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Public Service Commission

January 31, 2005

Mr. Robert Culpepper
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301

Ms. Vickie Gordon-Kauffman
McWhirter, Reeves, McGlothlin, Davidson, Kauffman and Arnold, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301

Dear Ms. Kauffman and Mr. Culpepper:

Enclosed is staff's analysis of BellSouth's response to the comments and questions filed by the CLEC Coalition in Docket No. 031072. Staff requests parties comments be submitted by February 9, 2004.

Subsequent to the publication of the PricewaterhouseCooper's audit, BellSouth made further revisions to both its release management process and software capacity reporting. To answer the CLEC Coalition's questions, staff reviewed documents related to methods and processes. The enclosed analysis contains a docket history. It also names the documents reviewed, the questions posed by the Coalition, and staff's conclusions regarding BellSouth's answers to the questions.

CMP _____ It is staff's opinion that, if BellSouth implements our suggested changes, the CLEC Coalition
COM _____ should be willing to withdraw its petition and allow the Commission to close this docket. Please
CTR _____ contact John Duffey or Carl Vinson at 850-413-6828 or e-mail jduffey@psc.state.fl.us if you have
any questions.

Sincerely yours,

Lisa Harvey
Chief, Bureau of Regulatory Review

MMS _____ cc: Beth Salak
RCA _____ Dale Mailhot
SCR _____ Felicia Banks
SEC _____ John Duffey
_____ Carl Vinson

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DOCUMENT NUMBER - DATE
01228 FEB-25
PSC-COMMISSION OFFICE

Re: Petition of CLEC COALITION {AT&T Communications of the Southern States, LLC, Dieca Communications Inc., dba Covad Communications Company, ITC^DeltaCom Communications, Inc. MCImetro Access Transmission Services, LLC, and MCI WorldCom Communications, Inc., for development of a process to evaluate BellSouth Telecommunications, Inc.'s compliance with the 50/50 plan, a portion of the Change Management Process.

Docket No. 031072-TL

Date January 31, 2005

Case History

1. On August 28, 2003, staff requested information regarding the audit by PricewaterhouseCooper (PwC) of the reliability of information reported to CLECs concerning the allocation of software capacity for enhancements, corrections, etc. to BellSouth Operations and Support Systems (OSS).
2. On November 21, 2003, the CLEC Coalition filed a petition asking the Commission to evaluate BellSouth's compliance with the "50/50 plan" related to the Change Management Process. The "50/50 plan" had its genesis in Docket Nos. 960786B-TL and 981834-TP in which KPMG conducted the third party test of BellSouth's OSS. The "50/50 plan" is a process intended to allocate to CLEC needs 50 percent of capacity in software development after all other necessary changes are made. In July, 2001, responding to KMPG Exception No. 88, in which prioritization of change control requests was criticized, BellSouth adopted the "50/50 plan." The company committed to independent third party verification of the capacity used and remaining after each new software release. See Order No. PSC-02- 1034-FOF-TP.
2. In addition, the CLEC Coalition noted that the scope of the PwC audit was too narrow. Through its petition, the CLEC Coalition sought to open the audit to all interested parties and to broaden its scope.
3. Following the filing of the CLEC Coalition Petition, a face-to-face meeting with staff was held among the parties. The parties made additional filings and the CLEC Coalition then agreed to await the PwC audit report and file comments, if necessary. The docket was held in abeyance until the PwC report was issued.
4. On July 15, 2004, BellSouth filed in this docket the PwC report titled "Report on BellSouth's Unit Sizing and Actual Unit Reporting Processes." On September 1, 2004, the CLEC Coalition filed comments on the PwC audit. BellSouth responded to the Coalition's comments two weeks later.
5. On October 12, 2004, staff facilitated a meeting among the parties to review the results of the PricewaterhouseCoopers (PwC) attestation reports in an attempt to clarify remaining CLEC Coalition concerns and gain agreement on a way to resolve those. On October 25, 2004, the

Coalition filed their post-meeting comments which identified remaining issues and asked that staff ensure that BellSouth has remedied the “failure points” identified in the PwC report.

Staff Review of BellSouth documents associated with the 50/50 OSS software allocation plan in response to CLEC Coalition’s filed Post-Meeting Concerns.

