Claim of confidentiality notice of intent request for confidentiality filed by OPC

CenturyLink

July 16, 2012

For DN <u>D4717-12</u>, which is in locked storage. You must be authorized to view this DN.-CLK

CONFIDENTIAL DOCUMENTS ATTACHED

VIA HAND DELIVERY

Ms. Ann Cole Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

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RECEIVED-FPS(JUL 16 PH 4: COMMISSIO

RE: Docket No. 090538-TP; CenturyLink QCC's Claim of Confidentiality

Dear Ms. Cole:

COM

Enclosed for filing on behalf of Qwest Communications Company, LLC, d/b/a CenturyLink QCC in the above-referenced docket, is the original of the confidential documents listed below. QCC claims that the information listed below in this filing is proprietary confidential business information in accordance with Section 364.183(1), Florida Statues.

The information for which confidentiality is being claimed is:

- Supplemental Direct Testimony of Derek Canfield (highlighted portions on pgs. 2 and 4) Exhibits DAC-31 and DAC-32 (highlighted portions)
- Supplemental Direct Testimony of William R. Easton (highlighted portions on pgs. 2-6)
 Exhibits WRE-1C (highlighted portions) and WRE-45 (entire document redacted)

This Notice requires that the information be treated as confidential while on file with the Commission and pending the Commission's ruling on the Requests for Confidential Classification.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer. Thank you for your assistance in this matter.

	<u> </u>	• •	
AFD			
APA			
ECO	Sincerely,		
ENG	En ChAI-		
ENG GCD	TOWARS. MALIT		Susan S. Masterton
IDM	Susan S. Masterton		Senior Corporate Counsel 315 S. Calhoun Street, Suite 500
TEL	Enclosures		Tallahassee, FL 32301
CLK .		DOCUMENT NUMBER-CA	850-599-1560 (voice) 850-224-0794 (fax)
-	cc: Parties of Record	04716 JUL 16	Susan.masterton@centurylink.com
			**

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I. IDENTIFICATION OF WITNESS

Q. PLEASE STATE YOUR NAME, CURRENT TITLE, EMPLOYER AND 1 **BUSINESS ADDRESS.** 2 My name is William Easton. I am a Wholesale Staff Director at CenturyLink Inc., the 3 Α. corporate parent of Qwest Communications Company, LLC. ("QCC"). My business 4 address is 1600 7th Avenue, Seattle, Washington. 5 **II. PURPOSE OF TESTIMONY** 6 WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY? 7 0. On June 14, 2012, I filed Direct Testimony in this Docket. On that same day, the 8 Α. 9 Commission granted OCC's request to add Saturn Telecommunications Services. Inc. 10 d/b/a Earthlink Business ("Saturn") as a respondent in this case, in lieu of its affiliate 11 STS Telecom, LLC. Subsequently, the Commission set July 16, 2012 as the date for both Saturn and QCC to file supplemental direct testimony addressing QCC's claims against 12 13 Saturn. 14 Accordingly, this Supplemental Direct Testimony expands my Direct Testimony to add a discussion of Saturn's rate treatment of QCC. Mr. Canfield is likewise filing 15 Supplemental Direct Testimony regarding Saturn. 16 **III. CLEC BY CLEC ANALYSIS CONTINUED** 17 18 N. SATURN TELECOMMUNICATIONS SERVICE 19 Q. PLEASE DESCRIBE THE SATURN **TELECOMMUNICATIONS AGREEMENTS AT ISSUE IN THIS CASE?** 20_ 21 Α. Saturn has an agreement for intrastate switched access services with which 22 contains rates lower than the rates contained in Saturn's Florida intrastate access price list. This off-price list arrangement was effective 23 Under the agreement, Saturn charged or charges AT&T the rates identified in 24 Exhibit WRE 1C, row 1. (see Confidential Exhibit WRE 45). 25 REDACTED 2

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INDEX TO EXHIBITS

DESCRIPTION

:4

CLEC Agreement Rates (confidential)

