

September 24, 2012



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

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

For DN 06415-12, which is in locked storage. You must be authorized to view this DN.-CLK

RECEIVED-FPSC
12 SEP 24 AM 11:40
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 is proprietary confidential business information in accordance with Section 364.183(1), Florida Statutes.

The information for which confidentiality is being claimed is:

1. **Surrebuttal Testimony of Derek Canfield (highlighted portions on pgs. 3-7)**
2. **Exhibits DAC-33 and DAC-34 (highlighted portions)**

This Notice requires that the information be treated as confidential while on file with the Commission.

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.

Sincerely,

Susan S. Masterton
Enclosures

- COM
- AFD
- APA
- ECO cc: Parties of Record
- ENG
- GCL
- IDM
- TEL
- CLK

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DOCUMENT NUMBER-DATE

06414 SEP 24 12

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1 required updating of my original overcharge analyses. Where I believe that
2 Broadwing's witnesses have raised valid issues, I felt it important to modify the
3 calculations earlier presented to the Commission.

4 **Q. PLEASE SUMMARIZE THE MODIFICATIONS YOU MADE TO YOUR**
5 **OVERCHARGE ANALYSIS.**

6 **A.** First, I modified the time period covered by the overcharge analysis to cease the
7 calculation as of October 2008, when the [REDACTED]

8 [REDACTED] See Exhibit MDG-9. Second, I modified the overcharge calculation by taking
9 into account certain credits issued by Broadwing to QCC arising out of billing
10 disputes. As a result, the principal amount of Broadwing's overcharge is reduced
11 from [REDACTED]

12 **Q. HAVE YOU MODIFIED YOUR CALCULATIONS REGARDING THE TIME**
13 **PERIOD DECEMBER 2001 – APRIL 2006?**

14 **A.** No. As a reminder, my original calculation of Broadwing's overcharge looked at two
15 distinct time periods. From [REDACTED]

16 [REDACTED] provided below price list rates for intrastate switched access to [REDACTED]
17 pursuant to the agreement attached to Mr. Easton's Direct Testimony as Exhibit
18 WRE-5A. For the latter period [REDACTED] my calculation relied on [REDACTED]
19 agreement with [REDACTED] a copy of which was attached to Mr. Easton's Direct
20 Testimony as Exhibit WRE-5B.

21 In his Rebuttal Testimony (page 17), Mr. Greene acknowledges that the [REDACTED]
22 [REDACTED] As such, I did not modify my
23 calculation of Broadwing's overcharge for this first time period.

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COM _____ 18
AFD _____
APA _____ 19
ECO _____
ENG _____ 20
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1 Q. MR. GREENE TESTIFIES THAT FOCAL CEASED OPERATION IN 2005,
2 THAT ALL SERVICES WERE PROVIDED THEREAFTER UNDER
3 BROADWING'S OCN (8925) AND THAT THE FOCAL-SPRINT
4 AGREEMENT WAS SUPERSEDED BY A 2005 BROADWING-SPRINT
5 AGREEMENT. DID YOU TAKE THESE CHANGES INTO ACCOUNT IN
6 YOUR MODIFIED OVERCHARGE ANALYSIS?

7 A. Yes, although they make no practical difference. OCN 8925 was formerly associated
8 with Focal, and then changed (in name) to Broadwing. All the minutes identified in
9 my original overcharge analysis were associated with OCN 8925. Further, even
10 accepting that the [REDACTED] agreement was superseded by the [REDACTED]
11 agreement, the rate treatment [REDACTED]

12 [REDACTED]

13 Mr. Greene attaches the [REDACTED] agreement as Exhibit MDG-3 to his
14 Rebuttal Testimony. Section [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 Thus, while Mr. Greene goes to great lengths to state that the [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 Q. MR. COLLINS (AT PAGES 7-8 OF HIS REBUTTAL TESTIMONY) STATES
23 THAT QCC FAILED TO SUBTRACT FROM ITS OVERCHARGE
24 ANALYSIS AMOUNTS THAT WERE PREVIOUSLY CREDITED TO QCC

1 **FROM BROADWING. PLEASE RESPOND.**

2 **A.** I have modified the calculation to take into account the credits that were issued for
3 the wireless transit traffic dispute. For the purposes of settlement Broadwing and
4 QCC agreed that ■ percent of the originating traffic during the dispute period was
5 transit traffic. I therefore reduced the billed amount for the originating traffic by ■
6 percent to account for the disputed traffic.

