175971

BELLSOUTH

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September 27, 2005

RECEIVED
2005 SEP 27 AM 8:20
SC PUBLIC SERVICE COMMISSION

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Application of BellSouth Telecommunications, Inc. to Provide In-Region InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996
Docket No. 2001-209-C

Dear Mr. Terreni:

Enclosed for filing in this docket are the original and ten copies of BellSouth Telecommunications, Inc.'s letter responding to CompSouth's letter of September 7, 2005, which addressed BellSouth's Self Effectuating Enforcement Mechanism payments. CompSouth's letter was filed in this docket on September 12, 2005.

By copy of this letter, I am serving a copy of this response upon all parties of record as reflected on the attached Certificate of Service.

Sincerely,

Patrick Turner

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
DM5 #603393

RECEIVED
2005 SEP 27 AM 8:20
SC PUBLIC SERVICE COMMISSION

September 22, 2005

Ms. Sharon E. Norris
SEN Consulting
P.O. Box 658
Loganville, GA 30052

Ms. Vicki Gordon Kaufman
The Perkins House
118 North Gadsen Street
Tallahassee, FL 32301

Re: BellSouth's August 15, 2005 PMAP Notification

Dear Ms. Norris and Ms Kaufman:

This is in response to the separate letters sent by CompSouth (September 7, 2005) and XO (September 9, 2005) which raised identical issues concerning recent action that BellSouth has taken to ensure that its performance measurement plans (collectively "SQM/SEEM plan") continue to accurately measure the level of service that BellSouth provides CLECs when compared to the level of service that BellSouth provides its retail customers (or benchmarks in the absence of retail analogues). I suggest that, in the future, rather than unnecessarily involving the State Commissions, we initially attempt to resolve such issues or questions by relying on the same cooperative spirit that we used to agree to modifications to the SQM and SEEM plans.

Overall, the allegations made in your letters are perplexing and confusing. Both letters request that BellSouth take action to remedy alleged violations that are non-existent. With regard to the specific allegations, generally there are three issues raised in the letters:

1) Disagreement with the August 15, 2005, posting on the PMAP website concerning the third-party SQM/SEEM audit performed by Liberty Consulting Group ("Liberty") in Florida;
2) Belief that BellSouth has recouped SEEM overpayments in an inappropriate manner; and
3) Lack of information regarding the status of several findings in the Liberty audit.

As explained below, and as instructed by the Florida Public Service Commission (FPSC) Staff, BellSouth has taken action to implement the findings of the Liberty Final Audit Report ("Final Report"). Specifically, BellSouth has responded to the FPSC Staff's recommendations regarding the Final Report. BellSouth's responses, which were filed with the FPSC on September 8 and 15, are attached hereto as Attachment 1 (Sept 8th response) and Attachment 2 (September 15th response). As you can see, ***BellSouth's responses address every Liberty Audit Finding set forth in CompSouth's letter.*** BellSouth's responses were served on all parties of record in the Florida SQM/SEEM docket (Docket No. 000121A-TP). I am confident that BellSouth's responses have adequately addressed the audit-related concerns raised by CompSouth and XO.

Because much of the focus in CompSouth's and XO's letters is on the August 15, 2005 website posting, that posting is repeated below for ease of reference.

> "In accordance with the findings of the recently completed SQM/SEEM audit in Florida, BellSouth has made changes to the PARIS code as agreed upon by the PSC Staff and

CLECs. The changes impacted pass/fail determination for certain measures: AOCCNI, CNI, MAD, OCI, CTRR, OOS, PMIA, PMIAIS, PMRA, PPT, and PRT. Further, as outcome of the audit, BellSouth recalculated these measures for data months December, 2004, through May, 2005, in order to correct the calculations. Any difference (in the original remedy paid for the measure and the corrected remedy calculated) is processed as an adjustment with the June, 2005 data month payment issued on August 15, 2005. If a CLEC has a negative balance resulting from a previous overpayment by BellSouth, then The Transmitted Balance by OCN Report in the PARIS report folder will contain any adjustment(s) that will be carried over to the next payment cycle. If you have any further questions, please submit the FEEDBACK request form for PARIS reports. This form is available under the 'Feedback' link at the top of this page."

The first issue raised in CompSouth's and XO's letters is truly baffling. CompSouth and XO expressed disagreement with the phrase in the above notice that, "BellSouth has made changes to the PARIS code as agreed upon by the PSC Staff and CLECs." As CompSouth stated in its letter, "the CLECs who responded to the Liberty Consulting Audit Report asked for affidavits to be filed in response to many of the audit findings *to affirm that the problems had been corrected.*" (emphasis added). The affidavits filed by BellSouth on September 8th and 15th described BellSouth's actions in response to these audit findings, affirming that the problems had been corrected, which is what the CLECs requested be done. BellSouth's notice simply indicates that the FPSC Staff and the CLECs had agreed that certain changes in response to the audit findings should be implemented, and that BellSouth had made those necessary code changes to PARIS. For Findings 54 and 55, CompSouth's letter noted that the CLECs and the FPSC Staff had requested that "a re-audit by an independent third party be conducted *to determine if the problems in these findings had indeed been resolved.*" (emphasis added). In its September 8th affidavit, BellSouth explained that changes in PARIS responsive to those findings had been made and further explained why a re-audit is unnecessary for findings 54 and 55.

Surely the CLECs will agree that the only way for BellSouth to affirm that the problems have been corrected, or for an auditor to determine if the problems have been resolved, is for BellSouth to first make the coding changes designed to resolve the findings in the audit. In some cases, correction of the items required changes to PARIS code. There is an obvious inconsistency between the CLECs asking BellSouth to affirm that the problems have been corrected and now complaining because BellSouth made the necessary coding changes to make the requested corrections.

The second issue raised in the letter concerned the handling of retroactive payments, with particular emphasis on overpayments identified as a result of the audit findings. The method by which BellSouth is handling these overpayments is the same method that BellSouth has used for the past few years to handle adjustments in PARIS when there has been a previous SEEM overpayment by BellSouth to a CLEC. As an initial matter, I must emphasize *that BellSouth applies the SQM and SEEM plan individually for each state*. BellSouth's systems are designed to calculate both the SQM results and SEEM payments for each state separately and as dictated by the SQM and SEEM plans approved by that state's Commission or Authority. Therefore, any assertion that the method by which BellSouth's makes payments to each CLEC weakens or eliminates the ability of a state to monitor and enforce BellSouth's nondiscrimination obligations is erroneous.

The disagreement expressed by CompSouth and XO concerns the method used by BellSouth to make payments to specific CLECs after each individual state's SEEM plan has been applied. For years, BellSouth has added together the SEEM Tier 1 amounts generated by each plan in each state and transferred a single payment amount to each CLEC, which is the net of payments calculated under each individual state's plan. No state's plan, or order approving such plan, addresses (much less prohibits) BellSouth from making payments in this manner, and this is the most efficient way to do so for both BellSouth and the CLECs. A state's ability to enforce

BellSouth's obligation to provide CLECs with nondiscriminatory access to its OSS is not impacted by the manner in which funds are ultimately transferred from BellSouth to the CLECs. Therefore, any allegation that this practice is unauthorized or is in any way inappropriate is without merit. In fact, until now, CLECs have not indicated displeasure with this payment method; therefore, there is no basis for CompSouth's and XO's characterization that BellSouth's action was unilateral.

CompSouth's and XO's characterization that it is inappropriate to make a single payment each month instead of making multiple payments that add up to the same amount each month is, at best, illogical. It is clearly more efficient to process a single payment rather than multiple payments, so it is unreasonable to expect BellSouth to issue potentially nine separate checks (or transfers) to a particular CLEC each month when BellSouth can accomplish the same thing by issuing one check (or transfer) each month to that CLEC. Further, independent auditors have examined BellSouth's method of making Tier 1 payments in all nine states, and no adverse findings resulted from the practice of consolidating individually calculated amounts for each state into a single payment to the CLEC. I would note that this netting of payments practice is not used for Tier 2 payments, because no state commission operates in more than one state.

Indeed, this netting of payments practice enables CLECs to reimburse BellSouth for overpayments that were made in error without actually transferring funds to BellSouth, because the overpayments can simply be netted against amounts that BellSouth owes the CLEC in a future period. In cases where it takes a few months for CLECs to clear this negative balance, BellSouth has allowed the reimbursement to occur over this period without applying interest. The fact that, for a given CLEC, there may be a positive balance in PARIS for one state and a negative balance in PARIS for another state does not change the total amount that the CLEC should receive for that payment period. If BellSouth did not employ this practice, any reimbursements due by CLECs for erroneous overpayments would have to be made immediately by the CLEC to offset a higher payment that BellSouth made to the CLEC. However, the net amount received by the CLEC would be unchanged; it would simply require more transactions to achieve it. If BellSouth makes an overpayment to a CLEC, it has every right to expect the amount of the overpayment to be immediately returned to BellSouth, and CLECs are in no way entitled to retain the amount of any overpayment except as specifically agreed to by BellSouth.

As referenced in CompSouth's letter, implementation of changes due to the audit findings have resulted in the bulk of the current net payments being overpayments by BellSouth of about $3.6M in Florida and $1.6M in Tennessee. Were BellSouth to do as CompSouth and XO appear to suggest, rather than applying the overpayments made by BellSouth to specific CLECs in some states against payments due to the same CLECs in other states, BellSouth would immediately invoice CLECs for large payments due to BellSouth in some states while making its much smaller normal payments to those CLECs in the other states. BellSouth fails to see how this process would be efficient, nor how it would benefit CLECs operating in multiple states.

By far, these overpayments resulted from the auditor interpreting the statistical methodology used for SEEM in Florida and Tennessee differently than BellSouth had interpreted it. Both the CLECs and the FPSC Staff instructed BellSouth to follow the auditor's interpretation, and BellSouth complied. CompSouth's implication that the adjustments were made for a specific CLEC "because BellSouth has decided that this CLEC has been overpaid in Florida" is inaccurate. BellSouth merely implemented changes to resolve findings made by Liberty, so the determination that CLECs were overpaid was made by Liberty, not by BellSouth (as you will recall, the CLECs proposed that BellSouth should use Liberty as an auditor in Florida). BellSouth understands that the major purpose for selecting an independent auditor was so that these determinations could be made impartially; however, there appears to be disagreement when that impartiality results in reimbursements to BellSouth. The bottom line is that, as long as the overpayment reimbursements have been small, the CLECs apparently had no problem with this netting of payments practice. However, now that – due to the Liberty audit findings - the overpayments exceed the calculated SEEM payments, the CLECs protest this historical payment practice even

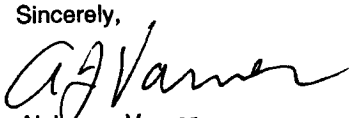
though that practice is not prohibited by any plan and has no impact whatsoever on the plan's purpose.

While we are on the subject of these payments, and so that it will not come as a surprise, BellSouth needs to advise you now of a transitional mechanism that it will have to employ in the near future. As you know, several CLECs have entered into commercial agreements with BellSouth to receive products that replace de-listed UNEs. Consequently, their SEEM payments have decreased significantly and are likely to remain at this lower level. However, before the commercial agreements were implemented, BellSouth made some overpayments that are fairly substantial compared to the amount of future SEEM payments that BellSouth is likely to have to make in the future. As a result, it is highly unlikely that the netting practice that has been historically employed can recoup these specific overpayments in a timely manner. Therefore, for those CLECs where it does not appear that the overpayments identified by the Liberty findings can be recovered timely, BellSouth will request a one-time payment to clear the negative balance for those findings. This one-time request will only be made for purposes of clearing the balances resulting from the audit and only for those CLECs where the overpayment cannot be timely recovered via the netting process. In all other cases, BellSouth will continue the historical approach of netting overpayments against amounts due. Of course, BellSouth will post the appropriate notice on the PMAP website when this mechanism is implemented, but due to the nature of the discussions in this letter, it seemed appropriate to advise you of it in advance.

