

QWE T-08-04

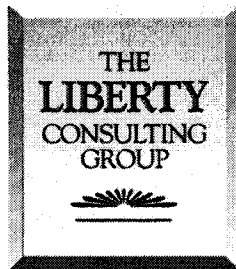
RECEIVED
2009 AUG 17 AM 11:30
IDAHO PUBLIC
UTILITIES COMMISSION

**Analysis
of
Qwest's Performance Assurance Plans
Final Report
Appendices**

Prepared for:

The Qwest Regional Oversight Committee

By:



65 Main Street
Quentin, Pennsylvania 17083

(717) 270-4500 (voice)
(717) 270-0555 (facsimile)
Admin@LibertyConsultingGroup.com (e-mail)

June 30, 2009

Table of Contents

Appendix A: PAP Structure.....	1
A. Introduction.....	1
B. Standard PAP Structure	2
C. Differences.....	10
Appendix B: State-Specific Analysis.....	21
A. Arizona.....	21
B. Colorado.....	28
C. Iowa.....	35
D. Idaho	42
E. Montana	49
F. Nebraska	56
G. New Mexico.....	63
H. North Dakota.....	70
I. South Dakota.....	77
J. Utah.....	84
K. Wyoming.....	91
Appendix C: State-Specific Proposals	98
A. Arizona.....	98
B. Colorado.....	100
C. Idaho	102
D. Iowa.....	104
E. Montana	106
F. Nebraska	108
G. New Mexico.....	110
H. North Dakota.....	112
I. South Dakota.....	114
J. Utah.....	116
K. Wyoming.....	118
Appendix D: Glossary of Acronyms.....	120

Appendix A: PAP Structure

A. Introduction

Although many of the features of the PAPs are common throughout the 11 participating states, there are some significant differences among them. This appendix provides a summary of the provisions in the most common (“standard”) PAP structure, and a listing of some of the key differences that Liberty has identified from that structure in the PAPs of the participating states.

The following list provides PAP versions Liberty understands to be effective in the participating states as of the date of this report:

- Arizona: SGAT Fourteenth Revision, Fourth Amended Exhibit K, dated June 22, 2007
- Colorado: SGAT Ninth Revision, Sixteenth Amended Exhibit K, dated January 2, 2009¹
- Idaho: SGAT Third Revised, Sixth Amended Exhibit K, dated June 26, 2007
- Iowa: SGAT Sixth Revision, Fifth Amended Exhibit K, dated June 26, 2007
- Montana: SGAT Fifth Revision, Fourth Amended Exhibit K, dated November 30, 2004
- Nebraska: SGAT Sixth Revision, Fifth Amended Exhibit K, dated June 26, 2007
- New Mexico: SGAT Eleventh Revision, Fifth Amended Exhibit K, dated June 26, 2007²
- North Dakota: SGAT Exhibit K, dated June 22, 2007
- South Dakota: SGAT Exhibit K, dated June 22, 2007
- Utah: SGAT Seventh Revision, Fifth Amended Exhibit K, dated June 26, 2007³
- Wyoming: SGAT Sixth Revision, Fifth Amended Exhibit K, dated June 26, 2007.

¹ This version of the CPAP became effective after the end of the Study Period for Liberty’s analysis (January 2004 through October 2008).

² This version of the New Mexico PAP became effective on May 1, 2009, after the end of the Study Period for Liberty’s analysis.

³ In an order in Docket No. 07-049-31, issued June 30, 2008, the Public Service Commission of Utah approved the changes to the Utah PAP recommended by the 2007 Stipulation, but only for those CLECs who were party to the Stipulation. This amended version of the Utah PAP is the SGAT Seventh Revision, Fifth Amended Exhibit K, dated June 26, 2007. More recently, in an order in Docket No. 08-049-50, issued February 4, 2009, the Commission extended the applicability of the 2007 Stipulation changes to all CLECs. This order also added changes to recognized Qwest’s replacement of the EDI interface by an XML interface. These changes are not yet reflected in the SGAT Seventh Revision, Fifth Amended Exhibit K.

