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STATE OF FLORIDA

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Public Service Commission

September 30, 2005

Ms. Mary Rose Sirianni
Manager, Regulatory
BellSouth Telecommunications, Inc.
150 S. Monroe St. Suite 400
Tallahassee, FL 32301

Dear Ms. Sirianni:

Staff has completed a comprehensive review of the affidavits submitted by BellSouth in response to staff recommendations regarding findings associated with the Liberty Consulting Group SEEM audit. From the affidavits, it is obvious that considerable time and effort was expended in their preparation.

However, staff has additional concerns and follow-up questions. Having carefully studied each affidavit, staff is concerned that some do not appear to fully address the specific information requested.

Attached is a table showing a summary of the SEEM audit findings BellSouth responded to in its affidavit, the performance measures that were affected by each finding, the RQ's implemented or to be implemented to resolve each finding, and staff's request for additional information needed in order to move forward with the closure of each finding. Some of the primary concerns and actions noted by staff in the table include:

- Months chosen for determining reposting of data appears to be arbitrary (Findings 4, 18, 21, 23, 25, 27, 28, 30, 32, 33, 37, 42, 43, 45, 52, 53, 57).
- Affidavits are filed attesting to resolution of Findings before RQ's have been implemented and results analyzed (Findings 4, 42, 54, 55).

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Staff notes that BellSouth requested relief from the requirement to reaudit Findings 53, 54, and 55. After review, staff finds no basis to relieve BellSouth of this request. We consider it imperative that Findings 53, 54, and 55 be reaudited. Additionally, after further review, staff requests a reaudit of Finding 52.

Your attention is directed to the supplemental queries which are attached. Please furnish full replies via affidavits no later than **October 10, 2005**. Additionally, staff will be noticing a workshop in Docket No. 000121A-TP to be conducted on **October 13, 2005**, to address several issues raised from implementation of the SEEM audit findings, including but not limited to:

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09305 SEP 30 05

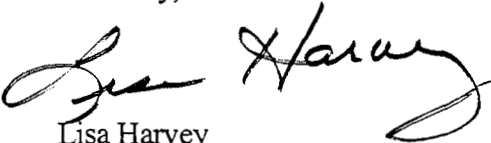
Ms. Mary Rose Sirianni
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- BellSouth's responses to the affidavits.
- BellSouth's responses to correspondence with CLECs.

In November 2005, staff will convene a task force to address Findings 8, 12, 13, 14, 38, and 50. The purpose of the task force is to seek ways to improve BellSouth PMAP change management, change notification, and reposting practices and procedures as referenced in the Commission's letter to BellSouth dated July 13, 2005. Also, staff reiterates the requirement to produce written materials associated with Findings 9, 11, 15, and 56 within 30 days of implementation of the new SQM/SEEM plan.

Should you have further questions, please contact me.

Sincerely,



Lisa Harvey
Chief, Bureau of Regulatory Review

LSH:BJM

cc: Beth Salak, FPSC
Dale Mailhot, FPSC
Sally Simmons, FPSC
David Rich, FPSC
Jerry Hallenstein, FPSC
Kit Kennedy, FPSC
Adam Teitzman, FPSC
Kira Scott, FPSC
Docket File 000121A

