

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 02M-259T

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IN THE MATTER OF QWEST CORPORATION'S COLORADO PERFORMANCE  
ASSURANCE PLAN.

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**ORDER ON ROOT CAUSE ANALYSIS  
AND AMENDMENT TO EELS STIPULATION**

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Mailed Date: July 29, 2004  
Adopted Date: July 15, 2004

**I. BY THE COMMISSION**

**A. Statement**

1. On June 7, 2004, Qwest Corporation (Qwest); AT&T Communications of the Mountain States, Inc., and TCG Colorado; MCI Communications, Inc., on behalf of its regulated subsidiaries (MCI); DIECA Communications, Inc., doing business as Covad Communications Company (Covad); and Eschelon Telecom, Inc. (Eschelon), filed an Amendment to the Stipulation as to Enhanced Extended Loops (EELs) Standards and Treatment in the Colorado Performance Assurance Plan (CPAP). In this filing the Parties request the Commission amend the EELs Stipulation that was entered into and filed by the Parties on July 23, 2003. In that Stipulation, the Parties agreed to add certain EELs submeasures and standards, and to give those submeasures and standards certain Tier designations in the CPAP. By Decision No. C03-0961 the Commission approved the Stipulation.

2. The Parties to that Stipulation have discovered a typographical error in the modified Exhibit K. Specifically, in the redlined Exhibit K to the Stipulation and the Ninth Revised Exhibit K dated October 3, 2003, in Appendix A, on page 34, the submeasures identified

as MR-5D and E should have been identified as MR-5A and B, respectively. The Parties all agree in this filing that the correction should be made.

3. The filing states that Qwest has reported EEL performance under the CPAP for MR-5A and B since the Stipulation was approved by the Commission.

4. We recognize that this amendment is simply to correct a typographical error. We grant the request and approve the modification to page 34 of the CPAP.

5. In a decision dated December 12, 2003, the Independent Monitor ordered Qwest to perform a root cause analysis on two Performance Indicator Definitions (PIDs) because Qwest had repeatedly failed to meet the performance requirements under the CPAP. The two PIDs and specific products were PO-2 (Electronic Flow Through) for Local Number Portability (LNP) and MR-8 (Trouble Rate) for Unbundled DS1 Loops (UBL-DS1). In the Commission's decision on the second six-month review, Decision No. C04-0147 dated February 11, 2004, we ordered Qwest to include three more product categories to its analysis on MR-8: Unbundled ISDN (UBL ISDN), UNE-P Centrex, and UNE-P Centrex 21.

6. PO-2 measures the extent to which Qwest's processing of Competitive Local Exchange Carrier's (CLECs) Local Service Requests (LSRs) for several Qwest product offerings is completely electronic (*i.e.*, the percentage of electronically transmitted LSRs that flow directly to Qwest's service order processor without human intervention). PO-2 is broken down into PO-2A and PO-2B. PO-2A captures the number of electronic LSRs that flow through (standard of 85 percent); PO-2B captures the number of flow-through-eligible LSRs that flow through (standard of 95 percent).

7. PO-2 is a Tier 2 measure that is evaluated on a quarterly basis. Penalty payments are made to the Special Fund when Qwest fails to meet the standard for both PO-2A and PO-2B for the relevant quarter. Qwest must pay \$75,000 for each 2.5 percent it deviates from the standard of its better performing measurement.

8. MR-8 measures the number of trouble reports for specified services offered to CLECs and compares that amount to the total number of those specified services that are in service during the identical reporting period. All these product categories under analysis have a standard of parity with Qwest's retail service.

9. MR-8 is a Tier 1A measure that is evaluated monthly and results in payments directly to CLECs. Qwest also must make a \$25,000 payment to the Special Fund whenever it misses the measure by more than 50 percent of the applicable standard for two or more consecutive months. If it continues to fail, Qwest must make escalating payment amounts to the CLECs and the Special Fund.

10. Qwest filed its initial response and further responses to the Independent Monitor on February 13 and 27, 2004 and March 31, 2004. The Independent Monitor allowed for competitors to file comments on Qwest's analysis. Eschelon and MCI choose to file comments on May 10 and 7, 2004, respectively. Finally, the Independent Monitor issued his recommendation to the Commission on May 13, 2004. It is this recommendation that we now address.