The final concern raised by CompSouth and XO was that CLECs had received no information as to whether findings that allegedly should result in adjustments favorable to the CLECs were or will be made. At the time your letters were written, that was correct. Specifically, the CompSouth letter lists 12 findings which the CLECs suggest should result in adjustments favorable to the CLECs and "requests that BellSouth provide either the status of adjustments resulting from implementation of these findings or a detailed explanation of why no adjustments for underpayments of CLECs resulted from the findings implementation." The attached affidavit (mentioned previously) that BellSouth filed with the Florida PSC on September 8, 2005 provides the information requested, except for finding 36. That affidavit and the CompSouth letter crossed each other in the mail. Item 36 was addressed in the affidavit filed on September 15, 2005, which is also attached. In response to the question of whether audit findings favoring BellSouth were implemented while findings favoring the CLECs were not, BellSouth can assure you that this is not the case. In fact, all retroactive adjustments for the audit necessitated by BellSouth's reposting policy were calculated simultaneously, and BellSouth cannot identify the amount of retroactive adjustment that is attributable to a specific finding.

Thank you for the opportunity to address the CLECs' concerns. BellSouth trusts that its explanations are sufficient to show that there is no need for BellSouth to change any current practices to address the issues raised in your letter. Due to the complexity of these issues, it would be more productive to have any further discussion of them as a dialog instead of continuing to trade correspondence. If you would like to discuss this further, please contact me directly at 404.927.3844.

Sincerely,



Alphonso Varner
Asst. Vice-President Interconnection Services
BellSouth Telecommunications, Inc.

cc:
Alabama Public Service Commission
Florida Public Service Commission
Georgia Public Service Commission
Kentucky Public Service Commission
Louisiana Public Service Commission
Mississippi Public Service Commission
North Carolina Utilities Commission
Public Service Commission of South Carolina
Tennessee Regulatory Authority

Attachment 1

Legal Department

Robert A. Culpepper
Senior Regulatory Counsel

BellSouth Telecommunications, Inc.
150 South Monroe Street
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(404) 335-0841

September 8, 2005

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 000121A-TP
In Re: Investigation into the establishment of operations support systems permanent incumbent local exchange Telecommunications companies

Dear Ms. Bayó:

Please find enclosed the Affidavit of Alphonso J. Varner and the Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida. A copy of the same is being provided to all parties as reflected in the attached certificate of service.

Sincerely,

Robert A. Culpepper

Enclosures

cc: All parties of record
Jerry D. Hendrix
Nancy B. White
R. Douglas Lackey

CERTIFICATE OF SERVICE
Docket No. 000121A-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and U.S. Mail this 8th day of September, 2005 to the following:

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Robert A. Culpepper

(+) Signed Protective Agreement

#502166

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the Establishment Of Operations Support Systems Permanent Performance Measures for Incumbent Local Exchange Telecommunications. Companies (BellSouth Track).	)))))	Docket No.: 000121A-TP Filed: September 8, 2005

AFFIDAVIT OF ALPHONSO J. VARNER

1. My name is Alphonso J. Varner. The following statements are made under oath and are based on personal knowledge.

2. I am currently employed by BellSouth Telecommunications, Inc. ("BellSouth") as Assistant Vice President in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. My responsibilities include oversight and supervision over BellSouth's personnel that are responsible for maintaining BellSouth's performance measurement plans (collectively, "SQM/SEEM plan"), including any revisions to the SQM/SEEM plan that may be required. Such plans include the SQM/SEEM plan established by the Florida Public Service Commission ("Commission") in this docket.

3. In April 2005, Liberty Consulting ("Liberty") completed an audit of certain aspects of the FL SQM/SEEM plan and issued a final audit report ("Final Report"). Thereafter, BellSouth and certain CLECs submitted comments regarding the findings set forth in the Final Report. After reviewing the Final Report and the comments submitted by the parties regarding the Final Report, the Commission Staff ("Staff") made certain recommendations regarding the Final Report ("Staff Recommendation"). By correspondence dated July 13, 2005, Staff directed BellSouth to take certain action (or in some instances, no action) to implement the Final Report Findings. ("Staff Implementation Request").

4. The purpose of this affidavit is to provide BellSouth's response to the Staff Implementation Request. The Staff Implementation Request required BellSouth to submit an affidavit that demonstrated that BellSouth had taken action to adequately address certain Final Report Findings and to verify that such action resolved such Findings. As requested by Staff, this affidavit addresses Final Report Findings: 3, 4, 7, 10, 18, 20, 21, 23, 25, 27, 28, 30, 32, 34, 35, 37, 40, 42, 43, 45, 48, 51, 57, 58, and 59. Additionally, this affidavit addresses Final Report Findings: 53, 54, and 55. The action undertaken by BellSouth is described in the attached Status Report on Implementation of Changes due to Staff's Recommendation's Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida ("Status Report"). The Status Report is the end product of the efforts undertaken by BellSouth (specifically, the BellSouth personnel who have the obligation to maintain, and when necessary, revise, the SQM/SEEM plan) to implement the Staff Recommendation.

5. As indicated in the attached Status Report, BellSouth is in the process of verifying that certain action undertaken by BellSouth adequately addresses certain Findings. Accordingly, BellSouth will supplement this affidavit once such verification is completed.

6. This concludes my affidavit.

This 8th day of September, 2005.

ALPHONSO J. VARNER

Sworn to and subscribed
Before me this 8TH
Day of September, 2005

Notary Public

Brenda S. Slaughter
Notary Public, Rockdale County, Georgia
My Commission Expires July 29, 2006

Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida

Finding 3: For measure CM-8 (Percent Change Requests Rejected), BellSouth was not reporting according to the SQM Plan reporting requirements. Classification: 3

For CM-8, the SQM Plan specifies that the report is to be disaggregated by the reason for rejection (*i.e.*, cost, technical feasibility, or industry direction). However, the published PMAP reports do not specify the rejection reason; instead, they have just one row listing the number of requests and the number of rejects.

Response 3: RQ6071 was implemented with PMAP Release 4.5.04 beginning with April 2005 data to add a rejection reason to the applicable PMAP report. The following is an excerpt from PMAP data for April to June 2005 showing the results for this measure, including all disaggregations approved in the Florida SQM Plan for measure CM-8, which demonstrates that this issue has been resolved.

Florida, April 2005 - June 2005										
Change Management										
% Change Requests Rejected Within The Reporting Period										
(% Change Requests rejected within the reporting period)										
Numerator indicates total number of Change Requests rejected within the reporting period										
Volume indicates total number of Change Requests submitted within the reporting period										
State	Measure Month	Benchmark / Analog	Disaggregation	CLEC Numerator	CLEC Volume	CLEC Metric	Std Dev	Std Error	Zscore	Equity
Region	Jun-05		Cost							
Region	May-05		Cost							
Region	Apr-05	Diagnostic	Cost	2	6	33.33 %				Diagnostic
Region	Jun-05		Industry Direction							
Region	May-05		Industry Direction							
Region	Apr-05	Diagnostic	Industry Direction	0	6	0.00 %				Diagnostic
Region	Jun-05		Technical Feasibility							
Region	May-05		Technical Feasibility							
Region	Apr-05	Diagnostic	Technical Feasibility	1	6	16.67 %				Diagnostic
Region	Jun-05		Region							
Region	May-05		Region							

Region	Apr-05	Diagnostic	Region	3	6	0.50 %				Diagnostic

Finding 4: BellSouth did not report the Z-scores according to the SQM Plan reporting requirements in the 12-month PMAP reports for measures P-2B (Percentage of Orders Given Jeopardy Notices), M&R-3 (Maintenance Average Duration), B-7 (Recurring Charge Completeness), and B-8 (Non-Recurring Charge Completeness). Classification: 4

Response 4: The following is a list of the current activity for the four identified measures:

Measure	RQ #	Products	Release	Month
P-2B	6115	All	4.5.07	July 05
M&R-3	6112	Dig Loops	4.5.05	May 05
B-7	6110	All	4.5.09	Sep. 05
B-8	6110	All	4.5.09	Sep. 05

Liberty identified four measures that were missing Z-score entries for some disaggregations on the 12-month PMAP reports:

- P-2B (Percentage of Orders Given Jeopardy Notices) – Z-scores are missing from all product disaggregations for mechanized orders. BellSouth stated that it has initiated RQ6115 to correct this issue.

Response 4: RQ6115 is currently scheduled to be implemented with July 2005 data in PMAP Release 4.5.07. This item was included as item 5 in the July 2005 data notification dated June 1, 2005.

- M&R-3 (Maintenance Average Duration) – Z-scores are missing for only the products UNE Digital Loop < DS1 and UNE Digital Loop >= DS1. BellSouth stated that it has initiated RQ6112 to correct this issue.

Response 4: RQ6112 was implemented with May 2005 data in PMAP Release 4.5.05. The following is an excerpt from the most current PMAP data (May – June 2005) showing the results for this measure and includes current Zscores for UNE Digital Loops < & >= DS1 disaggregations in the Florida SQM Plan for measure M&R-3, which shows that this issue has been resolved.

Florida, May 2005 - June 2005														
Maintenance & Repair														
Maintenance Average Duration														
(Duration from the Start to Finish of a Trouble)														
Numerator indicates total of trouble durations for this disaggregation in the reporting period represented in hours														
Volume indicates total closed troubles for this disaggregation in the reporting period														
State	Measure Month	Product Group Description	Benchmark / Analog	Dispatch Type	BST Numerator	BST Volume	BST Metric	CLEC Numerator	CLEC Volume	CLEC Metric	Std Dev	Std Error	Zscore	Equity
FL	May-05	UNE Digital Loop < DS1	Retail Digital Loop < DS1	Dispatch	113,073.40	3,693	30.62	546.37	108	5.06	217.61		1.2032	YES
FL	Jun-05	UNE Digital Loop < DS1	Retail Digital Loop < DS1	Dispatch	136,884.30	4,552	29.99	1,094.10	135	8.10	61.00		4.1087	YES
FL	May-05	UNE Digital Loop < DS1	Retail Digital Loop < DS1	Non-Dispatch	10,881.00	7,001	1.55	150.00	34	4.41	14.00		-1.1876	YES
FL	Jun-05	UNE Digital Loop < DS1	Retail Digital Loop < DS1	Non-Dispatch	14,118.77	8,396	1.68	214.63	39	5.50	9.23		-2.5786	NO
FL	May-05	UNE Digital Loop >= DS1	Retail Digital Loop >= DS1	Dispatch	5,150.55	953	5.40	1,103.38	238	4.64	5.59		1.8967	YES
FL	Jun-05	UNE Digital Loop >= DS1	Retail Digital Loop >= DS1	Dispatch	7,808.13	1,299	6.01	2,291.00	395	5.80	7.21		0.5094	YES
FL	May-05	UNE Digital Loop >= DS1	Retail Digital Loop >= DS1	Non-Dispatch	1,045.45	786	1.33	117.95	40	2.95	2.18		4.5721	NO
FL	Jun-05	UNE Digital Loop >= DS1	Retail Digital Loop >= DS1	Non-Dispatch	2,728.85	1,059	2.58	178.55	70	2.55	5.13		0.0405	YES

- B-7 (Recurring Charge Completeness) and B-8 (Non-Recurring Charge Completeness) – Z-scores are missing for the resale disaggregation only. BellSouth stated that RQ6110 has been initiated to correct this issue.

Response 4: RQ6110 is currently scheduled to be implemented with September 2005 data in PMAP Release 4.5.09. This item was originally included as item 4 in the August 2005 data notification dated July 1, 2005.

Finding 7: BellSouth posts only the most recent month of PARIS reports for viewing by the CLECs on the PMAP website. Historical PARIS reports are not available. This is in contrast to BellSouth's practice of having previous months' reports available for a full year for the majority of SQM Plan reports. Classification: 4

Section 2.4 of the SEEM Administrative Plan states the requirements for posting SEEM data as follows: "Final Validated SEEM reports will be posted on the 15th day of the month, following the final validated SQM report or the first business day thereafter." Section 2.8 states that "BellSouth shall retain the performance measurement raw data files for a period of 18 months and further retain the monthly reports produced in PMAP for a period of three years."