| Staff's Review of BellSouth's Affidavits | | | | |
|---|---|-----------------------------------|---|---|
| Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Audit | | | | |
| Finding | Issue | Measure(s) affected | RQ Implemented/Date | Staff Position and Requested Action |
| 3 | BellSouth was not reporting according to SQM Plan. PMAP report failed to specify "rejected reason" | CM-8 | RQ 6071---4/05 | 3.1 Staff considers this issue resolved and closed. |
| 4 | BellSouth did not report Z scores according to the reporting requirements in the 12-month PMAP reports. | P-2B M&R-3 B-7 B-8 | RQ 6115---7/05 RQ 6112---5/05 RQ 6110---9/05 RQ 6110---9/05 | <p>Staff would note that all the RQs for this issue have not been implemented. The issue cannot be resolved and closed until implementation has been completed.</p> <p>4.1 Please explain why the May and June 2005 data months were used to determine if reposting is necessary for measurement M&R-3.</p> <p>4.2 Upon implementation, please provide analysis and impact of RQ 6115 and RQ 6110 on measurements P-2B, B-7, and B-8.</p> |
| 7 | BellSouth does not post historical PARIS reports to PMAP website | All | RQ6008----7/05 | 7.1 Please provide the status of the implementation of RQ6008. |
| 10 | BellSouth's SDUM scripts improperly excluded all records with a zero denominator | M&R-2 | RQ6044---2/05 | <p>10.1 Please provide a list of the data months, prior to February 2005, where BellSouth found no records with a zero numerator and a non-zero denominator.</p> <p>10.2 Please explain BellSouth's September 8, 2005 affidavit response stating, "In February 2005, records for over 100 CLECs were found with <u>this criterion</u>." What is meant by "this criterion", and do records from the February 2005 data indicate instances with a zero numerator and a non-zero denominator?</p> |
| 16 (9/18 Affidavit) | BellSouth excluded calculations for a measure because it lacked required information about these transactions that were necessary only for another measure. | All Provisioning and M&R measures | None | <p>16.1 With the exception of service orders with a "null" received date, please list other service order error codes that would result in the exclusion of transactions being processed in the SQM.</p> <p>16.2 Please provide any additional analysis conducted on other service error codes (identified in response to question 16.1 above) that would result in the exclusion in the exclusion of transactions being processed in the SQM.</p> <p>16.3 Please explain whether or not a transaction with an error code is excluded from one performance measure, is the transaction and error code universally applied and excluded from another performance measures?</p> |
| 18 | BellSouth incorrectly reported LNP orders as INP standalone. | O-9 P-9 | Implementation of new SQM/SEEM plan in 10/05 will solve this finding. | <p>18.1 Please provide the data month(s) for which BellSouth determined that only 53 records were affected.</p> <p>18.2 Please explain if "records" represents the number of orders.</p> |

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| 20 | BellSouth omits coin orders from reported results | O-3 O-4 | RQ1944---7/05 | 20.1 Please provide analysis and impact of RQ1944 on measurements O-3 and O-4. |
| 21 | BellSouth was inappropriately excluding non-coordinated hot cuts from the calculation of the measure. | P-7C | RQ4128---3/04 | 21.1 Please provide the month and year BellSouth discovered non-coordinated hot-cuts were inappropriately being excluded from the calculation of P-7C. 21.2 Please explain why the May 2003 data month was used to determine if reposting is necessary. 21.3 Please explain if "records" represents the number of orders. |
| 23 | Orders were misclassified and incorrectly excluded from the measurement calculation | P-3 | RQ6033---5/05 | 23.1 Please explain why the May 2005 data month was used to determine if reposting is necessary. 23.2 Please provide additional analysis to support determination of reposting (i.e., additional data examined to quantify impact on CLEC results by less than 0.01%). |
| 25 | BellSouth incorrectly excluded the majority of hot cut orders from P-7C and a smaller subset of orders from P-7. | P-7 P-7C | RQ4989---3/04 | 25.1 Please provide the month and year BellSouth discovered that orders with an error code of LU01 were being excluded from P-7 and P-7C. 25.2 Please provide the data month(s) BellSouth used to determine if reposting is necessary. 25.3 For the data month(s) BellSouth used to determine reposting please provide the number of coordinated hot-cut orders that were excluded from P-7 that should have been included in the measurement. 25.4 For the data month(s) BellSouth used to determine reposting please provide the number of coordinated and non-coordinated hot-cut orders that were excluded from P-7C that should have been included in the measurement. |
| 27 | BellSouth incorrectly included record change orders in the calculation of each measurement. | P-3 P-4 P-9 | RQ6033---5/05 | 27.1 Please provide the data month(s) BellSouth used to determine if reposting is necessary and why the month(s) was chosen. 27.2 Please explain why 25,771 records found in the April, 2005 data month would not affect reposting. |
| 28 | BellSouth incorrectly excluded orders from the calculation of these measures that were properly included in the calculation of other in-scope provisioning measures. | P-7 P-7C | RQ6059---5/05 | 28.1 Please explain why the December 2004 data month was used to determine if reposting is necessary |