11. First addressing PO-2, the Independent Monitor states in his recommendation that in October of 2003, Qwest implemented additional flow-through functionality that if done previously "would have enabled certain LSRs that did not otherwise flow-through between April and September 2003 to flow-through during that period without manual intervention." The

Independent Monitor notes that following the implementation of those functionalities, Qwest's performance began to improve significantly and Qwest met its benchmark standard under PO-2B-1 and 2 in both November and December 2003.

12. Qwest has requested in the six-month review that penalties for PO-2 be eliminated. The CLECs have disagreed. The Independent Monitor states that he is satisfied with Qwest's responses as to the reasons for its failure to meet the performance measures of PO-2 for LNP. The Independent Monitor contends that Qwest had taken steps to reduce the number of LSRs requiring manual processing prior to the issuance of the root cause analysis order. Human error in the manual processing of orders is inevitable; therefore, the greater number of orders that flow-through Qwest's processing systems without human intervention, the fewer chances for Qwest to mistakenly introduce errors. The Independent Monitor does not believe that elimination of the penalty requirement is prudent at this time.

13. On MR-8, the Independent Monitor was "generally satisfied with the factual details of Qwest's responses, [however] Qwest's presumptive conclusions and its continued poor performance are problematic, particularly with respect to DS-1s." The Independent Monitor notes that Qwest's recent performance has been somewhat erratic. (The trouble rate for CLECs' DS-1s under MR-8 was: November 2003 – 4.17 percent, December 2003 – 2.43 percent, January – 3.61 percent, February – 2.49 percent, and March – 3.75 percent. Qwest's own trouble rate hovered around 2 percent for the same period.)

14. The Independent Monitor disagrees with Qwest's assertion that the violations are not "competitively significant." However, the Independent Monitor believes that Qwest is attempting to correct its problems for DS-1s. He states that "there is insufficient information on the record to recommend a change in the MR-8 performance measurement for DS-1s. However,

an analysis of the underlying data used to generate the performance reports would prove insightful.”

15. As for the remaining product categories under MR-8, the Independent Monitor states that the low number of occurrences for these measures may account for the wider variation of results and not any dilatory conduct on Qwest’s part.

16. The Independent Monitor recommends that the Commission retain PID PO-2 in the CPAP without change and require the Independent Auditor to audit Qwest’s performance results for the UBL-DS1 product category under MR-8 as part of its annual audit.

17. We agree with the Independent Monitor’s recommendation that PO-2 LNP remain as is for now. We commend Qwest in its implementation of additional flow-through functionality in October of 2003, and agree that its performance for PO-2 LNP has improved. However, we believe that monitoring of this submeasure is still sensible. Other product categories for PO-2 were not part of this root cause analysis and we make no determination as to Qwest’s sufficient or deficient performance for any product other than LNP. As for the elimination of penalties for PO-2, we will address this issue in the context of our review of Commission Staff’s six-month report.

18. We also agree with the Independent Monitor’s recommendation on the MR-8 analysis and the four product categories. UBL-ISDN, UNE-P Centrex, and UNE-P Centrex 21 all appear to have very low monthly volumes which in turn can account for the wider variation of performance results. We see no systemic problem revealed in the analysis performed by Qwest on these products. We will continue to monitor Qwest’s performance and raise an issue on our own motion at the next six-month review, if necessary. As for UBL-DS1, however, Qwest has repeatedly failed to meet the performance standard and this causes us concern. The Independent

Monitor notes the erratic poor performance by Qwest in the recent months preceding his recommendation. We further note that the performance for April 2004 was 4.74 percent and May 2004 was 3.11 percent, well below Qwest's retail performance for those months of 2.56 percent and 2.25 percent. We agree that this problem needs further attention. Therefore, we order the Independent Auditor to include an analysis of MR-8 UBL-DS1 in his annual audit. When we receive the annual audit and comments to that audit, we will decide how to proceed on this issue.

## **II. ORDER**

### **A. The Commission Orders That:**

1. The Amendment to the Stipulation as to Enhanced Extended Loops Standards and Treatment in the Colorado Performance Assurance Plan filed by Qwest Corporation; AT&T Communications of the Mountain States, Inc., and TCG Colorado; MCI Communications, Inc., on behalf of its regulated subsidiaries; DIECA Communications, Inc., doing business as Covad Communications Company; and Eschelon Telecom, Inc., is approved.

2. We approve the Independent Monitor's Recommendation on the Root Cause Analysis and order the Independent Auditor to perform an audit of MR-8 UBL-DS1 as discussed above.

3. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETINGS  
July 15, 2004.**

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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Commissioners

COMMISSIONER CARL MILLER  
NOT PARTICIPATING.