On BellSouth's PMAP website, BellSouth currently makes available the PARIS (SEEM) and SQM Plan reports. A CLEC can log in and view the most recent 12 months of their CLEC-specific SQM Plan results. However, the CLEC can only view the most recent month of PARIS reports. BellSouth stated that it "has augmented its retention of SEEM remedy data by implementing" RQ5949, which will allow for the archiving of PARIS Reports beginning with September 2004 PARIS data. BellSouth followed that change control with RQ6008, which will make the archived PARIS Reports accessible on the PMAP website. When completed, these changes should correct the issue.

Response 7: There is no requirement for BellSouth to report anything more than the current month's SQM or SEEM data. The posting requirement for SEEM data is noted in the Finding above. The SQM states the requirements for posting SQM data as follows: "Each month, preliminary SQM reports will be posted to BellSouth's SQM web site (http://pmap.bellsouth.com) by 8:00 A.M. EST on the 21st day of each month or the first business day after the 21st. The validated SQM reports will be posted by 8:00 A.M. on the last day of the month."

In addition BellSouth has voluntarily reported additional months of SQM data, but not SEEM. BellSouth has historically posted 12 month's of statewide aggregate only (not CLEC specific) SQM data to facilitate comparison due to the volume of data contained in the SQM. No such complexity exists for SEEM data so only the current month's data has been posted. Nonetheless, BellSouth has agreed to post 12 months of statewide aggregate SEEM data as well. RQ6008 is currently scheduled to be implemented with July 2005 data in PMAP Release 4.5.07, which completes the changes necessary to fulfill this commitment.

Finding 10: The SQL scripts contained in the SDUM document for M&R-2 (Customer Trouble Report Rate) did not replicate CLEC results properly. Classification: 4

When Liberty replicated M&R-2 using SDUM, it discovered a discrepancy with the PMAP results. BellSouth's SDUM scripts improperly excluded all records with a zero numerator and a non-zero denominator from the SDUM report results. After Liberty brought this to BellSouth's attention, BellSouth confirmed it to be true and issued RQ6044 to correct the SQL script in the SDUM document.

Response 10: RQ6044 was implemented with February 2005 data in PMAP Release 4.5.02.

Prior to the implementation of RQ6044, no records were found with a zero numerator and a non-zero denominator. In February 2005, records for over 100 CLECs were found with this criterion. This Finding has been resolved.

Finding 18: BellSouth incorrectly reported certain LNP orders as INP Standalone orders in the O-9 (Firm Order Confirmation Timeliness), and P-9 (Percent Provisioning Troubles within 30 Days) results. Classification: 2

BellSouth stated that the transition to LNP was completed in the state of Florida in March 2000 and as a result CLECs could not order INP during the audit period. However Liberty found that BellSouth reported results for the Standalone INP product for O-9 in November and December 2003 and for P-9 in November 2003.

BellSouth explained that it misclassified LNP records as INP because the CC/PON/Version recorded for non-mechanized orders in LON did not match that in the LNP Gateway. BellSouth service representatives enter this information manually in both systems. BellSouth noted that it was investigating an alternative method to identify these records that would allow it to process them accurately.

Response 18: The implementation of the new SQM/SEEM plan effective October 1, 2005, will eliminate the INP disaggregation. This will resolve this finding.

Finding 20: BellSouth omits coin orders from O-3 and O-4 (Percent Flow-Through Service Requests, Summary and Detail) reported results. Classification: 2

BellSouth processes SNAPRADS table data directly using an Interim Solutions flow-through application in order to calculate flow-through results, as well as results for fatal rejects and errors. BellSouth limits the data for O-3 and O-4 to that of mechanized orders that came through EDI, TAG, XML, or LENS.

BellSouth agreed that it did not treat coin orders consistently and stated that it had made provisions, as part of RQ1944, to begin reporting coin LSRs when it migrates the O-3 and O-4 measures into the PMAP Data Warehouse in the third quarter of 2005. However, there is insufficient information in the documentation of RQ1944 for Liberty to determine whether it will address the issue identified in this finding.

Response 20: RQ1944 is currently scheduled to be implemented with July 2005 data in PMAP Release 4.5.07. Upon implementation, this finding will be resolved. This item was included as item 1 in the July 2005 data notification dated June 1, 2005.

Finding 21: For the time period of this audit BellSouth was inappropriately excluding non-coordinated hot cuts from the calculation of the measure results for P-7C (Hot Cut Conversions – Percent Provisioning Troubles received within 7 Days of a Completed Service Order). Classification: 1

According to the Business Rules, as documented in the BellSouth SQM Plan, the P-7C measure "measures the quality and accuracy of completed service orders associated with Coordinated and Non-coordinated Customer Conversions." However, during the course of Interview #14 (November 23, 2004) Liberty learned that for the period of November and December 2003 and January 2004, BellSouth only included coordinated hot cut conversions in the calculation of this measure. Any hot cut that was non-coordinated (*e.g.*, frame due time hot cuts) was excluded from the measure results calculation. This was confirmed by BellSouth.

Response 21: RQ4128 was implemented with March 2004 data in PMAP Release 4.4.03.

Non-Coordinated Cuts (SL1/ENDI) records did not have a service order completion date/time time stamp in the warehouse for P7C (Hot Cut Troubles in 7), this caused those records to error out because we could not determine the reporting period. Consequently RQ4128 was initiated to begin capturing the first 'cpx' date (completion date time stamp) to determine the reporting period. Since this requires two months of data to calculate it, it took two releases to complete the work (warehouse - 4.4.03 release and data mart 4.4.04 release). In June'05 data, there were 856 non coordinated hot cut orders reflected in the data and 439 of those were in Florida. Thus, non coordinated hot cut orders are being identified and this Finding should be considered resolved.

Finding 23: BellSouth was misclassifying certain orders with a "PR-17" (cancelled order) error code thereby incorrectly excluding these orders from the calculation of the P-3 (Percent Missed Initial Installation Appointments) results. Classification: 2

The rules for the P-3 measure, as defined in BellSouth's SQM Plan, indicate that the only valid exclusion to this measure related to cancelled orders are "orders cancelled prior to the due date including orders that are to be provisioned on the same day they are placed

('Zero Due Date Orders')." While conducting the data integrity phase of its audit, however, Liberty found that BellSouth was also coding orders cancelled on the same date as the due date that were **not** "Zero Due Date Orders" (*i.e.,* the application date of the order was prior to the due date of the order) with a PR-17 error code resulting in the exclusion of these orders from the calculation of the reported results for the P-3 measure. Liberty discussed this issue with BellSouth and BellSouth agreed with Liberty's interpretation and indicated that it planned to issue RQ 6033 to correct this coding error.

> **Response 23: RQ6033 was implemented with May 2005 data in PMAP Release 4.5.05.**

BellSouth validated the RQ6033 requirement and in April, 2005 there were not any of these type records included in the P-3 results. After the requirement was worked in May, 2005, 6,636 of these type records were included in the May, 2005 P-3 (Percent Missed Initial Installation Appointments) results. The CLEC results were impacted by less than 0.01% in Florida and Tennessee. Accordingly, this Finding is considered resolved.

> **Finding 25: BellSouth incorrectly excluded the majority of the hot cut orders from the calculation of the P-7C (Hot Cut Conversions – Percent Provisioning Troubles Received Within 7 Days of a Completed Service Order) measures and excluded a smaller subset of orders from the P-7 (Coordinated Customer Conversions Interval) measure. Classification: 1**

Liberty found that BellSouth did not include the majority of the loop hot cut orders in the calculation of the P-7C measure results. Liberty also found that this problem affected the P-7 measure, albeit to a much lesser extent than the P-7C measure. According to Liberty's analysis, BellSouth was excluding these orders with an error code of LU01, "Look-up Error." Liberty noticed that all of the orders that were coded in this manner had a null value in the company key field used to identify the CLEC associated with the hot cut order, on both the Warehouse Cutover Fact Table (used in the calculation of the P-7 results) and the Warehouse Cutover Circuit Fact Table (used in the calculation of the P-7C results). However, on the Service Order Fact Table, which is used in the results calculation of the other in-scope provisioning measures, these same orders did not contain an error code and the company key field was populated. Liberty found that most of the orders affected by this problem were non-coordinated hot cut orders, which are not counted in the calculation of the P-7 measure, but do count toward the P-7C measure.

> **Response 25: RQ4989 was implemented with March 2004 data in PMAP Release 4.4.03.**

BellSouth has verified with the implementation of RQ4989 in March 2004 that the Service Order Fact Table is now being used for these metrics and that the orders that were receiving the "Look-Up Error" from the Warehouse Cutover Fact Table have been eliminated. Additionally, items that received the LU01 error subsequent to this change were populated in the Warehouse Cutover Fact Table in the June 2005 month. This Finding has been resolved.

Finding 27: BellSouth incorrectly included certain record change orders in the calculation of P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution), and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measurement results. Classification: 2

The rules for P-3, P-4, and P-9, as defined in BellSouth's SQM Plan, indicate that BellSouth or CLEC order activities associated with internal or administrative use of local services, such as record orders and listing orders, should be excluded from the calculation of the measurements. While conducting the data integrity phase of its audit, however, Liberty found that BellSouth did not always exclude order activity involving only a record change from the calculation of these measures. Typically record change orders are identified by the characters "R:" preceding the order's Universal Service Ordering Codes (USOCs) in the USOC data field of the service order. However, BellSouth uses certain USOCs involving only a record change, such as a listing order, that is preceded by the characters "E:" on the service order. Orders with the "E:" code in the USOC field should only be included in the measure when there are other USOCs in the same data field that are preceded with a code of "I:" indicating that the order involves an inward activity. Liberty's investigation revealed that when BellSouth's SQM and SEEM processing system encountered any order with an "E:" in the USOC field, it incorrectly membership mapped the order in the Data Warehouse to be included in the calculation of the reported performance results. Liberty discussed this issue with BellSouth and BellSouth agreed with Liberty's observation. BellSouth indicated that it planned to issue RQ6039 to correct the coding problem that causes these orders to be included in the measurement calculations.

Response 27: RQ6033 was implemented with May 2005 data in PMAP Release 4.5.05.

The requirement was worked in the May, 2005 release and it was validated by reviewing the April and May, 2005 results. BellSouth found that there were 25,771 records in the April, 2005 data month of the type that had been identified by Liberty as being in error. No such records were identified upon review of the applicable May 2005 data. This Finding has been resolved.

Finding 28: BellSouth incorrectly excluded orders from the calculation of the P-7 (Coordinated Customer Conversions Interval) and the P-7C (Hot Cut Conversions – Percent Provisioning Troubles Received within 7 Days of a Completed Service Order) measures that were properly included in the other in-scope provisioning measures. Classification: 2

While conducting the data integrity phase of its audit Liberty found that BellSouth excluded orders from the calculation of the P-7 and P-7C, but properly included the same orders in the other in-scope provisioning measures (*i.e.*, P-3, P-4 and P-9). Upon

investigation Liberty determined that the reason these orders were not membership mapped on the CUTOVER_FCT table (used in the calculation of the P-7 measure) and the CUTOVER_CIRCUIT_FCT table (used in the calculation of the P-7C measure) was that the completion dates for the orders did not agree in the SOCS and CUTS tables found in the RADS source system. BellSouth uses the SOCS table as the source system in the calculation of the P-3, P-4 and P-9 measures. The CUTS table, along with the SOCS table, is used in the calculation of the P-7 and P-7C measures. According to BellSouth, it dropped the orders from inclusion in the Data Warehouse for the P-7 measures because of the date discrepancy between the two source systems. BellSouth could not explain why the two source systems would reflect different order completion dates for the same service order activity. BellSouth indicated that it planned to issue a change request to correct this coding error.

Response 28: RQ6059 was implemented with May 2005 data in PMAP Release 4.5.05.

BellSouth has verified with the implementation of RQ6059 in May 2005 that all completion dates from the SOCS and CUTS table that did not agree within a 10 day range before and after the SOCS completion date are currently using the SOCS completion date and are included in these submetrics. As a result thereof, there were no excluded orders from the P-7 and P-7C measures in the June data month based on completion dates that disagreed in the SOCS and CUTS tables, and this Finding has been resolved.