Saturn Telecommunications Services and

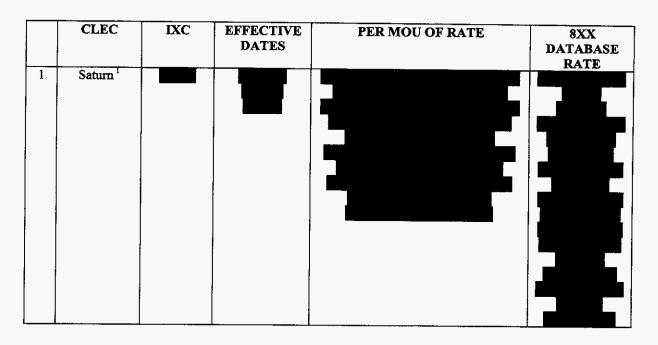
Saturn Telecommunications Services Price List No. 2 effective October 5, 2011

Exhibit

Confidential WRE 1C

Confidential WRE 45

WRE 46



CLEC AGREEMENT RATES (CONFIDENTIAL)

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¹ Confidential Exhibit WRE 45, p. 1.

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Docket No. 090538-TP Saturn-AT&T Agreement Exhibit WRE-45, Page 1 of 3

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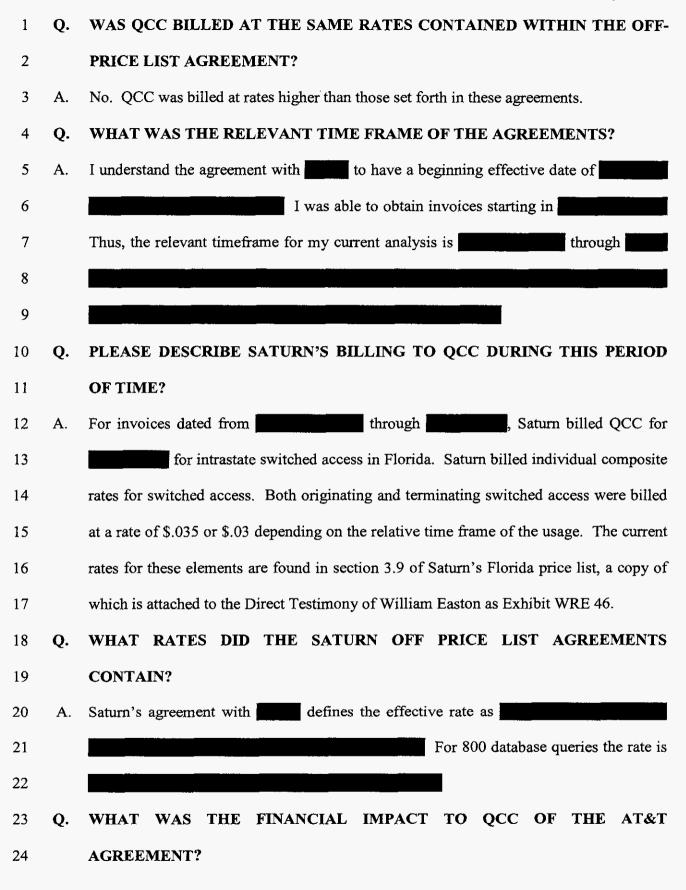
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DOCUMENT NUMBER-CATE 04716 JUL 16 2 EPSC-COMMISSION CLERK REDACTED INTRODUCTION

