

Attachment A

Summary of Filing

This filing contains text changes and rate changes. The rate changes separate originating and terminating transport rates and separate originating and terminating tandem switching rates. There are no price changes to originating transport or originating tandem switching. The new separated rates for terminating transport and terminating tandem switching provide a rate reduction for terminating access service. MIEAC is proposing that all changes go into effect on February 26, 2004.

The text changes include:

- 1) changing the footer on every tariff page to reflect the Company's correct address,
- 2) in Section 8.1, page 8-11: adding a second TTP for Minneapolis with V & H coordinates;
- 3) in Section 6.8.1, page 6-55: a text addition clarifying what traffic is covered under the Originating transport rate; and
- 4) in Section 6.8.1, page 6-55: a text addition clarifying what traffic is cover under the originating tandem switching rate.

The two rate charges that have been added to Section 6.8.1, page 6-55 include:

- ? a new rate for Terminating Transport of \$.0008 and
- ? a new rate for Terminating Tandem Switching of \$.0024.

Attachment B

Statement in Support of the Filing

Purpose of filing:

MIEAC (d/b/a Onvoy) is filing revised rates for certain Centralized Equal Access services with a proposed effective date of February 26, 2004. Specifically, Onvoy is separating its originating and terminating rates. The effect of the separation is a price reduction for terminating access.

Product Description:

Onvoy's terminating services provides switching and transport (a network path) between the IXC network and the LEC network. This terminating service provides the needed link or handoff between the IXC and the LEC for those situations where an IXC does not have direct trunks/interconnection with a LEC for terminating service.

Rationale for proposed changes:

The rate changes are proposed to offer more competitive rates for terminating services to IXCs. In the long distance industry, there continues to exist significant downward pressure on rates. Onvoy is responding to this pressure by offering lower rates for terminating switched services that will be competitive to other carriers in Minnesota.

Impact on Customers:

At the present time, MIEAC has very few IXC terminating customers. MIEAC anticipates adding new IXC customers as a result of this rate reduction.

Attachment C

MIEAC Terminating Switched Access Service Cost Study:

Interstate	Projected Onvoy FY04¹
Revenue (Anticipated)	\$ 176,384
Less Costs ²	<u>\$ 32,433</u>
	\$ 143,951

Assumptions		
¹ Onvoy's 2004 fiscal year is October 2003 - September 2004.		
² Total Interstate/Intrastate Costs:		
Total Switch Investment	\$143,871	
Depreciation	<u>1/5 Straight Line - 5yrs</u>	
Depreciation - Yr1	\$28,774	
Plus Maintenance & Administration	<u>\$27,284</u>	Estimated at 10% of Interstate/Intrastate Revenue
Subtotal	\$56,058	
Plus Cost of Money	<u>\$11,510</u>	Estimated at 8% of Total Switch Investment
Total Interstate/Intrastate Cost	<u>\$67,568</u>	
Total Interstate Cost	\$32,433	
The allocation of the costs between Interstate and Intrastate is based on the Interstate/Intrastate allocation from the 2002 MIEAC annual report to State of Minnesota, Dept of Commerce.		
	Interstate	48%
	Intrastate	52%