Finding 30: For P-3 (Percent Missed Initial Installation Appointments), BellSouth included certain cancelled orders in both the numerator and denominator of the SQM results calculation, but included the same orders only in the denominator of the SEEM results. Classification: 2

Within the PMAP Data Warehouse, BellSouth designates which transactions will be included in a measurement calculation and how these transactions will be included in the calculation by using "membership maps" in the Data Warehouse fact tables. For proportion measures, like P-3 (Percent Missed Initial Installation Appointments), BellSouth uses the character "1" in the proportion membership map field of the service order fact table to identify service orders to be included in both the numerator and denominator of the measure calculation. The character "0" in this position identifies service orders to be included in the denominator only.

While conducting the data integrity phase of its audit, Liberty found that BellSouth was incorrectly membership mapping orders that were cancelled after the due date and also contained a null value in the missed appointment code. Specifically, for these orders, BellSouth populated the P-3 SQM position of the proportion membership map with the character "1" but populated the P-3 SEEM position with the character "0." When Liberty discussed this issue with BellSouth, BellSouth indicated that it was aware of the error and corrected it with RQ5037.

Response 30: RQ5037 was implemented with June, 2004 data in PMAP Release 4.4.06.

This Finding is the result of two primary reasons, both of which have been previously addressed. First, there are valid instances of records included in the numerator for SQM, but not for SEEM, which account for some of the instances observed by Liberty. In this case, records are properly included in the numerator in the SQM results but not in the SEEM results. For example, the SQM requires 'End User Misses' to be included in the SQM results and reported separately, but are not used in the SEEM calculation. The data that Liberty based their findings on was PMAP 'Warehouse' data and included both the BellSouth caused missed appointments and the 'End User Misses'. This data is used to prepare the SQM data for presentation on the website and as a source for data to calculate the SEEM results. For use by SEEM, the SQM data is filtered to determine which missed appointments are 'End User Misses' and which missed appointments are caused by BellSouth. Since the SEEM calculations do not count 'End User' missed appointments against BellSouth, they are filtered from the numerator record for SEEM calculations.

Second, BellSouth had been incorrectly including records without a valid missed appointment code in the SQM numerator when the closed date was later than the due date even though only items with a valid missed appointment code are to be included in the numerator for this measurement. However, this error did not affect the SEEM results, since the SEEM calculation can only include missed appointments in its numerator that have a valid missed appointment code indicating that the missed appointment was caused by BellSouth. Without the valid missed appointment code SEEM cannot determine whether the miss was caused by BellSouth or the customer and as previously stated, only BellSouth caused missed appointments can be included in SEEM calculations This problem was recognized in February, 2004 and corrected in June, 2004 with requirement RQ5037. This correction was made after the three months of data that was used by Liberty in this audit. BellSouth has verified that none of the records without a valid missed appointment code were included in the SQM data after implementation of RQ5037. In May, 2004, there were 1005 of these type records included in the numerator for the SQM measures. After the requirement was worked, there were 1229 of these type records and none were included in the numerator for the SQM data.

Both of these reasons led Liberty to find differences between the SQM and SEEM data and have been addressed by BellSouth. This Finding has been resolved.

Finding 32: BellSouth overstated the CLEC circuit counts for P-7C (Hot Cut Conversions – Percent Provisioning Troubles Received within 7 Days of a Completed Service Order) by doubling the SL1 (Non-Design) Loop volume. Classification: 2

While conducting the data integrity phase of its audit, Liberty found that BellSouth was counting each Non-Design, 2-Wire Unbundled Analog Loop twice in the cutover_circuit_fact table in the Data Warehouse. This fact table is used by the PT_DM table in the data mart to calculate the P-7C SQM results. It is also used by PARIS to

calculate the SEEM results. As a result of this error, the CLEC hot cut volumes for Non-Design Unbundled Loops (the denominator for the measure calculations) were overstated by a factor of two.

When Liberty identified this issue, BellSouth indicated that it was aware of the error and corrected it with RQ4988, which it implemented in April 2004. As a result of this change control, BellSouth revised its process for determining the P-7C service order line count. Rather than count the rows of data on the cutover_circuit_fact table for each service order, which was BellSouth's method of making the line count determination prior to RQ4988, the data mart now determines the line count from the CTOVR_ITEM_CNT field from the Data Warehouse cutover_fact table. Liberty verified that this field accurately reflects the line counts for each service order.

Response 32: RQ4988 was implemented with April, 2004 data in PMAP Release 4.4.04.

In March 2004, there were 356 dispatch and 1802 non dispatch SL1 orders, shown in the SQM data. A review of the May 2004 data shows that there were only 139 dispatch and 941 non dispatch SL1 orders shown in the SQM data or a reduction of approximately 50%, which demonstrates that this issue has been resolved.

Finding 33: During its calculation of the monthly SEEM results in PARIS, BellSouth incorrectly excluded transactions from the retail analog of the resale ISDN product for the P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution) and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measures. Classification: 2

The SEEM disaggregation rules for P-3, P-4, and P-9, as defined in BellSouth's SQM Plan, list retail ISDN as the SEEM retail analog product for resale ISDN. One of the main products classified within the retail ISDN product group is retail ISDN-Basic Rate Interface (ISDN-BRI). However, while conducting the data integrity phase of its audit, Liberty found that BellSouth was not including the completed service orders for ISDN-BRI within the retail analog when calculating remedy payments for resale ISDN.

BellSouth concurred with this finding and issued RQ6111 to correct the problem identified by Liberty.

Response 33: RQ6111 was implemented with February, 2005 data in PMAP Release 4.5.02.

Effective for the July, 2002, data month, changes to PARIS like-to-like comparisons were mandated via a change in PMAP products. PMAP created a new product group (named "ISDN - BRI"), and new pairings for some FL submetrics were created to use the new product group on the retail side. The following product groups were retired:

- "ISDN Basic Rate Business Design"
- "ISDN Basic Rate Business Non-Design"
- "ISDN Basic Rate Residence Design"
- "ISDN Basic Rate Residence Non-Design"

Each of those product groups contained a single ISDN product; all four of them were moved into the "ISDN - BRI" product group, and new like-to-like comparisons were created. Each of those retired product groups was also used by the "resale ISDN" submetrics (i.e., those submetrics for which the subm_cd field ends in "-ISDN"), in pairings which had one of the aforementioned four "ISDN Basic Rate" product groups on the retail side. When those four product groups were retired, new pairings were not created for use by the "resale ISDN" submetrics. Therefore, activity for ISDN products which belonged to the newly formed "ISDN - BRI" product group were not accounted for in like-to-like comparisons for the "resale ISDN" submetrics.

BellSouth has reviewed the PARIS data from July 2002 through December 2004 and there was no retail data for the ISDN – BRI product group. With the implementation of RQ61111, the rerun data included ILEC data for the retail analog for all months, and thus BellSouth considers this Finding to be resolved.

Finding 34: The logic used by BellSouth to determine dispatch type misclassified some UNE loop orders when calculating the P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution), and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measures. Classification: 3

During the data integrity phase of its audit, Liberty found cases in which orders for new UNE-L and orders for UNE-L hot cuts were categorized as non-dispatch, switch-based. Because a UNE-L order does not use the BellSouth switch when it is provisioned, it should not be classified as a non-dispatch, switch-based order. The appropriate classification for these orders would be non-dispatch, dispatch-in. Liberty found that BellSouth used the following logic step to determine dispatch type: in the event that the "OCB" field on the service order is blank and the order completion date minus the order application date equals zero (*i.e.,* the order was completed on the same day it was issued), BellSouth classified the order as non-dispatch, switch-based. All of the misclassified orders examined by Liberty met these criteria. Liberty notes that same day provisioning is not a standard interval for UNE-L and none of the orders Liberty examined were expedited.

Using the Service Order Fact table in the Data Warehouse and sorting by orders that provisioned UNE loops and had a dispatch type of non-dispatch, switch-based, Liberty determined that four orders were misclassified as non-dispatch, switch-based in November 2003. In December 2003, there were three such orders and in January 2004 there were 29. This problem may also affect other UNE products that do not require the

use of the BellSouth switch to be provisioned. However, given the low volume of orders affected by this problem, Liberty did not conduct additional investigations.

BellSouth, in its response to this finding, stated, "[a]s clarification, all UNE loop orders are reported as Non-Dispatch. Though some orders may be reflected in the data as Dispatch-In, those orders are rolled-up and properly reported as Non-Dispatch, as per the current FLA SQM."

Liberty agrees that the Dispatch-In and Switch Based (which was not addressed in BellSouth's response) classifications are additional disaggregations of the Non-Dispatch category for UNE-Loops, as well as for other products. Liberty also agrees that UNE-Loops are properly reported as Non-Dispatch. However, because Switch-Based is not a valid Non-Dispatch disaggregation for a Non-Dispatched UNE-Loop order, BellSouth should consider fixing the coding problem which results in the classification of some of its Non-Dispatch UNE-Loop orders in the Switch Based reporting category. However, given the low volume of orders affected by this problem, Liberty agrees with BellSouth that the issue lacks the severity to warrant coding changes if these changes are complex to implement.

> **Response 34: All UNE loop orders are reported as Dispatch or Non-Dispatch and as such the SQM and SEEM results were reported correctly. A detailed analysis of the raw data for all the orders that Liberty found to be coded as switched based orders for the UNE-L were all coded incorrectly in the source data provided to PMAP. Each of these orders was a "record only change" and should have used a "C*" PON that would have identified them as a correction and excluded them from the PMAP measurement. The LCSC has been instructed to initiate a training item for all personnel to correctly utilize the "C*" PON for all corrections in the future. BellSouth considers this Finding to be resolved upon implementation of the training.**

Finding 35: BellSouth did not include certain wholesale products in its calculation of the SEEM remedy payments for the P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measure. Classification: 2

Liberty observed that BellSouth was not including 2-Wire ISDN Designed Loops without number portability and 2-Wire UDC Capable Loops in its calculation of the SEEM remedy payments for the P-9 measure. During discussions with Liberty, BellSouth confirmed that these two products were being dropped from the SEEM remedy payment calculations for the P-9 results.

BellSouth stated that it will correct the problem identified in this finding with RQ6111.

Response 35: RQ6111 was implemented with February, 2005 data in PMAP Release 4.5.02. ***See response to item 33 for details on ISDN – BRI product id changes in PARIS.***

BellSouth has verified that in February 2005 there were 2 trouble tickets and no service orders and in March 2005 there were 5 trouble tickets and 3 service orders included in the SEEM calculations for the ISDN products, which shows that this issue has been resolved.

Finding 37: BellSouth incorrectly classified UNE Line Splitting orders as UNE-P orders when calculating its results for the P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution), and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measures. Classification: 2

Liberty added UNE Line Splitting to it audit work plan so that Liberty could investigate the large discrepancy between the ordering volumes reported for this product for the November 2003 O-9 (Firm Order Confirmation Timeliness) result and the volumes reported for the P-3 and P-4 results. During its investigation of this problem, Liberty discovered that orders that were classified as Line Splitting orders in the Data Warehouse service request fact table, used to calculate the O-9 SQM results, were classified as UNE-P orders in the Data Warehouse service order fact table, which is used to calculate the P-3, P-4 and P-9 SQM results.

When Liberty notified BellSouth of this issue, BellSouth stated that these orders were incorrectly coded as UNE-P orders for the calculation of the provisioning measure results and that they should have been classified with a product ID of 5061, which would have counted them toward the Line Splitting results. BellSouth indicated that it was aware of this problem and had issued RQ4871 to correct it in April 2004.

Response 37: RQ4871 was implemented with April, 2004 data in PMAP Release 4.4.04.

As stated in the finding, RQ4871 was implemented in the 4.4.04 release with April 2004 data. This change provided the correct identity for products that relied on Provisioning USOCs for recognition and acceptance into PMAP data. This change created a more accurate method of determining product types. None of these type records were included in the P-4 results for November 2003 data. After the requirement was worked, 4 of these type records were included in the May, 2004 P-4 (Order Completion Interval) results and 6 of these type records were included in the May, 2004 P-3 (Percent Missed Initial Installation Appointments) and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) results. Accordingly this Finding has been addressed and resolved.