	1	Q.	PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.
	2		My name is Derek Canfield. I am employed by TEOCO Corporation (TEOCO) as
	3		Executive Director of Usage Audit and Analysis. My business address is 10955
	4		Lowell Ave Ste 705, Overland Park, KS, 66210.
	5		II. PURPOSE OF DIRECT TESTIMONY
	6	Q.	WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?
	7	A.	On June 14, 2012, I filed Direct Testimony in this Docket. On that same day, the
	8		Commission granted QCC's request to add Saturn Telecommunications Services, Inc.
	9		d/b/a Earthlink Business ("Saturn") as a respondent in this case, in lieu of its affiliate
	10		STS Telecom, LLC. Subsequently, the Commission set July 16, 2012 as the date for
	11		both Saturn and QCC to file supplemental direct testimony addressing QCC's claims
	12	,	against Saturn.
	13		Accordingly, this Supplemental Direct Testimony expands my Direct Testimony to add
	14		a discussion of Saturn's rate treatment of QCC. Mr. Easton is likewise filing
	15		Supplemental Direct Testimony regarding Saturn.
	16		III. CLEC BY CLEC ANALYSIS
	17		N. Saturn Telecommunications Services
	18	Q.	PLEASE DESCRIBE THE SATURN TELECOMMUNICATIONS SERIVCES,
~~~~	19		INC. (SATURN) AGREEMENT AT ISSUE IN THIS CASE?
COM	20	A.	Saturn has an off-price list agreement for intrastate switched access with and in the
APA ECO	21		state of Florida. A copy of the agreement is attached to the Supplemental Direct
ENG GCL IDM TEL CLK	22	-	Testimony of William Easton as Exhibit WRE 45. REDACTED DOCUMENT NUMBER-DAT 04716 JUL 16 ≌

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By virtue of billing OCC the higher rates. Saturn billed 1 A. more to OCC than it 2 would have billed to for the exact same set of minutes during the relevant time frame. I found that OCC was charged percent higher than was 3 Mv calculation is summarized at Exhibit DAC-31 and DAC-32. Exhibit DAC-31 is a month-4 5 by-month summary of the overcharge, while Exhibit DAC-32 provides a more granular 6 analysis and is divided by category (8XX database query, originating access, terminating 7 access), by month and by type of invoice (electronic or manual).

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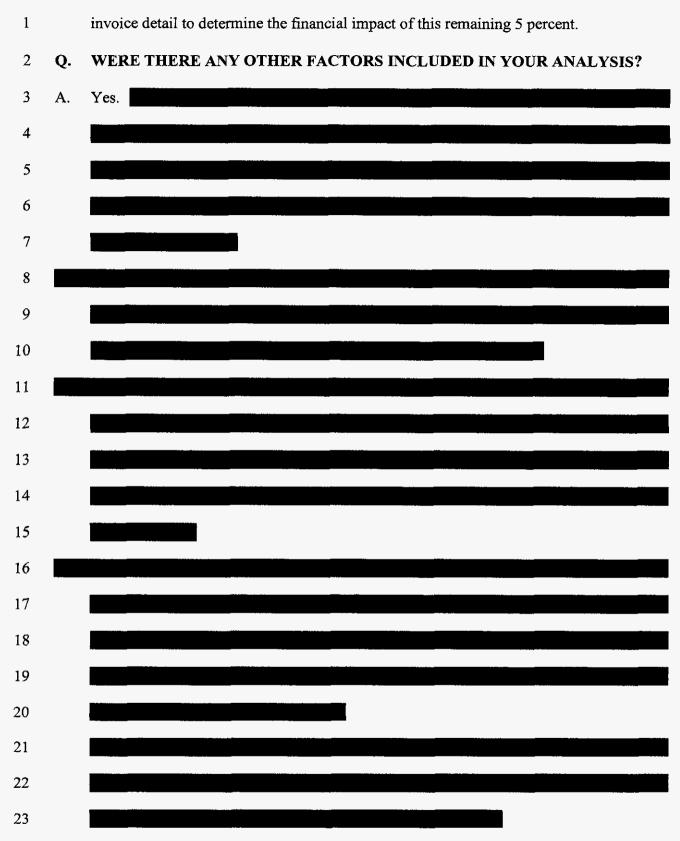
# Q. HOW WAS THIS FINANCIAL IMPACT CALCULATED?

For 95 percent of the minutes and dollars, QCC had received the electronic bill detail 9 Α. 10 needed to complete the calculation. Thus, I simply extracted the minutes from the 11 switched access invoices and multiplied the minutes by the contract rate to derive the amount OCC would have been billed had OCC enjoyed the same discount Saturn was 12 providing to the preferred IXC. The financial impact, therefore, was calculated by 13 subtracting the amount QCC would have been billed at the contract rate from the amount 14 it was actually billed. The electronic invoices also provided me with information as to 15 16 what percentage of Saturn's total monthly invoices was comprised of intrastate switched access charges (including intrastate 800 query charges). In this instance, that percentage 17 18 was 87 percent.