7 **Q. MR. COLLINS (AT PAGES 8-9 OF HIS REBUTTAL TESTIMONY) STATES**
8 **THAT QCC FAILED TO ACCOUNT FOR THE FACT THAT QCC AND**
9 **SPRINT WERE CHARGED THE SAME RATE FOR TRANSIT SERVICES.**
10 **PLEASE RESPOND.**

11 **A.** Mr. Collins' criticism is not relevant. QCC's overcharge analysis never included
12 transit services that were billed at Broadwing's transit rate, and thus Mr. Collins'
13 criticism has no applicability. As indicated in the assumptions (number 9) in Exhibits
14 DAC-1 and DAC-2, only traffic originating from or terminating to Focal/Broadwing
15 end users was included in the analysis. That remains true in Exhibits DAC-33 and
16 DAC-34.

17 **Q. MR. COLLINS (AT PAGES 9-10 OF HIS REBUTTAL TESTIMONY) STATES**
18 **THAT QCC FAILED TO ACCOUNT FOR THE FACT THAT QCC AND**
19 **SPRINT WERE CHARGED THE SAME RATE FOR 800 DATABASE AND**
20 **ORIGINATING AND TERMINATING SWITCHED ACCESS. PLEASE**
21 **RESPOND.**

22 **A.** Mr. Collins' assertion is not supported by the [REDACTED]
23 [REDACTED]
24 [REDACTED]

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[REDACTED]

QCC has asked Broadwing in discovery to provide invoices and other evidence supporting Mr. Collins' assertions that QCC and Sprint were actually charged the same rates. If such evidence is provided to QCC, and Mr. Collins's claims (which appear inconsistent with [REDACTED]) are corroborated, QCC would certainly be willing to further revisit its calculation.

Q. DID YOU MODIFY YOUR CALCULATION TO ACCOUNT FOR MR. COLLINS' CRITICISM (AT PAGE 11 OF HIS REBUTTAL TESTIMONY) REGARDING YOUR APPLICATION OF AN ILEC RATE PROXY?

A. No, I did not. Mr. Collins' statements are incorrect. On page 12 of my Direct Testimony, I describe the composite rates that were calculated and the factors taken into consideration when calculating the ILEC rate proxy for Broadwing. The weighting of traffic by ILEC, weighted average mileage and percentage direct versus tandem routed traffic are all factors considered in the calculation. Mr. Collins also expresses concern that the ILEC rate changes that took place over the agreement period may have not been considered when calculating the ILEC Rate proxy. In discovery, QCC provided Broadwing working papers that reflected how the ILEC rate proxy was calculated. The working papers demonstrate how the factors mentioned previously, as well as the ILEC intrastate tariff rate changes that occurred over the course of the agreement, were taken into consideration. In short, ILEC rate changes were applied when calculating the ILEC rate proxy for Broadwing.

Q. DID YOU MODIFY YOUR CALCULATION TO ACCOUNT FOR MR. COLLINS' CRITICISM OF THE MANNER IN WHICH YOU CALCULATE OVERCHARGES FOR INVOICES WHERE QCC LACKS ELECTRONIC

1 **BILL DETAIL?**

2 A. No. QCC's proxies for manual invoices for which it lacks electronic details is
3 reasonable. I explained QCC's methodology in my Direct Testimony, and will not
4 repeat it here. I will note, however, that the data Mr. Collins looked at to test my
5 assumptions regarding the percentage of intrastate usage are based on a far smaller set
6 of invoices than I used and are farther in time from the relevant time period than I
7 used. I determined an intrastate usage proxy (for the manual bills received between
8 [REDACTED]) by examining invoices from [REDACTED]
9 [REDACTED] On the other hand, Mr. Collins looked only at invoices from [REDACTED]
10 [REDACTED] I do not believe it would be appropriate to modify QCC's
11 overcharge calculation on the basis of Mr. Collins' criticism.

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes.

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REDACTED

REDACTED

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

	AT&T Agreement December 2001 - April 2006		Sprint Agreement May 2006 - September 2008		Totals	
	Billed Amt	Net Billed amt	Billed Amt	Net Billed amt	Total Billed Amt	Total Net Billed amt
MOU Billed						
8XX Billed						
Manual Billed						
Total Billed						

	AT&T Agreement December 2001 - April 2006	Sprint Agreement May 2006 - September 2008	Totals
MOU variance			
8XX varaince			
Manual variance			
Total			

COM _____
 AFD _____
 APA _____
 ECO _____
 ENG _____
 GCD 1
 IDM _____
 TEL _____
 CLK _____

BILL DATE	STATE	AMOUNT BILLED	NET AMOUNT BILLED	AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
1-Feb-02	CA					
1-Mar-02	CA					
1-Apr-02	CA					
1-May-02	CA					
1-Jun-02	CA					