Finding 40: BellSouth was not including all orders for Local Interconnection Trunks in its calculation of the SEEM remedy payments for the P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution), and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measures. Classification: 2

Liberty found that BellSouth was not including all orders for Local Interconnect Trunks on the PARIS Rel tables for inclusion in the calculation of the SEEM remedy payments for the P-3, P-4, and P-9 measures. Liberty examined three retail Local Interconnection Trunk orders for the November 2003 data month, only one of which Liberty was able to find in the PARIS Service Order Rel table. The order included in the SEEM calculation did not require a dispatch to be provisioned, whereas the other two orders were classified as orders that required a dispatch.

Liberty brought this issue to BellSouth's attention for its investigation. BellSouth responded that it found some missing data in the PARIS reference tables that causes some orders for trunks to be not included in the SEEM calculations. BellSouth indicated that it has now created change control RQ6146 to correct this problem.

Response 40: RQ6146 was implemented with February 2005 data in PARIS Release 4.5.02.

The following SQL script has been added to these submetrics with the implementation of RQ6146:

```
Insert into PARISNG$.Seem_dispatch_xref
( cmpny_type_cd
 ,prod_Grp_id
 ,sbjct_area_cd
 ,dspch_type_cd
```

```
 ,feature_based_trbl_ind
 ,seem_dspch_type_cd
 ,dttm_stmp
)
select
  cmpny_type.cmpny_type_cd
 ,980 prod_grp_id
 ,'PR' sbjct_area_cd
 ,dspch_type.dspch_type_cd
 ,'Z' feature_based_trbl_ind
 ,dspch_type.seem_dspch_type_cd
 ,sysdate dttm_stmp
from
  (select '0' cmpny_type_cd from dual
   union all
   select '1' cmpny_Type_cd from dual
   union all
   select '9' cmpny_type_cd from dual
  ) cmpny_Type
 ,(select 'DSP' dspch_Type_cd, 'DSP' seem_dspch_type_cd from dual
   union all
   select 'ZZZZZZ' dspch_Type_cd, 'ZZZZZZ' seem_dspch_type_cd from dual
              ) dspch_type
```

This has been verified with the June 2005 SEEM_DISPATCH_XREF table and the script listed above is currently utilized in PARIS. Accordingly this Finding has been addressed and resolved.

Finding 42: BellSouth did not properly align the product IDs for troubles and the lines on which they occurred for M&R-2 (Customer Trouble Report Rate), causing mismatches and resulting in assignment of either the troubles or the lines to the wrong sub-measure in SQM reports and SEEM remedy payment calculations. Classification: 2

As part of its SQM report and remedy payment replication for M&R-2, Liberty noted a number of examples in which there were troubles in the numerator of this measure but no corresponding lines in the denominator. BellSouth informed Liberty that some M&R-2 results could have troubles in the numerator without any corresponding lines in the denominator. BellSouth explained that this could occur for several reasons, including situations in which a trouble was reported during the month but the line was disconnected before the line count was taken early in the following month, or the line changed ownership after the trouble was reported but before the line count was taken.

BellSouth replied to this finding by indicating that it "agrees with Liberty's assessment with respect to the trouble tickets being assigned the incorrect product

ID" and that "it corrected this problem with RQ5673, implemented in the November 2004 data month." BellSouth has also "opened RQ6147 to address the issue with the trouble reports." Neither RQ5673 nor RQ6147 contain enough detail about BellSouth's process changes to enable Liberty to assess whether they will fix the problem identified in this finding.

> **Response 42: RQ5673 was implemented with November 2004 data in PMAP Release 4.4.11. Verification of RQ5673 will be available with the next update to this affidavit.**
> **RQ6147 is currently scheduled with PMAP Release 4.5.10 for October 2005 data.**

> **Finding 43: BellSouth included special access services in some of its retail analog calculations during the audit period and, after correcting the calculations, failed to perform a complete analysis to determine whether reposting was necessary. Classification: 2**

BellSouth states that special access circuits were removed from numerous metrics and at such a high level that Z-score analysis was not required due to the technical infeasibility standard in the Florida Reposting Policy. However, BellSouth provided no evidence that reposting was technically infeasible in this case. BellSouth also states that it conducted an impact study, but that study did not include the required Z-score analysis and BellSouth did not retain the study results. BellSouth also noted:

> *The removal of special access records was an extremely rare and unique situation. BellSouth maintains that it properly followed the specific guidelines set forth in the Reposting Policy as well as the Change Notification Policy. When the discrepancy was determined: 1) BellSouth notified the CLECs and the Florida Public Service Commission per the Change Notification Policy, 2) Bellsouth did conduct an impact analysis on the change of record counts.*

Liberty discussed its recommendations regarding reposting under Finding 8.

> **Response 43: Effective with January 2005 data BellSouth updated procedures to better ensure that documentation to demonstrate compliance with the Reposting Policy is retained. BellSouth continues to maintain that no reposting was required in this specific instance. Any further changes in processes with respect to reposting due to this Audit will result from recommendations of the task force formed to address Finding 8. BellSouth will consider this Finding to be resolved concurrent with resolution of Finding 8.**

> **Finding 45: During its calculation of the monthly SEEM results in PARIS, BellSouth incorrectly excluded ISDN-Basic Rate Interface (ISDN-BRI) Business Design troubles for the M&R-1 (Missed Repair**

Appointments), M&R-2 (Customer Trouble Report Rate), M&R-3 (Maintenance Average Duration), M&R-4 (Percent Repeat Troubles within 30 Days), and M&R-5 (Out of Service > 24 Hours) measures. Classification: 2

As part of its data validation investigation for the M&R measures, Liberty tracked a sample of trouble tickets from the Data Warehouse into the "Rel" table that BellSouth uses as the source for its M&R measure PARIS calculations. Liberty found that a wholesale trouble from this sample, specifically a trouble on an ISDN-BRI Business Design circuit, was missing from the Rel table. BellSouth includes such troubles in the Resale ISDN sub-measures M&R1, M&R-2, M&R-3, M&R-4, and M&R-5. As a result, BellSouth did not include this transaction in these sub-measures when calculating remedy payments.

BellSouth has acknowledged this issue, and indicated that it believes its cause is the same as that for the issues Liberty noted in Findings 33 and 35 for provisioning measures. BellSouth also indicated that it initiated a correction to this problem through RQ6111. Specifically, BellSouth designed this correction to include some wholesale products in the PARIS calculations transactions, including ISDN-BRI Business Design, which had been neglected previously.

Response 45: RQ6111 was implemented with February, 2005 data in PMAP Release 4.5.02. ***See response to item 33 for details on ISDN – BRI product id changes in PARIS.***

BellSouth has verified that in February 2005 there were 2 trouble tickets and no service orders and in March 2005 there were 5 trouble tickets and 3 service orders included in the SEEM calculations for the ISDN products, which shows that this issue has been resolved.

Finding 48: BellSouth's process for determining the final adjustment values and the count of adjustments in the calculation of the B-1 (Invoice Accuracy) measure for both CLECs and BellSouth retail is incomplete and thus does not assure accurate reporting of this measure. Classification: 3

Because some of the B-1 exclusions specified in the SQM Plan cannot be performed using the logic in its current computerized process, BellSouth cannot accomplish all of them using the mechanized procedures it developed to prepare B-1 data. For those exclusions that cannot be accomplished through the mechanized procedures, the Billing Group analyst must manually research bills to identify which adjustments should be excluded.

Response 48: BellSouth has initiated an extensive risk & control analysis review of the billing processes. The review will be conducted in accordance with the Sarbanes-Oxley Act. Upon completion of this review, BellSouth will make necessary corrective actions to ensure proper processes and controls are in place. BellSouth expects to conclude this review in September 2005.

Finding 51: BellSouth performed no validation to detect invalid zero dollar remedy payments during the audit period. Classification: 4

During interviews, BellSouth described to Liberty its process for reviewing remedy payments. BellSouth indicated that, as part of this process, it reviewed all non-zero remedy payment calculations for the state of Florida from January 2003 through January 2004 (which includes the audit period). However, BellSouth also stated that did it not validate any zero payments during the same period, even if one or more statistical tests failed. BellSouth stated at that time that zero payment amounts had been checked prior to the audit period, but were not checked during the audit period due to increasing data volumes and staffing constraints.

BellSouth indicated that zero payment amounts may be validated in certain instances based upon trend analysis, implementation of new measures, or changes to existing measures. BellSouth stated, "[h]owever, manual validation of every measurement that has no payment either for a particular CLEC or for the measurement is not within our validation process. If the measurement is questioned internally or externally, BellSouth reviews the measurement to determine if the systems are processing the records correctly or if there is an error in the process which may require reruns, system changes and/or adjustments."

Response 51: BellSouth is currently scheduling an automated process to classify zero payments, which will begin with the pass/fail indication for each calculation being confirmed. BellSouth will provide the schedule for this activation with the next update to this affidavit. If a failure is detected, validation of the resulting payment will occur using the standard validation procedures. If a pass is indicated, and the aggregate statistical test is greater than the balancing critical value, the calculation will be considered validated and correct. If a pass is indicated, and the aggregate statistical test is less than both zero and the balancing critical value, the transaction will be flagged as an anomaly, and will be further investigated during detailed root-cause analysis to determine why the pass indicator was applied. The automated procedure that performs these checks will be run each month as part of the normal validation process, and will examine each transaction generated by the PARIS system.

Finding 52: BellSouth was not calculating the parity measures involving Tier 1 averages according to the SEEM Administrative Plan. Classification: 1

In the course of replicating the balancing critical values for the M&R-3 and P-4 measures, Liberty uncovered an issue with the calculation of the value BellSouth calls δ.

Response 52: RQ6040 was implemented with June, 2005 data in PMAP Release 4.5.06. ***See response to Findings 54 & 55 later in this affidavit.***

The numerous RQs worked in release 4.5.06 do not lend themselves for individual verification. However, the total results and the review of the functional test for delta values verified that delta is being calculated at the CLEC level instead of the submetric level as originally found to be in error in this finding. Beginning with June 2005 data delta values varied by CLEC within a submeasure and they did not vary in this manner before.

Finding 57: BellSouth improperly excluded some data items and improperly included others in the calculation of SEEM remedy payments for the O-9 (Firm Order Confirmation Timeliness) measure. Classification: 1

Liberty used the documentation in Appendix D of the SEEM Administrative Plan in order to calculate SEEM remedy payments for the O-9 measure. Because the datasets to calculate this measure do not reside in PARIS, Liberty also questioned BellSouth to determine the appropriate data to use in its calculations.

BellSouth stated that of the 51 discrepancies found, it concurred with Liberty's finding on 50 of them. BellSouth further explained that these 50 discrepancies were "the result of either i) improperly excluding Line Splitting items (corrected with RQ5631), or ii) improperly including, excluding, or rolling up companies (corrected with RQ4932 and RQ5087 in PARIS along with other warehouse side RQs). As for the remaining discrepancy, BellSouth has tracked the single transaction involved and determined that it would come through using the current code. There was a change to the entry in the company lookup table for this company in March of 2004 (a parent company was added)."

Response 57: RQ5631 was implemented with June 2004 data in PMAP Release 4.4.06. RQ4932 was implemented with February 2004 data in PMAP Release 4.4.02. RQ5087 was implemented with April 2004 data in PMAP Release 4.4.04.

BellSouth has verified that Line Splitting is properly included as RQ5631 was designed to do and the company lookup table problems were resolved in accordance with RQ4932 and RQ5087. Accordingly, this Finding has been resolved.

Finding 58: The BellSouth CLEC Administration table update process caused delayed penalty payments to CLECs. Classification: 3

Liberty's analysis of the remedy payment data for the audit period revealed 44 instances in which payments were processed to a "held proposed" status, 42 of which were due to missing entries in the "cmpny_state" table, apparently at the time transmission to STAR was attempted.

Response 58: BellSouth has implemented procedural/administrative changes in order to reduce delayed penalty payments to CLECs.

The following is a synopsis of these changes:

- The CLEC will submit the documentation necessary to the establishment of the BellSouth billing accounts.
- The CLEC Interface Group (CIG) is notified by email receipt of the CLDB issued by the billing department upon establishment of the billing accounts.
- The CIG will assign the PARENT_OCN_ACNA_CD for the CLEC and update the COMPANY_LKP table for the new company.
- The CLEC will be contacted for completion of the Remedy Payment Information Form.