B. Standard PAP Structure

1. Introduction and Plan Structure (Sections 1 and 2)

- a. CLECs and Qwest voluntarily agreed to the terms.
- b. It is a two-tiered, self-executing plan.
- c. Tier 1 payments are made to each participating CLEC if Qwest does not provide performance to the CLEC (as determined by the included PID measures) which is at parity with a retail standard or does not meet a benchmark, depending on the measure.
- d. Tier 2 payments are made to a special state fund if Qwest does not provide, at a CLEC-aggregate level, parity with a retail standard or does not meet a benchmark.
- e. Payment is generally on a "Per Occurrence" basis: a set dollar amount times the "number of non-conforming service events." For some measures, payment is on a "Per Measurement" basis: a set dollar payment.
- f. Those measures designated as Per Occurrence are listed in Attachment 1, which includes the following 27 measures:
 - (i) GA-7 Timely Outage Resolution following Software Releases (Tier 2)
 - (ii) PO-3 LSR Rejection Notice Interval (Tier 1)
 - (iii) PO-5 Firm Order Confirmations On Time (Tier1/Tier2)
 - (iv) PO-6 Work Completion Notification Timeliness (Tier 1)
 - (v) PO-7 Billing Completion Notification Timeliness (Tier 1)
 - (vi) PO-8 Jeopardy Notice Interval (Tier 1)
 - (vii) PO-9 Timely Jeopardy Notices (Tier 1)
 - (viii) PO-16 Release Notifications (Tier 2)
 - (ix) PO-20 Manual Service Order Accuracy (Tier1)
 - (x) OP-3 Installation Commitments Met (Tier1/Tier2)
 - (xi) OP-4 Installation Intervals (Tier1/Tier2)
 - (xii) OP-5a, b New Service Quality (Tier1/Tier2)
 - (xiii) OP-6 Delayed Days (Tier1/Tier2)
 - (xiv) OP-8 Number Portability Timeliness (Tier1/Tier2)
 - (xv) OP-13a Coordinated Cuts On Time – Unbundled Loops (Tier1/Tier2)
 - (xvi) OP-17 LNP Disconnect Timeliness OP-17 (Tier1/Tier2)
 - (xvii) MR-3 Out of Service Cleared within 24 hours (Tier 1)
 - (xviii) MR-5 All Troubles Cleared within 4 hours (Tier 1)
 - (xix) MR-6 Mean time to Restore (Tier 1)
 - (xx) MR-7 Repair Repeat Report Rate (Tier1/Tier2)
 - (xxi) MR-8 Trouble Rate (Tier1/Tier2)
 - (xxii) MR-11 LNP Trouble Reports Cleared within Specified Timeframes (Tier1/Tier2)

- (xxiii) BI-1 Time to Provide Recorded Usage Records (Tier1/Tier2)
- (xxiv) BI-3 Billing Accuracy-Adjustments for Errors (Tier 1)
- (xxv) BI-4 Billing Completeness (Tier1/Tier2)
- (xxvi) NI-1 Trunk Blocking (Tier1/Tier2)
- (xxvii) NP-1 NXX Code Activation (Tier1/Tier2)
- g. Two additional measures are also effectively Per Occurrence measures: the collocation measures CP-2 (Collocations Completed within Scheduled Intervals) and CP-4 (Collocation Feasibility Study Commitments Met). Payments for these two measures are specified in Section 6.3, Table 3.
- h. Those measures designated as Per Measurement are listed in Section 7.4, which includes the following eight measures:
 - (i) GA-1: Gateway Availability - IMA-GUI (Tier2)
 - (ii) GA-2: Gateway Availability - IMA-EDI (Tier2)
 - (iii) GA-3: Gateway Availability – EB-TA (Tier2)
 - (iv) GA-4: System Availability – EXACT (Tier2)
 - (v) GA-6: Gateway Availability – GUI-Repair (Tier2)
 - (vi) PO-1: Pre-Order/Order Response Times (Tier2)
 - (vii) OP-2: Call Answered within Twenty Seconds – Interconnect Provisioning Center (Tier2)
 - (viii) MR-2: Calls Answered within Twenty Seconds – Interconnect Repair Center (Tier2).
- i. Payments also escalate based on the number of months of non-conforming performance.
- j. For parity measures, the plan uses statistical scoring using z-scores to assure that the difference is significant.
- k. For benchmark measures, a “stare and compare” approach is used.