The October 12, 2004 meeting among parties succeeded in fostering increased understanding of the software release management processes and safeguards that BellSouth has implemented to ensure the accuracy of its reports to wholesale customers on capacity used and capacity available. The CLEC industry relies on the BellSouth reports for change impact assessment, resource planning, and prioritization of Change Requests. The CLEC Coalition set forth its remaining concerns in writing after the meeting in its October 22, 2004 filing of Post-Meeting Comments. A copy of the CLEC’s post-meeting comments is attached.

In its review, staff examined BellSouth proprietary documents entitled: *Appendix I Capacity Management Report Methods and Procedures; Appendix I-A Methods and Procedures; CCP and Maintenance Classification and other CCP Terminology* (PowerPoint presentation); *a Project Charter Template; Release Management CCP Estimate Capacity Reports* and the *Harvest System Administrator’s Guide*. The CLEC post-meeting comments contained five sections. Sections three and four contained numbered questions, which are addressed below.

Question 3.a.1. The Commission staff will review the BellSouth proprietary Subject Matter Expert (SME) training manual to ensure that the following item is appropriately addressed: Instructions on how change requests (CRs) are to be correctly categorized.

The proper classification of new features and defects (changes) is set forth on pages 11-16 of the Methods and Procedures (M&P) document. It details the definition of “CLEC Affecting,” and the appropriate characteristics of Type 1 through 6 new features and system defects for BellSouth employees. It also details differences among the types of changes.

Page 11 of the M&P document, which describes Type 1 – System Outage Notification, explains that systems outages are not “change requests” as with Types 2 through 6. The Section on Type 1 - Outages should properly recognize that, while the large majority of system outages are due to software difficulties, some outages may be hardware related. Staff recommends the addition of text to that effect.

Type 2 – Regulatory Changes are also discussed on page 11. The text comports with language in the official Change Control Process (CCP) Guide and notes that Type 2 changes are nonvoluntary, mandated by regulatory or judicial authorities. The text notes that an associated docket number or mandate is required in the classification of a change as a Type 2. Staff recommends, that in the second bullet point in this section, text be modified to delete the words “should always” and instead insert the words “shall” or “must.”

Instructions regarding classification of new features as Type 3 – Industry Standards changes appear on page 12. While the text in this section generally comports with the official CCP Guide, staff believes the document would enhance users’ understanding if text were

inserted to provide more specific examples on an industry standards organization such as the Ordering and Billing Forum (OBF) and others. Additionally, staff recommends that a period be inserted after the word “guidelines” in the second line and the following words in that sentence be deleted for clarity and grammatical form.

Type 4 - BellSouth Initiated Changes appear on page 12 of the M&P document. The first bullet point indicates that maintenance items could be included as Type 4 changes. Staff believes that it is important to note here that, concerning non-CLEC Affecting maintenance items, BellSouth intends “internal maintenance”, both hardware and software, rather than OSS interfaces commonly used by CLECs, such as TAFI or ECTA, within the Maintenance and Repair domain. Staff believes that the reader needs to understand the difference and that BellSouth should make text changes to accomplish that.

Guidelines for Type 5 - CLEC Initiated Changes appear on page 13 of the document. Staff believes that the first sentence is ungrammatical. A period should be inserted after the word “implement” and the following words in that sentence deleted. Generally, the language matches that of the CCP Guide regarding what constitutes a Type 5 change.

The M&P document discusses classification of Type 6 - CLEC Impacting Defects on page 13. The discussion mirrors that of the CCP Guide.

Page 14 of the M&P document discusses Non-CLEC Affecting Change. These changes are internal maintenance items for BellSouth, not items affecting TAFI, ECTA or other Maintenance and Repair OSS. There are four types of non-CLEC Affecting changes. Each is distinctly titled. Staff believes that the subsections describing proper classification of each of these maintenance items, should be indented underneath the section immediately above for better reader comprehension.

Question 3.a.2. The Commission staff will review the BellSouth proprietary SME training manual to ensure that the following item is appropriately addressed: Instructions on the unit sizing process for maintenance items.