With this procedural change the CLEC may submit the necessary paperwork (Remedy Payment Information Form) prior to any possible proposed remedy appearing on the Missing VNDR_NUM List.

Finding 59: BellSouth does not have a process in place to ensure that all remedies for a given reporting month are eventually paid. Classification: 3

Liberty found that BellSouth balances the remedy payments in PARIS and STAR for each reporting month. However, a given remedy payment processing cycle does not consist of a single reporting month. Monthly payments rendered to CLECs contain i) current month remedy payments, ii) prior month's remedy payments, and iii) adjustments to prior payments. BellSouth does not have a process in place to balance PARIS and STAR that includes all these different contributions to the monthly payments.

Liberty attempted to reconcile PARIS calculations of remedy payments and adjustments with STAR reports of rendered payments across the audit period. When unable at first to do so, Liberty asked BellSouth to review the balancing spreadsheets and explain the differences. After several iterations and detailed research, BellSouth was able to account for the differences.

Response 59: BellSouth does currently verify that all remedy payments are eventually made; however, the process is not documented and documentation is expected to be completed by the end of September 2005.

(THE FOLLOWING ITEMS HAVE BEEN ADDED TO THE AFFIDAVIT BUT WERE NOT ORIGINALLY REQUESTED IN THE JULY 13, 2005 REQUEST FOR THE AFFIDAVIT. BELLSOUTH RESPECTFULLY REQUESTS THAT STAFF SUBSTITUTE A REQUEST FOR AN AFFIDAVIT TO ADDDRESS THES ITEMS FOR ITS REQUEST FOR A REAUDIT OF THESE FINDINGS IN LIGHT OF BELLSOUTH'S RESPONSES BELOW. BELLSOUTH BELIEVES THAT THIS AFFIDAVIT IS SUFFICENT TO ADDRESS THESE FINDINGS AND THAT REAUDIT OF THEM IS NOT REQUIRED.)

Finding 53: BellSouth did not make remedy payments for failures associated with the O-3 and O-4 (Percent Flow-Through Service Requests Summary and Detail) measures in accordance with the SEEM Administrative Plan. Classification: 1

According to the SEEM Administrative Plan, BellSouth must make remedy payments to individual CLECs for each sub-measure that it fails. In the course of replicating the payments for the Percent Flow-Through measures, Liberty found that BellSouth made remedy payments when it should not have done so, or failed to make remedy payments when it should have done so, according to the following chart:

Month	BellSouth payments and Liberty calculations agree	Liberty calculated a failure but BellSouth did not transmit a remedy payment to the CLEC for the sub-measure in question	BellSouth transmitted a remedy payment but Liberty did not find a failure for the corresponding sub-measure and CLEC
November 2003	60	12	6
December 2003	37	13	5
January 2004	22	17	18

BellSouth responded that the issues that caused the discrepancies were associated with company rollup issues and line splitting problems, which were corrected with RQ5631, RQ4932, and RQ5087. Liberty concurs that these issues appear to be the result of improperly excluding line splitting and improperly rolling up company codes. If the changes BellSouth referenced are properly implemented, they should correct the discrepancies noted in this finding.

Response 53: This Finding results from the same issues that caused Finding 57 and was resolved by the same changes that resolved Finding 57 as addressed above. As stated in response to Finding 57: "RQ5631 was implemented with June 2004 data in PMAP Release 4.4.06. RQ4932 was implemented with February 2004 data in PMAP Release 4.4.02. RQ5087 was implemented with April 2004 data in PMAP Release 4.4.04.

BellSouth has verified that Line Splitting is properly included as RQ5631 was designed to do and the company lookup table problems were resolved in accordance with RQ4932 and RQ5087. Accordingly, this Finding has been resolved." Likewise, BellSouth considers this Finding to be resolved. Further, CLECs in there response to this audit believe that an affidavit was sufficient to address this Finding and did not request a re-audit.

FINDINGS 54 AND 55 ARE ADDRESSED TOGETHER BECAUSE BOTH FINDINGS RESULT FROM THE SAME PROBLEM AND WERE RESOLVED BY THE SAME PROGRAMMING CHANGES. FINDING 54 ADDRESSED MEAN AND PROPORTION MEASURES, WHILE FINDING 55 ADDRESSED RATE MEASURES.

> **Finding 54: BellSouth did not calculate the remedy payments for percentage parity measures (*i.e.,* M&R-1, M&R-4, M&R-5, P-3, and P-9) according to the SEEM Administrative Plan. Classification: 1**
>
> **Finding 55: BellSouth did not calculate remedy payments for M&R-2 (Customer Trouble Report Rate) according to the SEEM Administrative Plan. Classification: 1**

During Liberty's efforts to replicate the truncated Z-scores for percentage measures involving parity comparisons, Liberty found major discrepancies in results. When asked about these discrepancies, BellSouth acknowledged two issues related to the calculation of aggregate Z results. Both of these issues revolved around CLEC/sub-measure combinations that contained only one cell with positive weight. In its SEEM Administrative Plan, BellSouth defines a parameter L to be equal to one when only one cell has positive weight.

> **Response 54 & 55: RQ6040 was implemented with June 2005 data in PARIS Release 4.5.06. RQ6149 was implemented with June 2005 data in PARIS Release 4.5.06. RQ6003 was implemented with June 2005 data in PARIS Release 4.5.06. RQ6151 was implemented with April 2005 data in PARIS Release 4.5.04. RQ7029 was implemented in emergency PARIS Release 4.5.05.**

The specific details for these changes are as follows:

<u>RQ # 6040</u>:

- ⇨ For mean measures, the call to the S-Plus function `delta.bellsouth.mean.measure.Florida()` computing the Ford delta values has been removed. The Ford delta values are now being computed by the procedure `update_ford_delta_and_L()` and stored in the table `MEAN_FORD_DELTA`; then they are imported by the query used by S-Plus to import data from Oracle. The queries inside the functions `BellSouth.master.mean.t.test.Florida.program()` and `BellSouth.master.permutation.test.Florida.program()` were

modified to import the Ford delta values together with all the other data needed by S-Plus.

- ⇨ For proportion measures, the call from `BellSouth.master.prop.Florida.program()` to the S-Plus function `delta.and.L.bellsouth.prop.Florida()` computing the Ford delta and L values has been removed. The Ford delta and L values are now being computed as part of the query used by S-Plus to import data from Oracle. The query inside the functions `BellSouth.master.prop.Florida.program()` was modified to import the Ford delta values together with all the other data needed by S-Plus.

- ⇨ For rate measures, the call from `BellSouth.master.rate.Florida.program()` to the S-Plus function `delta.and.L.bellsouth.rate.Florida()` computing the Ford delta and L values has been removed. The Ford delta and L values are now being computed as part of the query used by S-Plus to import data from Oracle. The query inside the functions `BellSouth.master.rate.Florida.program()` was modified to import the Ford delta values together with all the other data needed by S-Plus.

<u>RQ # 6149</u>:

- ⇨ For proportion measures, the call from `BellSouth.master.prop.Florida.program()` to the S-Plus function `delta.and.L.bellsouth.prop.Florida()` computing the Ford delta and L values has been removed. The Ford delta and L values are now being computed as part of the query used by S-Plus to import data from Oracle. The query inside the functions `BellSouth.master.prop.Florida.program()` was modified to import the Ford delta values together with all the other data needed by S-Plus.

- ⇨ For rate measures, the call from `BellSouth.master.rate.Florida.program()` to the S-Plus function `delta.and.L.bellsouth.rate.Florida()` computing the Ford delta and L values has been removed. The Ford delta and L values are now being computed as part of the query used by S-Plus to import data from Oracle. The query inside the functions `BellSouth.master.rate.Florida.program()` was modified to import the Ford delta values together with all the other data needed by S-Plus

<u>RQ # 6003</u>:

- ⇨ For proportion measures, the S-Plus function `Z.and.W.proportion.measure.Florida()` computing the cell-z-score has been corrected.

- For rate measures, the S-Plus function `Z.and.W.rate.measure.Florida()` computing the cell-z-score has been corrected.

RQ # 6151 (& 7029 for SQL):

- For mean measures, the S-Plus function `Z.and.W.mean.measure.t.test.Florida()` and `Z.and.W.mean.measure.permutation.test.Florida()` were modified to return the m_j values to the caller function.
  The S-Plus master functions for the t-test and permutation test `BellSouth.master.mean.t.test.Florida.program()` and `BellSouth.mean.permutation.test.Florida.program()` have been modified to export the value mj (as `cell_m_j`) to Oracle. The SQL procedure `load_mean_aggr_score_fct()` has been modified to reflect the formula for the special case when L=1 on page D-8 and D-10 for the aggregate Z score and page D-14 for the balancing critical value.

- For proportion measures, the S-Plus function `Z.and.W.proportion.measure.Florida()` was modified to return the m_j values to the caller function.
  The S-Plus master functions for the proportion test `BellSouth.master.prop.Florida.program()` has been modified to export the value mj (as `cell_m_j`) to Oracle. The SQL procedure `load_prop_aggr_score_fct()` has been modified to reflect the formula for the special case when L=1 on page D-8 and D-10 for the aggregate Z score and page D-14 for the balancing critical value.

BellSouth has verified through it's SEEM validation process that these changes were properly implemented. According these Findings have been resolved. The result of these changes indicates that BellSouth over paid SEEM remedies to CLECs due to the errors identified in each of these Findings. Liberty noted in Finding 55 that BellSouth over paid by $1.8M due to that Finding.

REPOSTING STATUS FOR EACH FINDING

Finding #	Rationale
3	There will be no reposting of results. This finding only dealt with a lack of product disaggregation and did not change any data or parity determination of the report.
4	There will be no reposting of results. This finding only dealt with a lack of Zscore calculation and did not change any data or parity determination of the report.
7	There will be no reposting of results. This finding only dealt with a lack of availability of historical PARIS reports and did not change any SQM calculations.
10	There will be no reposting of results. This finding only dealt with a lack of raw data availability supporting the report and did not change any data or parity determination of the report.
18	There will be no reposting of results. It was determined that with only 53 records affected region-wide, this small number of records did not meet the reposting thresholds.
20	There will be no reposting of results. It was determined that with the coin orders accounting for less than 0.5% of the total region-wide orders, this small number of records did not meet the reposting thresholds.
21	There will be no reposting of results. It was determined that with only 2 of 3,434 records were affected region-wide (May 2003), this would not change the parity determination or overall results for this metric.
23	There will be no reposting of results. It was determined that there was no overall change to the results of this metric with less than a 0.01% affect on the CLEC results in Florida and Tennessee.
25	There will be no reposting of results. It was determined that there was less than 0.06% change to the overall results of this metric with only 112 lines affected for the CLECs in the entire BellSouth region.
27	There will be no reposting of results. It was determined that there was no overall change to the results of this metric with less than a 0.01% affect on the CLEC results in Florida and Tennessee.

28 There will be no reposting of results. It was determined that the results for this metric in Florida for December 2004 would have changed from 99.5712% to 99.5731% with this update.

30 There will be no reposting of results. It was determined that the results for this metric in Florida for December 2003 would have changed from 18.82% to 12.94% with this update, thus improving BellSouth's performance by almost 6%.

32 There will be no reposting of results. It was determined that the results for this metric in Florida for December 2003 would have changed less than 0.5% with this update.

33 There will be no reposting of results. In FL, there were not any occurrences of a CLEC with at least 5 service orders or trouble tickets in the November, 2003 to December, 2004 timeframe. Therefore, with the small volume table indicating no SEEM payments for volumes of less than 5, there are no changes in the SEEM calculations in Florida.

34 There will be no reposting of results. The finding dealt with the raw data results and did not change any data or parity determination of the report.

35 There will be no reposting of results. In FL, there were not any occurrences of a CLEC with at least 5 service orders or trouble tickets in the November, 2003 to December, 2004 timeframe. Therefore, with the small volume table indicating no SEEM payments for volumes of less than 5, there are no changes in the SEEM calculations in Florida.