For the remaining 5 percent of the minutes and dollars included in my analysis, QCC had access only to the total dollars billed on a particular invoice. For this subset of invoices, I applied the percentage of intrastate switched access from the electronic invoices discussed above (i.e., 87 percent) to the total amount of the manual bills to derive a reasonable estimate of the intrastate switched access charges on those manual invoices. I then applied the previously mentioned percent variance calculated from the electronic

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#### 1 **IV. UPDATED FINANCIAL SUMMARY** 2 PLEASE SUMMARIZE YOUR ANALYSIS OF THE CLECS IN THIS **Q**. 3 COMPLAINT. 4 The analysis presented above (and it my Direct Testimony) quite simply applied the A. 5 discounts provided by the respondent CLECs to their preferred IXC customers to the switched minutes of use billed by the respective CLEC to QCC in the state of Florida. 6 7 The variance between the amounts billed to QCC and the amounts calculated in the 8 analysis reflects the amount QCC was overcharged during the time analyzed. As I 9 mentioned previously, these calculations will need to be updated and brought current at a 10 later stage of the case. The table below summarizes this analysis. 11 CLEC FROM THROUGH BILLED **OVERCHARGE** 12 [BEGIN LAWYERS ONLY CONFIDENTIAL] BROADWING/FOCAL 13 [END LAWYERS ONLY CONFIDENTIAL] 14 BUDGET BULLSEYE 15 4/1/2004 3/31/2012* DELTACOM 16 ERNEST 17 FLATEL GRANITE 18 1/27/2004 1/26/2007 MCI 19 NAVIGATOR 6/21/2002 3/31/2012* 6/20/2011 PAETEC 1/26/2002 20 SATURN 21 1/1/2001 1/1/2008 TIME WARNER US LEC 3/14/2002 6/30/2011 22 WINDSTREAM NUVOX 1/1/2002 3/31/2012* 23 TOTAL 24

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#### ASSUMPTIONS

1) The percentage intrastate usage charges of total usage is the same for manual invoices as for electronic invoices.

2) The percentage variance when applying the contract rate is the same for manual invoices as for electronic invoices.

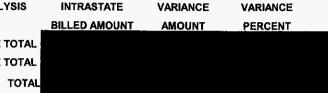
3) 84.03% of the minutes are tandem routed.

4) The average transport mileage for tandem routed traffic was 1 miles.

5) 100% of the traffic originates or terminates in the Bellsouth territory.

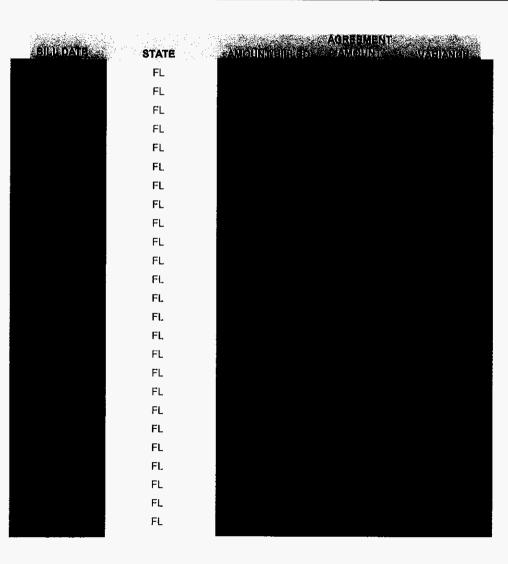
6) Applied the Saturn - AT&T agreement rates.

Docket No. 090538-TP Saturn Telecommunications Overcharge Summary Exhibit DAC-31, Page 1 of 3



FINANCIAL ANALYSIS

ELECTRONIC INVOICE TOTAL MANUAL INVOICE TOTAL



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Docket No. 090538-TP Saturn Telecommunications Overcharge Summary Exhibit DAC-31, Page 2 of 3

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Docket No. 090538-TP Saturn Telecommunications Overcharge Summary Exhibit DAC-31, Page 3 of 3

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#### ASSUMPTIONS

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- 4) The average transport mileage for tandem routed traffic was 1 miles.
- 5) 100% of the traffic originates or terminates in the Bellsouth territory.
- 6) Applied the Saturn AT&T agreement rates.