Instructions to BellSouth SMEs concerning the unit sizing process for maintenance items are contained in a new document titled *Appendix I-A Methods and Procedures* and also *Release Management CCP Estimate Capacity Reports*. The first issuance of the latter document was in September 2004. The document was reviewed by BellSouth management, including the OSS, Planning, Delivery and Management groups as recently as December 2004. According to the documents, Maintenance items are treated in the sizing process just as Types 2 through 6 are treated.

Question 3.a.3 The Commission staff will review the BellSouth proprietary SME training manual to ensure that the following item is appropriately addressed: Instructions that future comparisons of vendor hours will be done prior to the release of Appendix I.

Instructions that future comparisons of vendor hours will be done prior to the release of Appendix I are written on pages 4-6 of the *Appendix I Capacity Management Report Methods and Procedures* document. The procedure includes a mandate that actual capacity hours for all

vendors are due to the BellSouth Technology Group within a specified time frame prior to Appendix I publication. Harvest system files on unit capacity are to be compared to the Business Unit Release Scope. Discrepancies in the comparisons are required to be resolved using defined channels and command chains. The document specifies that particular formats and shared file directories for filing and comparisons are to be used by all vendors and BellSouth units that liaise with them for these purposes. Further comparisons are required to ensure that all hours entered on worksheets received from vendors match the items that were on the worksheet sent to the vendor. Actual hours received from vendors are aligned with the final estimates' hours. Discrepancies are resolved in a defined fashion. Other comparisons and discrepancy resolutions are also mandated in the document. Staff believes that BellSouth has developed a thorough system of cross-checks and processes for resolving discrepancies among sizing reports.

Question 3.a.4. The Commission Staff will review the BellSouth proprietary SME training manual to ensure that the following item is appropriately addressed: Instructions on how initial unit sizing estimates from various application teams are to be aggregated accurately and completely.

The *Appendix I-A Methods and Procedures and Release Management CCP Estimate Capacity Reports* documents address CLEC concerns regarding initial unit sizing estimates from various application teams. The documents provide procedures and direction to ensure an accurate and comprehensive combination of sizing estimates. BellSouth business units verify and reconcile software vendor hours according to an eight-step process set forth on page 8 of the *Appendix I Capacity Management Report Methods and Procedures*.

Question 3.a.5. The Commission staff will review the BellSouth proprietary SME training manual to ensure that the following item is appropriately addressed: Review the new District level approval process on unit sizing.

Page 7 of the *Appendix I Capacity Management Report Methods and Procedures* document sets forth a new three-tiered BellSouth process for district level approval. In the first tier, the BellSouth Technology Group (BTG) preparer of the Actual Capacity Report will provide his/her signature warranting that the report is accurate and properly prepared according to defined steps. That form is then sent to a certain BTG reviewer for validation that the information contained is accurate. The official Approval Form is set forth in the document. The second tier is reached when the BTG reviewer signs the Approval Form attesting to the accuracy of its content and sends it to a certain BTG manager for review and approval who then signs the form, further warrants its accuracy and forwards it to the specified BTG manager's superior. The third tier is attained when the BTG manager's superior completes the form and sends hard copy to BellSouth Release Management for review, approval and then creation of Appendix I. Staff believes this to be a thorough certification process that requires each certifier along the way to put his/her professional reputation on the line. In addition, the process subjects the company to consequences of corporate governance laws for careless entries or intentionally inaccurate corporate records.

Question 3.b.1. The Commission staff will review the Harvest system application training document and the system administrative guide to ensure that the following item is appropriately

addressed: Determination if the Harvest training document includes instructions requiring each SME to enter a full explanation of the CLEC impact and impact on category assignment.

To verify answers to this CLEC question, staff reviewed the *CCP & Maintenance Classification and other CCP Terminology* presentation, dated June 24, 2004. The document's stated goal is to assist in the proper classification of Harvest features and defects. The CCP guide's definition of "CLEC Affecting" is presented. On page 8 of the presentation, staff believes that the instructions should be expanded as for Type 3 changes described above in 3.a.1.

Similarly, as stated above under 3.a.1, on page 9 of the presentation, an expansion of the instructions should include the differentiation between internal maintenance items and non-CLEC Affecting Maintenance and repair systems items for Type 4 changes. Otherwise, one receiving the training presentation could be confused.

