

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

July 16, 2012

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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

REDACTED

RECEIVED-PPSC
12 JUL 16 PM 4: 11
COMMISSION CLERK

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

Dear Ms. Cole:

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 Statutes.

The information for which confidentiality is being claimed is:

- 1. Supplemental Direct Testimony of Derek Canfield (highlighted portions on pgs. 2 and 4)
Exhibits DAC-31 and DAC-32 (highlighted portions)**
- 2. 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.

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Sincerely,

Susan S. Masterton
Enclosures

cc: Parties of Record

Susan S. Masterton
Senior Corporate Counsel
315 S. Calhoun Street, Suite 500
Tallahassee, FL 32301

DOCUMENT NUMBER - DATE
850-599-1560 (voice)
850-224-0794 (fax)
susan.masterton@centurylink.com

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I. IDENTIFICATION OF WITNESS

1 **Q. PLEASE STATE YOUR NAME, CURRENT TITLE, EMPLOYER AND**
2 **BUSINESS ADDRESS.**

3 A. My name is William Easton. I am a Wholesale Staff Director at CenturyLink Inc., the
4 corporate parent of Qwest Communications Company, LLC. ("QCC"). My business
5 address is 1600 7th Avenue, Seattle, Washington.

II. PURPOSE OF TESTIMONY

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

8 A. On June 14, 2012, I filed Direct Testimony in this Docket. On that same day, the
9 Commission granted QCC'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
12 Saturn and QCC to file supplemental direct testimony addressing QCC's claims against
13 Saturn.

14 Accordingly, this Supplemental Direct Testimony expands my Direct Testimony to add a
15 discussion of Saturn's rate treatment of QCC. Mr. Canfield is likewise filing
16 Supplemental Direct Testimony regarding Saturn.

III. CLEC BY CLEC ANALYSIS CONTINUED

N. SATURN TELECOMMUNICATIONS SERVICE

19 **Q. PLEASE DESCRIBE THE SATURN TELECOMMUNICATIONS**
20 **AGREEMENTS AT ISSUE IN THIS CASE?**

21 A. Saturn has an agreement for intrastate switched access services with [REDACTED] which
22 contains rates lower than the rates contained in Saturn's Florida intrastate access price
23 list. This off-price list arrangement was effective [REDACTED]
24 [REDACTED] Under the agreement, Saturn charged or charges AT&T the rates identified in
25 Exhibit WRE 1C, row 1. (see Confidential Exhibit WRE 45).

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INDEX TO EXHIBITS

DESCRIPTION	Exhibit
CLEC Agreement Rates (confidential)	Confidential WRE 1C
Saturn Telecommunications Services and [REDACTED]	Confidential WRE 45
Saturn Telecommunications Services Price List No. 2 effective October 5, 2011	WRE 46

**CLEC AGREEMENT RATES
 (CONFIDENTIAL)**

	CLEC	IXC	EFFECTIVE DATES	PER MOU OF RATE	8XX DATABASE RATE
1	Saturn ¹	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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¹ Confidential Exhibit WRE 45, p. 1.

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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 SERVICES,**
19 **INC. (SATURN) AGREEMENT AT ISSUE IN THIS CASE?**

A. Saturn has an off-price list agreement for intrastate switched access with [REDACTED] in the
state of Florida. A copy of the agreement is attached to the Supplemental Direct
Testimony of William Easton as Exhibit WRE 45.

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1 Q. WAS QCC BILLED AT THE SAME RATES CONTAINED WITHIN THE OFF-
2 PRICE LIST AGREEMENT?

3 A. No. QCC was billed at rates higher than those set forth in these agreements.

4 Q. WHAT WAS THE RELEVANT TIME FRAME OF THE AGREEMENTS?

5 A. I understand the agreement with [REDACTED] to have a beginning effective date of [REDACTED]

6 [REDACTED] I was able to obtain invoices starting in [REDACTED]

7 Thus, the relevant timeframe for my current analysis is [REDACTED] through [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 Q. PLEASE DESCRIBE SATURN'S BILLING TO QCC DURING THIS PERIOD
11 OF TIME?