**Staff's Review of BellSouth's Affidavits
Status Report on Implementation of Changes due to Staff's Recommendations Regarding Liberty's Audit**

| Finding | Issue | Measure(s) affected | RQ Implemented/Date | Staff Position and Requested Action |
|------------------------|--|----------------------------|----------------------------------|---|
| 29 (9/18 Affidavit) | BellSouth included orders with invalid conversion durations in the calculation of P-7 | P-7 | None | 29.1 Staff considers this issue resolved and closed. |
| 30 | BellSouth included certain cancelled orders in both the numerator and denominator of the SQM results, but only in the denominator of the SEEM results. | P-3 | RQ5037---6/04 | 30.1 Please explain why the December 2003 data month was used to determine if reposting is necessary. |
| 32 | BellSouth overstated the CLEC circuit counts for this measure. | P-7C | RQ4988---4/04 | 32.1 Please explain why the December 2003 data month was used to determine reposting. |
| 33 | During calculation of SEEM results, BellSouth incorrectly excluded transactions from the retail analog of the resale ISDN for these measures | P-3 P-4 P-9 | RQ6111---2/05 | 33.1 Please explain why 13 data months were examined to determine if reposting is necessary. |
| 34 | BellSouth misclassified some UNE-L orders as non-dispatch, switch-based. | P-3 P-4 P-9 | None | 34.1 Please provide the status and implementation of training of LCSC personnel to correctly utilize the "C*" PON, including the impact on performance measurement data. |
| 35 | BellSouth did not include certain wholesale products in the calculation of SEEM for P-9. | P-3 | RQ6111---2/05 | 35.1 Staff considers this issue resolved and closed. |
| 36 (9/18 Affidavit) | SQM and SEEM levels of disagg. were inaccurate and misleading for the UNE-P product. | P-3 P-4 P-9 | None | 36.1 Staff continues to investigate BellSouth's response to this issue. |
| 37 | BellSouth incorrectly classified UNE Line Splitting orders as UNE-P when calculating results. | P-3 P-4 P-9 | RQ4871---4/04 | 37.1 Please explain why the May 2004 data month was used to determine if reposting is necessary. 37.2 Please explain why the number of records that were identified in the May, 2004 (after implementation of RQ4871) is significantly lower than the number of records identified by Liberty in the November and December, 2003 data months.. |
| 40 | BellSouth was not including all orders for the Local Interconnection Trunks in the calculation of the SEEM for these measures. | P-3 P-4 P-9 | RQ6146---2/05 | 40.1 Please explain why records left out of PARIS and the SEEM calculation does not affect parity determination. |
| 42 | BellSouth did not align the product IDs for troubles on the line. | M&R-2 | RQ5673---11/04 RQ6147---10/05 | <i>Staff would note that all the RQs for this issue have not been implemented. The issue cannot be resolved and closed until implementation has been completed.</i> |

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| | causing mismatches and resulting in assignment of troubles or lines to the wrong submeasure | | | <p>42.1 Please explain why the December 2004 data month was used to determine if reposting is necessary.</p> <p>42.2 Please explain how reposting was determined if RQ5673 has yet to be verified.</p> <p>42.3 Upon implementation of RQ5673, please provide analysis and impact on measurement M&R-2.</p> |
| 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. | M&R-2 M&R-3 | None | <p>43.1 Please explain why the February 2004 data month was used to determine if reposting is necessary.</p> <p>43.2 Please provide supporting documentation to verify that BellSouth updated procedures to ensure compliance with Reposting Policy.</p> |
| 44 (9/18 Affidavit) | BellSouth included orders with invalid maintenance durations in the calculation of this measure. | M&R-3 | None | 44.1 Staff considers this issue resolved and closed. |
| 45 | BellSouth incorrectly excluded ISDN-BRI for these measures | M&R-1 M&R-2 M&R-3 M&S-4 M&R-5 | RQ6111----2/05 | 45.1 Please explain why 13 data months were examined to determine if reposting is necessary. |
| 47 | BellSouth's manual process for preparing billing data for the B-1 measure did not contain adequate control procedures. | B-1 | None | 47.1 Please provide a status report and copy of the review and approval process implemented with the August 2005 data for determining billing invoice accuracy. |
| 48 | BellSouth's manual process for preparing billing data for the B-1 measure did not contain adequate control procedures. | B-1 | None | 48.1 Please provide an assessment of the risk and control analysis review for the billing process upon the conclusion in September 2005. |
| 49 (9/18 Affidavit) | BellSouth's method's for defining revenues and determine which bills are included in the B-1 measure are not addressed by the SQM plan. | B-1 | None | 49.1 Please further explain what will be included in the Definitions of Account Logic for Invoice Accuracy document. For example, will the document specify how BellSouth defines revenue and what type of bills will be included and excluded from B-1? |
| 51 | BellSouth performed no validation to detect | All | None | 51.1 Please identify the months and years BellSouth performed a check of zero dollar remedy payments to |