Staff also reviewed the *Administrator Guide to the AllFusion Harvest Change Manager Version 5.1.1* and an *Addendum* to it. In the administrator's manual for the Harvest system, staff notes that the Harvest screen will not advance until the user has made an entry to the required CLEC Impact field when scoping a release. In Appendix C, on page 2, it demonstrates a required "impact notes" field containing up to 2000 characters so the user can describe the change's systems impact.

Question 3.b.2 The Commission staff will review the Harvest system application training document and the system administrative guide to ensure that the following item is appropriately addressed: Determination if the system administrative document addresses the security problems identified in the PwC report and have been included in the process document.

CLECs are concerned that BellSouth addressed what PwC noted as "weaknesses related to Harvest application security." PwC's comments appear in Attachment B of its report issued July 12, 2004. Staff reviewed the Administrator's Guide for the Harvest system. Chapter 10 of the guide sets forth procedures related to access restrictions at both Harvest Level and Object Level. Staff is satisfied that PwC's concerns have been addressed.

Question 4.a The CLECs have the following concern that BellSouth has not yet adequately addressed: BellSouth should change the Harvest edits so that the "CLEC affecting" field in Harvest does not allow the SME to advance to the next screen unless the "CLEC affecting" field has been completed.

Staff notes that the Harvest screen will not advance until the user has made an entry to the required CLEC "impact notes" field when scoping a release. Please see staff's response to CLEC question 3.b.1 above.

Question 4.b. The CLECs have the following concern that BellSouth has not yet adequately addressed: BellSouth should provide to the Commission staff documentation regarding the Project Management "replan" process. BellSouth should review the "Package Manager" template and provide it to the Commission Staff. The Staff should ensure that instructions in the "replan" process advise project managers to make sure that all defects are put on unit sizing estimate-sizing forms.

Staff reviewed the *BellSouth Project Charter Agreement Job Aid* to answer this CLEC question. The document adapts the release management process to ensure that defects found during release development and after release implementation are appropriately unit sized, documented and included in release reports.

Question 4.c. The CLECs have the following concern that BellSouth has not yet adequately addressed: BellSouth should continue to assess unit size changes during the development life cycle of the release. BellSouth should be required to conduct an “end of release” comprehensive analysis to identify where variances have occurred. A post analysis will enable BellSouth to:

1. Identify where most variances occur in the development cycle and then develop a plan to address how to improve the input/output in that phase in the cycle;
2. Determine what types of CRs consistently fall out of unit sizing and then perform an analysis to determine where the sizing failures exist, i.e., is a BellSouth SME or the vendor failing to size correctly;
3. Determine what areas of the vendor/BellSouth methodology on sizing can be refined or what benchmark data should be revisited.

In response to CLEC question 3.a.3, staff identified recently implemented BellSouth procedures related to the comparisons and reconciliations of discrepancies in vendor hours supplied at various stages in the development process. Staff believes that these recent BellSouth procedures combined with the recent implementation of district level review and approval represent a reasonable approach to the concerns stated in this question.

Question 4.d CLECs have the following concern that BellSouth has not yet adequately addressed: BellSouth should be required to reduce the trigger point by which it reviews unit sizing variances during the development cycle. The current 20 percent increase/decrease in unit sizing is too high as a trigger point during the development cycle. It should be revised to between 10-15 percent. In the recommended post analysis process, the CLECs suggest the unit sizing variance should be no greater than 20 percent.

CLECs question a 20 percent variance trigger that initiates a BellSouth review of unit sizing variances during the development cycle. Staff’s analysis, discussed under CLEC question 3.a.3 above, indicates no trigger point at which sizing discrepancies are reviewed or not. In fact, staff’s review of the *BellSouth Appendix I Capacity Management Report Methods and Procedures* document indicated all unit sizes are aligned with final estimated hours as well as at various points in the development process, including the beginning of a CR’s sizing when the BellSouth worksheet is sent to the vendor. Staff believes BellSouth has developed a thorough system of cross-checks and processes for resolving discrepancies among sizing reports.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of CLEC Coalition [AT&T Communications of the Southern States, LLC, DIECA Communications, Inc., d/b/a Covad Communications Company, ITC^DeltaCom Communications, Inc., MCImetro Access Transmission Services, LLC, and MCI WorldCom Communications, Inc., for Development of a process to evaluate BellSouth Telecommunications, Inc.'s Compliance with the 50/50 plan, a Portion of the Change Management Process.