12 A. For invoices dated from [REDACTED] through [REDACTED], Saturn billed QCC for
13 [REDACTED] for intrastate switched access in Florida. Saturn billed individual composite
14 rates for switched access. Both originating and terminating switched access were billed
15 at a rate of \$.035 or \$.03 depending on the relative time frame of the usage. The current
16 rates for these elements are found in section 3.9 of Saturn's Florida price list, a copy of
17 which is attached to the Direct Testimony of William Easton as Exhibit WRE 46.

18 Q. WHAT RATES DID THE SATURN OFF PRICE LIST AGREEMENTS
19 CONTAIN?

20 A. Saturn's agreement with [REDACTED] defines the effective rate as [REDACTED]

21 [REDACTED] For 800 database queries the rate is

22 [REDACTED]

23 Q. WHAT WAS THE FINANCIAL IMPACT TO QCC OF THE AT&T
24 AGREEMENT?

REDACTED

1 A. By virtue of billing QCC the higher rates, Saturn billed [REDACTED] more to QCC than it
2 would have billed to [REDACTED] for the exact same set of minutes during the relevant time
3 frame. I found that QCC was charged [REDACTED] percent higher than was [REDACTED]. My
4 calculation is summarized at Exhibit DAC-31 and DAC-32. Exhibit DAC-31 is a month-
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).

8 **Q. HOW WAS THIS FINANCIAL IMPACT CALCULATED?**

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

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

REDACTED

1 invoice detail to determine the financial impact of this remaining 5 percent.

2 **Q. WERE THERE ANY OTHER FACTORS INCLUDED IN YOUR ANALYSIS?**

3 A. Yes. [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

REDACTED

IV. UPDATED FINANCIAL SUMMARY

Q. PLEASE SUMMARIZE YOUR ANALYSIS OF THE CLECS IN THIS COMPLAINT.

A. The analysis presented above (and it my Direct Testimony) quite simply applied the 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. The variance between the amounts billed to QCC and the amounts calculated in the analysis reflects the amount QCC was overcharged during the time analyzed. As I mentioned previously, these calculations will need to be updated and brought current at a later stage of the case. The table below summarizes this analysis.

CLEC	FROM	THROUGH	BILLED	OVERCHARGE
[BEGIN LAWYERS ONLY CONFIDENTIAL]				
BROADWING/FOCAL				
[END LAWYERS ONLY CONFIDENTIAL]				
BUDGET				
BULLSEYE				
DELTACOM	4/1/2004	3/31/2012*		
ERNEST				
FLATEL				
GRANITE				
MCI	1/27/2004	1/26/2007		
NAVIGATOR	6/21/2002	3/31/2012*		
PAETEC	1/26/2002	6/20/2011		
SATURN				
TIME WARNER	1/1/2001	1/1/2008		
US LEC	3/14/2002	6/30/2011		
WINDSTREAM NUVOX	1/1/2002	3/31/2012*		
TOTAL				

REDACTED

REDACTED

FINANCIAL ANALYSIS	INTRASTATE	VARIANCE	VARIANCE
	BILLED AMOUNT	AMOUNT	PERCENT
ELECTRONIC INVOICE TOTALS			
MANUAL INVOICE TOTALS			
TOTAL			

MOU

BILL DATE	STATE	TRAFFIC TYPE	AGREEMENT RATE	AGREEMENT	VARIANCE
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
	FL	ORIG			
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BILL DATE

STATE

TRAFFIC_TYPE

AMOUNT_BILLED

QUANTITY

OPEN

TAMOUNT

DIRECT

AMOUNT

VARIANCE

[REDACTED]	FL	TERM	[REDACTED]
		MOU	[REDACTED]

Manual

DATE	STATE	USAGE	AMOUNT	CHARGE	TERMINATION
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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.

FINANCIAL ANALYSIS	INTRASTATE	VARIANCE	VARIANCE
	BILLED AMOUNT	AMOUNT	PERCENT
ELECTRONIC INVOICE TOTAL	[REDACTED]		
MANUAL INVOICE TOTAL	[REDACTED]		
TOTAL	[REDACTED]		

BILL DATE	STATE	AMOUNT BILLED	AGREEMENT	VARIANCE
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	FL	[REDACTED]	[REDACTED]	[REDACTED]

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DATE	STATE	AMOUNT BILLED	AGREEMENT AMOUNT	VARIANCE
	FL			
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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.
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