2. Performance Measurements (Section 3)

- a) Designated (in Attachment 1) as High, Medium, or Low and either Tier 1, Tier 2, or both Tier 1 and Tier 2.
- b) For any benchmark or non-interval parity performance measure, the “One Allowable Miss Rule” applies (Section 3.1.2): one miss is allowable when the results would otherwise require 100 percent performance and if
 - i) At the CLEC-aggregate level, the performance standard is met
 - ii) The CLEC-aggregate performance must be 100 percent to meet the standard but the standard is met after applying one allowable miss at the aggregate level.

- c) Some measures are designated as not automatically subject to the payment mechanisms of the PAP but subject to the Reinstatement/Removal Process. Currently, there are 13 such PID measures (Section 3.2):
- i) GA-3 Gateway Availability EB-TA;
 - ii) GA-4 System Availability EXACT
 - iii) GA-7 Timely Outage Resolution following Software Releases
 - iv) PO-3 LSR Rejection Notice Interval
 - v) PO-5D Firm Order Confirmations (FOCs) On Time (ASRs for LIS Trunks)
 - vi) PO-7 Billing Completion Notification Timeliness
 - vii) PO-8 Jeopardy Notice Interval
 - viii) PO-16 Timely Release Notifications
 - ix) OP-17 Timeliness of Disconnects Associated with LNP Orders
 - x) MR-11 LNP Trouble Reports Cleared within Specified Timeframes
 - xi) BI-4 Billing Completeness
 - xii) NI-1 Trunk Blocking
 - xiii) NP-1 NXX Code Activation
- d) In the Reinstatement/Removal Process (Section 3.3), if any sub-measure of the PID does not meet the standard for three consecutive months, it is reinstated and will remain in the PAP until the sub-measure has met the standard for three consecutive months. For this determination, the PID will be evaluated at the lowest level of product aggregation on a CLEC-aggregated (or the equivalent) basis. Retroactive payments including interest (at the prime rate) will be made.

3. Statistical Tests (Sections 4 and 5)

- a. A modified Z-test will be made for average and percentage measures, when the sample size is greater than 30, with non-conformance defined by the calculated Z-score larger than the critical Z-scores (Section 4.2).
- b. A permutation test will be used for sample size less than 30.
- c. Qwest will be in conformance with benchmark standards when the performance exceeds the benchmark (Section 4.3), subject to the one-allowable miss rule (Section 3.1.2).
- d. The critical Z-scores vary with sample size (Table 1 in Section 5), ranging from 1.645 (CLEC sample size < 151) to 4.3 (sample size >3000) [1.645 for 1-150, 2.0 for 151-300, 2.7 for 301-600, 3.7 for 601-3000, 4.3 above 3000]. A special critical Z-score (1.04) applies to LIS Trunks, UDITs, Resale, UBL-DS1 and DS-3 (OP-3, OP-4, OP-5A, OP-6, MR-5, MR-7, and MR-8) when the sample size < 11, except for examining consecutive month misses and Zones (Zone1 and Zone 2 are combined instead).

- e. For permutations tests, the significant level of the test will be .05 when the critical Z-score is 1.654, and .15 when the critical Z-score is 1.04, as specified in the rule above (Section 4.3.1).