37 There will be no reposting of results. It was determined that with only 6 records affected region-wide (May 2004), this would not change the parity determination or overall results for this metric.

40 There will be no reposting of results. The majority of the CLECs did not have any records affected with this change and the small number that did would not change the parity determination or overall results for these submetrics.

42 There will be no reposting of results. The December 2004 indicated that the region wide CLEC report rate for these four Resale sub-metrics would have decreased by less than one percent. This is an improvement in BellSouth's performance for each of these metrics.

43 There will be no reposting of results. The removal of the special access circuits from the retail analog data in February 2004 increased both the retail maintenance average duration and customer trouble report rate for

the BST results. This would not have affected the parity determination or CLEC data as the BellSouth retail analog results were degraded with this change, which could only indicate improvements in BellSouth's performance.

45 There will be no reposting of results. In FL, there were no occurrences of a CLEC with at least 5 service orders or trouble tickets in the November, 2003 to December, 2004 timeframe. Therefore, with the small volume table indicating no SEEM payments for volumes of less than 5, there are no changes in the SEEM calculations in Florida.

48 Currently under review and will be addressed in the next update of this report.

51 There will be no reposting of results. BellSouth checked these zero payments that occurred during the audit period and did not find any items that required adjustments.

52 This item was corrected in June 2005. The previous five months (December 2004 – April 2005) were rerun and SEEM adjustments were made with June data. The remaining two months will be adjusted with July data.

53 This item was corrected in June 2004. The previous three months (March – May 2004) were rerun and SEEM adjustments were made in June 2004.

54 This item was completely corrected by June 2005. The previous five months (December 2004 – April 2005) were rerun and SEEM adjustments were made with June data. The remaining two months will be adjusted with July data.

55 This item was completely corrected by June 2005. The previous five months (December 2004 – April 2005) were rerun and SEEM adjustments were made with June data. The remaining two months will be adjusted with July data.

57 This item was corrected in June 2004. The previous three months (March - May 2004) were rerun and SEEM adjustments were made in June 2004.

58 There will be no reposting of results. This finding only dealt with a delay in penalty payments and did not change any data or parity determination of the report.

59 There will be no reposting of results. This finding only dealt with the procedures for verifying penalty payments and did not change any results.

Attachment 2

Legal Department

Robert A. Culpepper
Senior Regulatory Counsel

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September 15, 2005

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 000121A-TP
In Re: Investigation into the establishment of operations support systems permanent incumbent local exchange Telecommunications companies

Dear Ms. Bayó:

Please find enclosed the Supplemental Affidavit of Alphonso J. Varner and the Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida. A copy of the same is being provided to all parties as reflected in the attached certificate of service.

Sincerely,

Robert A. Culpepper

Enclosures

cc: All parties of record
Jerry D. Hendrix
Nancy B. White
R. Douglas Lackey

CERTIFICATE OF SERVICE
Docket No. 000121A-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and U.S. Mail this 15th day of September, 2005 to the following:

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(+) Signed Protective Agreement

#502166

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the Establishment Of Operations Support Systems Permanent Performance Measures for Incumbent Local Exchange Telecommunications. Companies (BellSouth Track).	)))))	Docket No.: 000121A-TP Filed: September 15, 2005

SUPPLMENTAL AFFIDAVIT OF ALPHONSO J. VARNER

1. My name is Alphonso J. Varner. The following statements are made under oath and are based on personal knowledge.

2. I am currently employed by BellSouth Telecommunications, Inc. ("BellSouth") as Assistant Vice President in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. My responsibilities include oversight and supervision over BellSouth's personnel that are responsible for maintaining BellSouth's performance measurement plans (collectively, "SQM/SEEM plan"), including any revisions to the SQM/SEEM plan that may be required. Such plans include the SQM/SEEM plan established by the Florida Public Service Commission ("Commission") in this docket.

3. In April 2005, Liberty Consulting ("Liberty") completed an audit of certain aspects of the FL SQM/SEEM plan and issued a final audit report ("Final Report"). Thereafter, BellSouth and certain CLECs submitted comments regarding the findings set forth in the Final Report. After reviewing the Final Report and the comments submitted by the parties regarding the Final Report, the Commission Staff ("Staff") made certain recommendations regarding the Final Report ("Staff Recommendation"). By correspondence dated July 13, 2005, Staff directed BellSouth to take certain action (or in some instances, no action) to implement the Final Report Findings. ("Staff Implementation Request").

4. The purpose of this affidavit is to supplement BellSouth's initial response to the Staff Implementation Request. BellSouth's initial response and accompanying affidavit was filed on September 8, 2005 (collectively, "Initial Response"). The Staff Implementation Request required BellSouth to submit an affidavit that demonstrated that BellSouth had taken action to adequately address certain Final Report Findings and to verify that such action resolved such Findings. This affidavit addresses the Final Report Findings that were not full addressed in the Initial Response, specifically Final Report Findings: 16, 29, 36, 44, 47, and 49. The action undertaken by BellSouth is described in the attached Status Report on Implementation of Changes due to Staff's Recommendation's Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida ("Status Report"). The Status Report is the end product of the efforts undertaken by BellSouth (specifically, the BellSouth personnel who have the obligation to maintain, and when necessary, revise, the SQM/SEEM plan) to implement the Staff Recommendation.

5. This concludes my affidavit.

This 15th day of September, 2005.

ALPHONSO J. VARNER

Sworn to and subscribed
Before me this 15TH
Day of September, 2005

Notary Public

Brenda S. Slaughter
Notary Public, Rockdale County, Georgia
My Commission Expires July 29, 2006

Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Final Report of the Audit of BellSouth's Performance Assessment Plan for Florida

Finding 16: BellSouth excluded transactions from the calculation for a measure because it lacked required information about these transactions that were necessary only for another measure. Classification: 2

In its processing of the data used for SQM reporting and remedy payment calculations in PMAP, BellSouth assigns error codes when certain data elements are missing or aspects of the transaction do not conform to certain measure requirements. BellSouth then uses these error codes as part of its process for excluding transactions from the measures. During its data integrity analysis, Liberty observed that the error codes used in PMAP are not measure specific. In other words, a transaction receiving an error message because it does not meet the requirements of one measure will be excluded from all measures involving this type of transaction, even if the error was irrelevant to those other measures.

For example, M&R-2 (Customer Trouble Report Rate) can be calculated without knowing the received date of the trouble, but M&R-4 (Percent Repeat Troubles) requires the received date of the record. Nevertheless, all trouble tickets without a valid received date are given an error code and are excluded from all of the measure calculations involving trouble tickets, including M&R-2. When Liberty asked BellSouth about this issue, BellSouth confirmed that this was the case. As another example, P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) is calculated without the field containing the original committed due date of the order. However, if this field is missing, that service order is automatically excluded from the calculation of the P-9 measure regardless of the fact that due date information is irrelevant to the calculation of this measure.

Liberty notes that, while the number of excluded records could be considered "very small" when compared to the total records processed, the number of records excluded with an error code during the three months reviewed by Liberty were not insignificant. For example, for the provisioning measures during the three months subject to this audit, BellSouth excluded over one million service orders from the performance results of the provisioning measures each month. Liberty cannot determine how many of these service orders BellSouth excluded because of missing data fields that would have been unnecessary for some measures. Recognizing BellSouth's concern that the necessary coding revisions may be very complex and yet have limited impact, Liberty recommends that BellSouth conduct a study using the data from one or two months to determine the number of the transactions that it excluded from the SQM and SEEM calculations but for which there was sufficient information to be included in the calculation for some of the measures. The results of this study would allow an informed decision as to whether the problem identified in this finding is significant enough to warrant a change in BellSouth's processing logic.

Response 16: The current PMAP code, which reflects the SQM approved by this Commission and the eight other state regulatory bodies, treats all CLEC and BellSouth records the same. Liberty found that BellSouth had implemented the SQM as ordered by the FPSC. This specific finding indicated that BellSouth is currently excluding data from some of its calculations incorrectly.

Liberty included the following in this Finding "For example, M&R-2 (Customer Trouble Report Rate) can be calculated without knowing the received date of the trouble, but M&R-4 (Percent Repeat Troubles) requires the received date of the record. Nevertheless, all trouble tickets without a valid received date are given an error code and are excluded from all of the measure calculations involving trouble tickets, including M&R-2." BellSouth performed an analysis of the last 12 months (July '04 through June '05) of performance data in Florida for any customer trouble reports that received an error message due to a "null" received date and were excluded from the measurement calculations. There were zero occurrences where the received date was not populated during this twelve month period. Therefore, none of the maintenance measures associated with customer trouble reports was affected by this issue over the last 12 months.

Liberty noted that for the three month period included in their audit, PMAP excluded approximately 1.5 million service orders each month and that BellSouth should conduct a study to determine the number of these records that were actually excluded due to missing or incorrect data. PMAP processes over 350,000 LSRs, 3,000,000 service orders and 2,000,000 trouble tickets each month derived from 227 data feeds delivering over 100,000,000 records to the system. The results of BellSouth's study of almost 5,000,000 provisioning orders indicated that 2.8 million orders were used in the PMAP calculations. Of the remaining 2.2 million orders that were not included in the PMAP calculations: 1) 41% (0.9 million) were administrative orders and properly excluded; 2) 24.4% (0.5 million) were disconnect orders and properly excluded; 3) 19.4% (0.4 million) were canceled and properly excluded; and 4) 16.2% (0.35 million) were internal/official orders and properly excluded. All of these orders should be excluded each month. Out of the original 5 million provisioning orders reviewed, there were 1,931 orders or 0.04% that were not processed due to missing or incorrect data on the order. This number is not material when considering the number of orders processed each month by BellSouth. It should also be noted Liberty found that BellSouth applied the business rules, calculations, exclusions of the SQM as required by the document and the Orders of the PSC.

BellSouth continually reviews the error files and through its validation process identifies any potential defects in the data. Through the monthly Notification Process, BellSouth with the concurrence of the PSCs and the

CLECs makes the appropriate changes to the PMAP code necessary to correct significant errors identified in the PMAP system.

Accordingly, this Finding is considered resolved.

Finding 29: BellSouth included orders with invalid conversion durations in the calculation of the P-7 (Coordinated Customer Conversions Interval) measure. Classification: 2

While conducting the data integrity phase of its audit Liberty identified service orders included in the calculation of the P-7 performance results that had a conversion duration of zero minutes. Liberty determined that the reason the Data Warehouse calculated and recorded a cutover duration of zero minutes for these orders was that the cutover start date and time and the cutover complete date and time were identical on the source record coming from the CUTS table in SNAPRADS. Because a coordinated hot cut conversion requires manual work on BellSouth's central office distribution frame, it is impossible for BellSouth to accomplish the coordinated conversion in zero minutes. BellSouth was unable to provide a concrete explanation of this problem, although it did indicate that the problem was likely the result of input errors when the record was created. There is no explicit exclusion of service orders with a cut-over duration of zero minutes in the rules for the P-7 measure in the BellSouth's SQM Plan; however, by including these orders in reported results, BellSouth could be reporting better average conversion intervals than it is actually achieving.

All hot cuts require physical work performed by BellSouth's technicians on the BellSouth central office distribution frame to accomplish the coordinated conversion. This physical work can never be performed in zero minutes. Indeed, it is possible that some of the zero-minute hot cut durations may be the result of data input errors by the central office technician. Liberty agrees with BellSouth that, because this is a benchmark measure, there is no impact on the P-7 equity determination of including zero-minute durations. Nevertheless, using a zero-minute duration for all hot cuts completed in less than a minute does artificially improve BellSouth's P-7 average interval results.

Response 29: BellSouth performed an analysis of the last 3 months (June through August '05) for the number of cutover durations of zero minutes included in the P-7 measure for Florida. Less than 1.5% of the cutovers included in this measure had zero minutes of duration, which occurs because the actual duration is so short until it is rounded to zero. An impact for these three months is as follows: In June, there were 36 of 1874 cutovers or 1.9%, 20 of 1501 or 1.3% in July and only 6 of 1168 or 0.51% in August. Liberty noted in its findings that the small frequency does not pose a parity problem.