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| | invalid zero dollar remedy payments during the audit period. | | | determine that adjustments were not required. 51.2 Please provide the schedule for the automated process to classify zero payments and affidavit attesting to the correction. |
| 52 | BellSouth was not calculating the parity measures involving Tier 1 averages according to the SEEM Plan. | M&R-3 P-4 | RQ6040----6/05 | 52.1 Please provide an explanation of the months used by BellSouth to determine that adjustments were to made to SEEM payments. 52.2 After review of BellSouth's response and resulting SEEM adjustments, staff considers it imperative that the implementation of this Finding and the resulting BellSouth SEEM recalculations, and adjustments be reaudited. |
| 53 | BellSouth did not make remedy payments for failures associated with these measures. | O-3 O-4 | RQ5631---6/04 RQ4932---2/04 RQ5087---4/04 | 53.1 It appears that point of detection was as early as February, 2004. Please explain why BellSouth did not make adjustments from point of detection. 53.2 Please provide detailed supporting documentation of adjustments in June, 04 as a result of implementing RQs to correct finding 53, the amounts adjusted, (positive or negative). 53.3 Please provide the PARIS Tier 1 aggregate balance report for June, 2005. 53.4 Staff considers it imperative that the implementation of this Finding and the resulting BellSouth SEEM recalculations, and adjustments be reaudited. |
| 54 | BellSouth did not calculate remedy payments for percentage parity measures | M&R-1 M&R-4 M&R-5 P-3 P-9 | RQ6040---6/05 RQ6149---6/05 RQ6003---6/05 RQ6151---4/05 RQ7029---? | <i>Staff would note that all the RQs for this issue have not been implemented. The issue cannot be resolved and closed until implementation has been completed.</i> 54.1 Staff considers it imperative that the implementation of this Finding and the resulting BellSouth SEEM recalculations, and adjustments be reaudited. |
| 55 | BellSouth did not calculate remedy payments for M&R-2 in accordance with the SEEM plan. | M&R-2 | RQ6040---6/05 RQ6149---6/05 RQ6003---6/05 RQ6151---4/05 RQ7029---? | <i>Staff would note that all the RQs for this issue have not been implemented. The issue cannot be resolved and closed until implementation has been completed.</i> 55.1 Staff considers it imperative that the implementation of this Finding and the resulting BellSouth SEEM recalculations, and adjustments be reaudited. |
| 57 | BellSouth improperly excluded some data items and improperly included others in the calculation of SEEM payments. | O-9 | RQ5631---6/04 RQ4932---2/04 RQ5087---4/04 | 57.1 It appears that point of detection was prior to June, 2004. Please explain why BellSouth did not make adjustments from point of detection. 57.2 Please identify the CLECs who received |

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| | | | | adjustments in June, 2004 as a result of implementing RQs to correct finding 57, the amounts adjusted (positive or negative). |
| 58 | CLEC Administrative table update process caused delay payments to CLECs. | All | None | 58.1 Staff considers this issue resolved and closed. |
| 59 | Process of verify that remedy payments are made is not documented. | All | None | 59.1 Please provide supporting documentation to verify the process that remedy payments are made. |