4. Tier 1 Payments (Section 6)

- a. Payment amounts depend on whether the measure is designated as High, Medium, or Low.
- b. The payment amounts are calculated and paid monthly using the dollar amounts per occurrence or per measure shown in Table 2 (Section 6). The details of how to perform the calculations are given in Section 8.2 (per-occurrence PIDs) and Section 8.3 (per-measurement PIDs). These amounts escalate based on the number of consecutive months of non-conformance. The payments range from \$150(H)/\$75(M)/\$25(L) per occurrence in month 1 to \$800(H)/\$600(M)/\$400(L) per occurrence in month 6 and then increase \$100/mo in all three categories (H, M, L) for every month of non-conformance thereafter. Once conformance is reached after an escalation in payments, the amounts de-escalate based on the number of consecutive months of conformance (Section 6.2.2).
- c. Except for BI-3A, the PIDs listed in Attachment 2 are subject to a monthly cap per CLEC, shown in Table 2. (These measures are BI-1, BI-3B, and BI-4.) The caps range from \$25K(H)/\$10K(M)/\$5K(L) in month 1 to \$150K(H)/\$60K(M)/\$30K(L) in month six and continue to escalate by \$25K(H)/\$20K(M)/\$5K(L) for every month after that. For BI-3A (Section 6.2.3), the payments are based on size of the bill adjustments with the amounts and caps given in Table 2A. No payments are required for adjustments less than \$1. The per occurrence payments range from \$1 for adjustments \$1 - \$199.99 up to \$25 for adjustments \$100K and over. The corresponding caps for the same adjustment levels range from \$200 to \$25K.
- d. For collocation (Section 6.3), payments are based on CP-2 and CP-4 and depend on the number of days the collocation jobs (CP-2) or collocation feasibility studies (CP-4) are late, with payments shown in Table 3. The payments range from \$150/day for completion dates 1 to 10 days late to \$1K/day for completion dates more than 40 days late. The corresponding payments for feasibility studies range from \$45/day to \$300/day.
- e. A minimum payment is made at the end of each year to CLECs with annual ordering volumes of no more than 1,200 by adding amounts specified in Table 4 for each month in which there is at least one payment to that CLEC. (See Section 6.4) In Table 4, there is no specified minimum payment amount if the total monthly payment is less than \$200. The minimum payment is \$1500 for total monthly payments between \$200 and \$800, \$2000 for total monthly payments between \$801 and \$1400, and \$2500 for total monthly payments over \$1400. If the payments for the year are less than the amount specified in Table 4, Qwest will make an additional payment equal to the difference.

5. Tier 2 Payments (Section 7)

- a. Tier 2 per-occurrence measures must have at least 10 data points per month to be eligible for payments.
- b. Payment amounts depend on whether the measure it is designated as High, Medium, or Low. The details of how to calculate the payments are provided in Section 9.0.
- c. Non-conformance is based on aggregate CLEC results and follows the rules in Section 4.2 (parity measurements) and Section 4.3 (benchmark measurements), except that a critical Z-score of 1.645 is used for all parity measures except MR-2 and OP-2.
- d. Except for region-wide Per Measurement measures (Section 7.4), Tier 2 payments depend on performance in multiple months as follows:
 - i. For Tier 2 measurements with Tier 1 counterparts, payments are made when there are three consecutive months of non-conformance or, if two out of three months for the 12-month period are non-conformance, in the second consecutive month.
 - ii. For Tier 2 measurements without Tier 1 counterparts, payments are made when there are three consecutive months of non-conformance or, if two out of three months for the 12-month period are non-conformance, in the current month.
- e. Some Tier 2 PIDs are calculated on a region-wide basis (Section 7.4). The payments for these measures are based on Table 6. The measures are:
 - i. GA-1 Gateway Availability – IMA-GUI
 - ii. GA-2 Gateway Availability – IMA-EDI
 - iii. GA-3 Gateway Availability – EB-TA
 - iv. GA-4 Gateway Availability – EXACT
 - v. GA-6 Gateway Availability – GUI-Repair
 - vi. PO-1 Pre-Order/Order Response Times
 - vii. OP-2 Calls Answered within Twenty Seconds – Interconnect Provisioning Center
 - viii. MR-2 Calls Answered within Twenty Seconds – Interconnect Repair Center
 - ix. GA-1 has two sub-measurements (GA-1A and GA-1D). PO-1 has two sub-measurements (PO-1A and PO-1B), which are aggregated together.
- f. The specifics of how the state fund is to be controlled and used are provided in Section 7.5.