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BILL DATE	STATE	AMOUNT BILLED	NET AMOUNT BILLED	AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
1-Jul-02	CA					
1-Aug-02	CA					
1-Sep-02	CA					
1-Oct-02	CA					
1-Nov-02	CA					
1-Dec-02	CA					
1-Jan-03	CA					
1-Feb-03	CA					
1-Mar-03	CA					
1-Apr-03	CA					
1-May-03	CA					
1-Jun-03	CA					
1-Jul-03	CA					
1-Aug-03	CA					
1-Sep-03	CA					
1-Oct-03	CA					
1-Nov-03	CA					
1-Dec-03	CA					
1-Jan-04	CA					
1-Feb-04	CA					
1-Mar-04	CA					
1-Apr-04	CA					
1-May-04	CA					
1-Jun-04	CA					
1-Jul-04	CA					
1-Aug-04	CA					
1-Sep-04	CA					
2-Sep-04	CA					
1-Oct-04	CA					
2-Oct-04	CA					
1-Nov-04	CA					
2-Nov-04	CA					
1-Dec-04	CA					

BILL DATE	STATE	AMOUNT BILLED	NET AMOUNT BILLED	AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
2-Dec-04	CA					
1-Jan-05	CA					
2-Jan-05	CA					
1-Feb-05	CA					
2-Feb-05	CA					
1-Mar-05	CA					
2-Mar-05	CA					
1-Apr-05	CA					
2-Apr-05	CA					
1-May-05	CA					
2-May-05	CA					
1-Jun-05	CA					
1-Jul-05	CA					
1-Aug-05	CA					
1-Sep-05	CA					
1-Oct-05	CA					
1-Nov-05	CA					
1-Dec-05	CA					
1-Jan-06	CA					
1-Feb-06	CA					
1-Mar-06	CA					
1-Apr-06	CA					
1-May-06	CA					
1-Jun-06	CA					
1-Jul-06	CA					
1-Aug-06	CA					
1-Sep-06	CA					
1-Oct-06	CA					
1-Nov-06	CA					
1-Dec-06	CA					
1-Jan-07	CA					
1-Feb-07	CA					
1-Mar-07	CA					

BILL DATE	STATE	AMOUNT BILLED	NET AMOUNT BILLED	AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
1-Apr-07	CA					
1-May-07	CA					
1-Jun-07	CA					
1-Jul-07	CA					
1-Aug-07	CA					
1-Sep-07	CA					
1-Oct-07	CA					
1-Nov-07	CA					
1-Dec-07	CA					
1-Jan-08	CA					
1-Feb-08	CA					
1-Mar-08	CA					
1-Apr-08	CA					
1-May-08	CA					
1-Jun-08	CA					
1-Jul-08	CA					
1-Aug-08	CA					
1-Sep-08	CA					

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) The percent variance applied to the manual invoices is from the time period the ILEC ITA rates were in effect.
- 4) Variance percentages were calculated and applied for each agreement period.
- 5) 100.00% of the minutes are tandem routed.
- 6) The average transport mileage for tandem routed traffic was 1 miles.
- 7) [REDACTED]
- 8) [REDACTED]
- 9) Only traffic originating from, or terminating to, Focal end users were included in this analysis.
- 10) [REDACTED]

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

REDACTED

AT&T Agreement

800 queries

BILL DATE	STATE	TRAFFIC TYPE	AMOUNT BILLED	NET AMOUNT BILLED	QUANTITY	CPM	AGREEMENT RATE	AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	Variance
1-Aug-04	FL	OTHR								
1-Sep-04	FL	OTHR								
2-Sep-04	FL	OTHR								
1-Oct-04	FL	OTHR								
2-Oct-04	FL	OTHR								
1-Nov-04	FL	OTHR								
2-Nov-04	FL	OTHR								
1-Dec-04	FL	OTHR								
2-Dec-04	FL	OTHR								
1-Jan-05	FL	OTHR								
2-Jan-05	FL	OTHR								
1-Feb-05	FL	OTHR								
2-Feb-05	FL	OTHR								
1-Mar-05	FL	OTHR								
2-Mar-05	FL	OTHR								
1-Apr-05	FL	OTHR								
2-Apr-05	FL	OTHR								
1-May-05	FL	OTHR								
2-May-05	FL	OTHR								
1-Jul-05	FL	OTHR								
1-Aug-05	FL	OTHR								
1-Sep-05	FL	OTHR								
1-Oct-05	FL	OTHR								
1-Nov-05	FL	OTHR								
1-Dec-05	FL	OTHR								
1-Jan-06	FL	OTHR								
1-Feb-06	FL	OTHR								
1-Mar-06	FL	OTHR								
1-Apr-06	FL	OTHR								