Docket No. 031072-TL

Filed: October 22, 2004

CLEC COALITION'S POST-MEETING COMMENTS

The CLEC Coalition (AT&T Communications of the Southern States, LLC, DIECA Communications, Inc., d/b/a Covad Communications Company, ITC^DeltaCom Communications, Inc., and MCImetro Access Transmission Services, LLC, and MCI WorldCom Communications, Inc.) files its Post-Meeting Comments.

1. On October 12, 2004, the Staff of the Commission facilitated a meeting among the parties to this docket to review the results of the Price Waterhouse Coopers' (PwC) attestation reports. The CLEC Coalition had numerous questions regarding the PwC materials submitted by BellSouth Telecommunications, Inc. (BellSouth) on July 15, 2004, particularly Attachments B and C. The meeting resulted in an open and informative exchange of ideas and information.

2. At the conclusion of the meeting, the CLECs agreed to reduce to writing their understanding of the agreements reached at the meeting as well as their remaining concerns. The CLECs request that the Florida Staff confirm its intent to pursue the items

listed below agreed to by BellSouth to ensure that BellSouth has remedied the failure points identified in PWC's report.

3. It is the CLECs' understanding that as a result of the October 12th meeting, BellSouth will provide the Florida Commission Staff with the following documentation for its review:

a. The BellSouth proprietary Subject Matter Expert (SME) training manual.

The Commission Staff will review the training manual to ensure that the following items are appropriately addressed:

1. Instructions on how change requests (CRs) are to be correctly categorized; ✓
2. Instructions on the unit sizing process for maintenance items; — I-A M+D
3. Instructions that future comparisons of vendor hours will be done prior to the release of Appendix I;
4. Instructions on how initial unit sizing estimates from various application teams are to be aggregated accurately and completely; I-A M+D
5. Review the new District level approval process on unit sizing. ✓

b. The Harvest system application training document and the system administrative guide. The Commission Staff will review the training document to ensure that the following items are appropriately addressed:

1. Determination if the Harvest training document includes instructions requiring each SME to enter a full explanation of the CLEC impact and impact on category assignment;
2. Determination if the system administrative document addresses the security problems identified in the PwC report and have been included in the process document.

4. In addition, the CLECs have the following concerns that BellSouth has not yet adequately addressed:

- a. BellSouth should change the Harvest edits so that the "CLEC affecting" field in Harvest does not allow the SME to advance to the next screen unless the "CLEC affecting" field has been completed;

- b. BellSouth should provide to the Commission Staff documentation regarding the Project Management “replan” process. BellSouth should review the “Package Manager” template and provide it to the Commission Staff. The Staff should ensure that instructions in the “replan” process advise project managers to make sure that all defects are put on unit sizing estimate-sizing forms.
- c. BellSouth should continue to assess unit size changes during the development life cycle of the release. BellSouth should be required to conduct an “end of release” comprehensive analysis to identify where variances have occurred. A post analysis will enable BellSouth to:
 1. Identify where most variances occur in the development cycle and then develop a plan to address how to improve the input/output in that phase in the cycle;
 2. Determine what types of CRs consistently fall out of unit sizing and then perform an analysis to determine where the sizing failures exist, i.e., is a BellSouth SME or the vendor failing to size correctly;
 3. Determine what areas of the vendor/BellSouth methodology on sizing can be refined or what benchmark data should be revisited.
- d. BellSouth should be required to reduce the trigger point by which it reviews unit sizing variances during the development cycle. The current 20% increase/decrease in unit sizing is too high as a trigger point during the development cycle. It should be revised to between 10-15%. In the recommended post analysis process, the CLECs suggest the unit sizing variance should be no greater than 20%.
5. The CLECs look forward to continuing to work with Staff and BellSouth to resolve these remaining items.

S/ Vicki Gordon-Kaufman

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing CLEC Coalition's Post-Meeting Comments has been provided by (*) electronic mail and U.S. Mail this 22nd day of October-2004, to the following:

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