the PVU is 100%. Verizon will bill 100% of the customer's intrastate access MOU at Verizon's tariffed interstate switched access rates (originating or terminating, as applicable).

(C) (M)

(C)

(5)

(D)

(D) Initial PVU Factor and PVU Factor Changes

(T)

(1) If the PVU factor for the period from December 29, 2011 to July 12, 2012 is not available and/or cannot be implemented in Verizon's billing systems by December 29, 2011, once that factor is available and can be implemented Verizon will adjust the customer's bills to reflect that PVU retroactively to December 29, 2011. In calculating the initial PVU to be applied from December 29, 2011 to July 12, 2012, Verizon will take the customer-specified PVU-C into account retroactively to December 29, 2011, provided that the customer provides the factor to Verizon no later than April 15, 2012.

(C)

(C)

(C)

(D)

(D)

(2) The customer may submit an updated factor quarterly using the methodology set forth in subsection (C) (1) or (C) (2), above, as applicable. If the customer chooses to submit such updates, it shall forward to Verizon, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. Verizon will use the revised PVU-C to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

(T)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

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

(M)

(E) PVU Factor Verification

(T)

Not more than twice in any year, Verizon may ask the customer to verify the PVU-C factor furnished to Verizon and customer may ask Verizon to verify the PVU-V factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective PVU-C and PVU-V factors.