In preparing for a "hot cut", BellSouth pre-wires all the connections necessary for the conversion. This includes not only the distributing frame connections within the central office but also any outside cable changes that must be made. At the time of the conversion, all that is necessary is to punch down the pair in literally seconds at the distributing frame along with any

outside cable changes and test in less than a minute. As stated in the definition for the P-7 measure, "this report measures the average time it takes BellSouth to disconnect an unbundled loop from the BellSouth switch and cross connect it to CLEC equipment." This measure does not include all of the time necessary to pre-wire the connections, only the time to change it from the BellSouth connection to a tie cable running to the CLEC's co-location point. The change will require system and coding changes for little, if any, improvement in accuracy; therefore, BellSouth believes the current procedure should be allowed to stand as is.

Accordingly, this Finding is considered resolved.

Finding 36: The SQM and SEEM levels of disaggregation as documented in BellSouth's SQM Plan were inaccurate and misleading for the UNE-P product for the P-3 (Percent Missed Initial Installation Appointments), P-4 (Average Completion Interval & Order Completion Interval Distribution) and P-9 (Percent Provisioning Troubles within 30 Days of Service Order Completion) measures. Classification: 4

The SQM and SEEM disaggregation rules for the P-3, P-4, and P-9 measures, as defined in BellSouth's SQM Plan, are identical for the UNE-P product. Therefore, based on the SQM Plan it appears that this product has the same product disaggregation requirements in both reporting systems. Liberty observed that BellSouth reports P-3, P-4, and P-9 results for UNE-P dispatch with a performance analog of retail residential and business dispatch for the SQM calculations. However, Liberty found that the UNE-P dispatch orders are dropped from the PARIS calculations of SEEM remedy payments. Indeed, Tables B-1 and B-2 of the SEEM indicate that the only disaggregation requirement for UNE-P orders in SEEM are non-dispatch/dispatch-in and non-dispatch/switch based orders.

Response 36: Response 36: This discrepancy resulted from the fact that the SQM and the SEEM Plans were separate documents being worked by two different work groups. The SQM was approved in December 2002 after 6 months of workshops with the FPSC Staff, CLECs and BellSouth (Order Number PSC-02-1736-PAA-TP dated 12/10/2002). The SEEM Administrative Plan continued to be discussed until April of 2003 (Order Number PSC-03-0529-PAA-TP) when the Performance Assessment Plan (PAP) was approved. The difference between the two plans was not discovered; therefore, the error was memorialized by the Order approving revisions in the plans.

The SQM and SEEM plans have been put into the same document by the new SQM and SEEM Plan stipulated by the parties to the docket in Florida (000121A-TP). The BellSouth staff has been consolidated on the coding side and will catch such discrepancies in future.

Using the July 1, 2003, version 3.0 of the Florida SQM as a guide, BellSouth created the SEEM submetrics that would be used to perform penalty calculations for the state of Florida. For the Percent Missed Installation Appointments –UNE Loop and Port Combos (PMIA-UNEPC) submetric, the disaggregations and corresponding retail analogs in the SQM are:

UNE Loop + Port Combinations.....Retail Residence and Business
- Dispatch In.....- Dispatched In
- Switch Based.....- Switch Based

Since there are specific sub-disaggregations listed, BellSouth interpreted the SEEM disaggregations to be Dispatch In and Switch Based, both of which represent non-dispatch situations from an operational standpoint. Since the SEEM calculations complied with the commission's Order, BellSouth does not plan to make any retroactive adjustments. BellSouth has installed an improved process and verified that this item will be handled correctly in the new SEEM. Accordingly, this finding is resolved

Finding 44: BellSouth included orders with invalid maintenance durations in the calculation of the M&R-3 (Maintenance Average Duration) measure. Classification: 2

The M&R-3 measure reports the average duration from the time BellSouth opens a trouble ticket to the time that BellSouth closes that ticket, after fixing the trouble and restoring service. To calculate the M&R-3 results, BellSouth extracts the time interval between the opening and closing (maintenance duration) of each trouble ticket directly from the source maintenance and repair systems, LMOS and WFA.

While examining BellSouth trouble ticket data for November and December 2003, Liberty noted a number of cases in which the trouble tickets had maintenance durations of zero minutes. For November 2003, there were 1,840 out of 142,352 tickets from LMOS that did not error out and that had zero maintenance durations. Furthermore, of these 1,840 trouble tickets, 122 were marked as dispatched. The characteristics of none of these troubles were such that they would be excluded according to the M&R-3 exclusion rules in the BellSouth's SQM Plan.

A legitimate interval between the opening and closing of trouble tickets should not be zero. This is particularly clear in the case of those troubles requiring a dispatch. When questioned about these zero maintenance duration intervals, BellSouth responded with two possible reasons as to why these trouble tickets had zero maintenance durations: i) the times were coded incorrectly in the legacy system by the technician and ii) the troubles were reported by the CLECs through the Trouble Analysis Facilitation Interface (TAFI) system, in which it is possible for there to be an apparent resolution of the problem before the ticket was opened, although the actual time interval is non-zero. Both of these explanations point to erroneous data in the source systems themselves. Although BellSouth's PMAP system generally accepts data derived from the source systems

without modification, it has an elaborate system of error checks that eliminates transactions with erroneous data fields from the measure calculations. Furthermore, in the case of some other time interval measures, BellSouth substitutes default values for derived time intervals that would otherwise equal zero. For example, for P-4, BellSouth substitutes a 0.33 day interval (8 hours) for any cases where PMAP calculates a zero duration on orders issued and worked on the same day (Zero Due Date Orders).

The Commission and the CLECs rely on the accuracy of BellSouth's measure calculations to assure accurate reporting and remedy payments. BellSouth's use of zero durations when the actual maintenance duration is non-zero biases both the calculated wholesale and retail maintenance average durations to be smaller than their actual values.

Response 44: BellSouth performed an analysis for the months of April, May and June'05 for the number of trouble tickets for both CLEC and BellSouth retail that had maintenance durations of zero minutes included in the M&R-3 measure for Florida. The results of the analysis are as follows:

	CLEC			BST		
Month	# of Zero	Total Reports	% of Total	# of Zero	Total Reports	% of Total
April '05	46	14,061	0.33%	1,461	945,296	0.15%
May '05	32	14,509	0.22%	1,572	917,277	0.17%
June '05	21	11,979	0.18%	1,623	1,180,754	0.14%
Total	99	40,549	0.24%	4,656	3,043,327	0.15%

There were less than 100 total trouble tickets for the CLECs during the entire three month period that had maintenance durations of zero minutes. This was only 0.24% of all total reports included in the 3-month total for this measure.

Further examination of the 122 troubles referred to in the finding above with a zero maintenance duration marked for dispatch reveals these tickets were all disposition code 381 which automatically generates a "dispatch" flag. However, there is no actual work done by a BellSouth technician. Disposition code 381 is for buried drop facilities where the customer has no problem with their telephone service but is reporting that the drop facility has not been properly buried. Trouble reports of this nature are closed with zero minutes of duration as there was no BellSouth technician dispatched and the issue is referred to a contractor to bury the drop wire. There is no customer trouble, either out of service or service affecting, on the line and therefore it is treated as "information" type reports as it relates to the maintenance duration.

Liberty questioned the potential for any trouble report to have zero maintenance duration. First, as explained above, any ticket that does not require any action by BellSouth is shown with zero duration. Also, as included in the initial response from BellSouth above, the Trouble Analysis Facilitation Interface (TAFI) system, which is used by both CLECs and

BellSouth to enter troubles, tests the trouble prior to creating the trouble report to determine if it is a valid trouble. A small percentage of these troubles are software problems and the TAFI system will correct the problem, if possible, at the time of the test. These troubles will have zero duration and are "legitimate" trouble reports. However, there is no time expended by any BellSouth personnel after the test is completed. The definition for the M&R-3 measure states "the average duration of Customer Trouble Reports from the receipt of the Customer Trouble Report to the time the trouble report is cleared. Since the report is created and cleared at the same time, zero duration is correct. Both CLEC and BellSouth data are treated the same. As shown above, with less than 100 reports for the entire 3-month period, the impact is diminimus. Adding an arbitrary number of seconds or minutes to each ticket with zero duration would not make the data any more accurate. Also, these tickets are included in the Customer Trouble Report Rate (M&R-2) and Repeat Report Rate (M&R-4) submetrics.

Accordingly, this Finding is considered resolved.

Finding 47: BellSouth's manual process for preparing billing data for the B-1 (Invoice Accuracy) measure did not contain adequate quality control procedures. Classification: 3

During its review of the process BellSouth uses to prepare data for the B-1 measure, Liberty examined working spreadsheets provided by BellSouth that contain the output of the mechanized procedures as well as the Billing Group analyst's revisions and exclusions to these data for the December 2003 reporting month. With the exception of the total number of adjustments, Liberty was able to reconcile these working spreadsheets with the data in the final Billing Group spreadsheet that goes into RADS. Liberty found that the number of total adjustments in the working spreadsheets was two greater than the number of total adjustments in the final spreadsheets.

BellSouth indicated that it had introduced an error in the number of adjustments for one billing account (although the dollar amount was correct) when preparing the final spreadsheets and confirmed that the number of adjustments on the final spreadsheets was incorrect and that invoice accuracy measured in number of adjustments, reported as a diagnostic, should decrease from 67.91 percent, as reported, to 67.11 percent. The result for invoice accuracy in terms of dollars is not affected.

BellSouth should expand its process for preparing the billing data that it sends to RADS to include quality control for its manual processing steps. BellSouth informed Liberty that it recently revised the work flow for the manual review process to include additional review and controls procedures, and that it updated the job aids used by the Billing Group analyst to reflect these changes. BellSouth noted that its recently revised work flow should minimize inaccuracies and improve quality control, and that it continues to review the process with an objective of reducing as many manual steps as possible.

Response 47: BST has conducted the recommended study of the manual processes by performing a risk and control analysis of the Invoice Accuracy process. In this evaluation of the Invoice Accuracy processes, $1.9 billion of BST revenue was validated of which $117.4M was CLEC revenue. The results of the study indicated that the addition of a monthly review and approval step would ensure a well controlled process.
This review and approval process will be implemented with the August 2005 data month. This will resolve this finding.

Finding 49: BellSouth's methods for defining revenues and determine which bills are included in the B-1 (Invoice Accuracy) measure are not addressed by the SQM Plan. Classification: 4

The SQM Plan does not specify how BellSouth should define revenues, or whether certain types of bills should be included or excluded from the measure. BellSouth has adopted certain conventions, of which the Commission or CLECs may be unaware, for defining which revenues and bills it includes in the B-1 measure. For example, BellSouth excludes collocation revenues and adjustments associated with construction, space, and electricity (known as "CO1 accounts") bills. BellSouth stated that, because it bills CLECs based on estimates and later issues adjustments to correct the shortfall or overage, such data are not reflective of true invoice accuracy performance and should be excluded. BellSouth does, however, include other types of collocation account revenues and adjustments in the measure. BellSouth also defines revenues slightly differently for CABS bills than it does for CRIS and IBS bills. BellSouth includes federal, state, and local taxes in its revenue data from CABS, but includes only federal and state taxes in its FDB (CRIS and IBS) revenue data.

The lack of documentation for BellSouth's conventions for defining revenues and bills could lead to confusion by the Commission and CLECs about what is and is not included in the measure. Additional language for the SQM Plan that makes these conventions explicit could reduce the potential for such confusion. BellSouth stated that it continues to have discussions with CLECs and Commissions regarding the methods of defining this measure. BellSouth also added some additional descriptions language to its job aids regarding the types of charges included and excluded from the measure.

Response 49: BST revenue was validated of which $117.4M was CLEC revenue. The results of the study indicated that the addition of a monthly review and approval step would ensure a well controlled process. This review and approval process will be implemented with the August 2005 data month. A document titled "Definitions of Account Logic for Invoice Accuracy" will be posted to the PMAP Web Site beginning October 15, 2005 that will provide specific information concerning this process. This will resolve this finding.

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s letter responding to CompSouth's letter of September 7, 2004, which addresses BellSouth's Self Effectuating Enforcement Mechanism payments in Docket No. 2001-209-C to be served upon the following this September 27, 2005:

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