COM
 AFD
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BILL DATE	STATE	TRAFFIC TYPE	AMOUNT BILLED	NET AMOUNT BILLED	QUANTITY	CPM	AGREEMENT RATE		AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
							TANDEM	DIRECT			
1-Aug-04	FL	ORIG									
1-Sep-04	FL	ORIG									
1-Oct-04	FL	ORIG									
1-Nov-04	FL	ORIG									
1-Dec-04	FL	ORIG									
1-Jan-05	FL	ORIG									
1-Feb-05	FL	ORIG									
1-Mar-05	FL	ORIG									
1-Apr-05	FL	ORIG									
1-May-05	FL	ORIG									

DOCUMENT NUMBER 06414 SEP 24 2005
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BILL DATE	STATE	TRAFFIC_TYPE	NET AMOUNT		QUANTITY	CPM	AGREEMENT RATE		AGREEMENT AMOUNT	NET AGREEMENT AMOUNT	VARIANCE
			AMOUNT BILLED	BILLED			TANDEM	DIRECT			
1-Jul-05	FL	ORIG									
1-Aug-05	FL	ORIG									
1-Sep-05	FL	ORIG									
1-Oct-05	FL	ORIG									
1-Nov-05	FL	ORIG									
1-Dec-05	FL	ORIG									
1-Jan-06	FL	ORIG									
1-Feb-06	FL	ORIG									
1-Mar-06	FL	ORIG									
1-Apr-06	FL	ORIG									
1-Aug-04	FL	TERM									
1-Sep-04	FL	TERM									
1-Oct-04	FL	TERM									
1-Nov-04	FL	TERM									
1-Jul-05	FL	TERM									
1-Sep-05	FL	TERM									
1-Oct-05	FL	TERM									
1-Nov-05	FL	TERM									
1-Dec-05	FL	TERM									
1-Jan-06	FL	TERM									
1-Feb-06	FL	TERM									
1-Mar-06	FL	TERM									
1-Apr-06	FL	TERM									
		MOU									
		8XX									
		Total									

Manual

BILL DATE	STATE	FACE PAGE AMOUNT	CALCULATED ITA AMOUNT	NET CALCULATED ITA AMOUNT	VARIANCE
1-Feb-02	FL				
1-Mar-02	FL				
1-Apr-02	FL				
1-May-02	FL				
1-Jun-02	FL				
1-Jul-02	FL				
1-Aug-02	FL				
1-Sep-02	FL				
1-Oct-02	FL				
1-Nov-02	FL				
1-Dec-02	FL				
1-Jan-03	FL				
1-Feb-03	FL				
1-Mar-03	FL				
1-Mar-03	FL				
1-Apr-03	FL				
1-Apr-03	FL				
1-May-03	FL				

BILL DATE	STATE	TRAFFIC TYPE	NET AMOUNT		QUANTITY	CPM	AGREEMENT RATE		AGREEMENT	NET AGREEMENT	VARIANCE
			AMOUNT BILLED	BILLED			TANDEM	DIRECT	AMOUNT	AMOUNT	
1-Apr-08	FL	ORIG									
1-May-08	FL	ORIG									
1-Jun-08	FL	ORIG									
1-Jul-08	FL	ORIG									
1-Aug-08	FL	ORIG									
1-Sep-08	FL	ORIG									
1-May-06	FL	TERM									
1-Jun-06	FL	TERM									
1-Jul-06	FL	TERM									
1-Aug-06	FL	TERM									
1-Sep-06	FL	TERM									
1-Oct-06	FL	TERM									
1-Nov-06	FL	TERM									
1-Dec-06	FL	TERM									
1-Jan-07	FL	TERM									
1-Feb-07	FL	TERM									
1-Mar-07	FL	TERM									
1-Apr-07	FL	TERM									
1-May-07	FL	TERM									
1-Jun-07	FL	TERM									
1-Jul-07	FL	TERM									
1-Aug-07	FL	TERM									
1-Sep-07	FL	TERM									
1-Oct-07	FL	TERM									
1-Nov-07	FL	TERM									
1-Dec-07	FL	TERM									
1-Jan-08	FL	TERM									
1-Feb-08	FL	TERM									
1-Mar-08	FL	TERM									
1-Apr-08	FL	TERM									
1-May-08	FL	TERM									
1-Jun-08	FL	TERM									
1-Jul-08	FL	TERM									
1-Aug-08	FL	TERM									
1-Sep-08	FL	TERM									
		MOU									
		8XX									
		Total									

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) The percent variance applied to the manual invoices is from the time period the ILEC ITA rates were in effect.
- 4) Variance percentages were calculated and applied for each agreement period.
- 5) [REDACTED]
- 6) The average transport mileage for tandem routed traffic was 1 miles.
- 7) [REDACTED]
- 8) [REDACTED]
- 9) Only traffic originating from, or terminating to, Focal end users were included in this analysis.
- 10) [REDACTED]