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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

WILLIAM MUNDELL
Chairman
JAMES M. IRVIN
Commissioner
MARC SPITZER
Commissioner

DOCKETED

NOV 08 2002

DOCKETED BY *CM*

DOCKET NO. T-00000A-00-0194

IN THE MATTER OF THE GENERIC
INVESTIGATION INTO U S WEST
COMMUNICATIONS, INC.'S COMPLIANCE
WITH CERTAIN WHOLESALE PRICING
REQUIREMENTS FOR UNBUNDLED
NETWORK ELEMENTS AND RESALE
DISCOUNTS.

**QWEST CORPORATION'S REQUEST
FOR EXPEDITED CLARIFICATION
OF MAY 9 PROCEDURAL ORDER**

Qwest Corporation ("Qwest") seeks an expedited clarification of a Procedural Order issued on May 9, 2002 relating to the revised run of the HAI model performed by TNS Telecoms ("TNS") and payment of TNS' processing costs. During the April 11, 2002 Open Meeting, the Arizona Corporation Commission ("Commission") directed that the record in this matter be reopened in order to put into evidence 2000 customer location and line count by location data to establish the cost of the unbundled loops. Accordingly, the Hearing Division issued a Procedural Order on May 9, 2002, requiring Qwest and AT&T/WorldCom to provide TNS with year 2000 customer location data and for TNS to process that data in the same manner that it processed the 1997 customer location data used in the initial AT&T/WorldCom run of the HAI model in this docket. The Procedural Order further required the parties to run the HAI model with the new TNS data and to provide a joint rate schedule based on that run by May 24, 2002. Finally, the Procedural Order required that Qwest pay one-half of TNS' data processing costs. Immediately after the issuance of this Procedural Order, Qwest wrote to TNS requesting that TNS provide specified information to Qwest that would permit Qwest to evaluate the data produced by TNS for use in the HAI model.

1 Approximately 24 hours before the required deadline, TNS provided Qwest and
2 AT&T/WorldCom with the processed 2000 customer location data. TNS did not, *and has not to*
3 *this date*, provided Qwest with the documentation necessary to analyze and understand the work
4 TNS performed to incorporate the 2000 Arizona customer location data into the HAI model.

5
6 Because of the late delivery by TNS of the customer location data and the failure of TNS to
7 deliver the back-up data that would have permitted Qwest to audit the TNS results, Qwest was
8 unable to fully analyze the results. The analysis that Qwest was able to perform revealed several
9 significant flaws in TNS' processing of the customer location data, further demonstrating the need
10 for the back-up necessary for a complete audit. In a meeting among the parties, TNS promised
11 Qwest some of the back-up, but it never delivered. Qwest repeated its request for the TNS
12 documentation and data on June 17, 2002.

13
14 Notwithstanding the foregoing, Qwest has complied with the Procedural Order. Qwest
15 provided the data necessary for TNS to conduct the revised run of the HAI model. To date, Qwest
16 has paid TNS \$5,000 to be applied to TNS' bill for \$15,000. TNS has now issued a final invoice to
17 Qwest for \$10,000 as the additional amount remaining to fulfill Qwest's payment obligations under
18 the Procedural Order. In return, Qwest once again requested that TNS produce certain backup
19 information necessary to permit Qwest to evaluate what was done by TNS in calculating the rates
20 provided to Qwest on September 4, 2002. Qwest has written to TNS detailing the specific
21 questions, documents and information it needed in order to understand how TNS had imputed the
22 2000 Qwest customer information provided under the Procedural Order. *See Exhibit A.* TNS
23 responded with only general information. *See Exhibit B.* Instead, TNS has stated that:
24

25
26 [Its] obligation to Qwest ended with the production and dissemination of the input
data for AZ. Per the AZ commission's May order in DOCKET No. T-00000A-00-

1 0194 TNS was to provide "data processing services" under specific requirements
2 and that "AT&T/WorldCom shall pay one-half of TNS' data processing costs, and
3 Qwest shall pay one-half of TNS' data processing costs." Thus, as this is the only
4 guidance provided to TNS Telecoms surrounding the creation of the input data, the
viewpoint that TNS Telecoms is also obligated to provide additional support and
documentation was never mutually agreed to.

5 *See Id.*

6 Qwest believes that the Procedural Order did not contemplate that the parties pay for the
7 work done by TNS to incorporate the 2000 Arizona customer location data into the HAI model by
8 TNS without being provided access to the underlying information and documentation that supports
9 it. The Commission's decision concerning certain UNE rates (Decision No. 64922) is currently on
10 appeal and additional phases of this docket remain open, with additional rates yet to be determined.
11 Qwest requires such information to understand what process was undertaken by TNS in calculating
12 the data and, thereby, evaluate that data for purposes of appeal and further proceedings in this
13 docket. It is not Qwest's intent to avoid payment of TNS' processing costs. However, having been
14 ordered to pay half the cost of the TNS customer location run, Qwest believes that it is wholly
15 reasonable that Qwest be provided with the underlying data as a condition of its obligation make
16 further payment to TNS.
17

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19 Based on the foregoing, Qwest requests an expedited clarification of the May 9, 2002
20 Procedural Order requiring TNS to produce the underlying data behind its 2000 customer location
21 run prior to final payment of the balance of its processing costs.

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DATED this 8th day of November, 2002.

QWEST CORPORATION
Mark Brown
Public Policy and Law
Qwest Corporation
3033 N. Third Street, 10th Floor
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-and-

FENNEMORE CRAIG, P.C.

By 
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(602) 916-5421
Attorneys for Qwest Corporation

ORIGINAL and 10 copies of the
foregoing hand-delivered for
filing this 8th day of November, 2002 to:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered
this 8th day of November, 2002 to:

Maureen Scott
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ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Lyn Farmer
Hearing Division
ARIZONA CORPORATION COMMISSION
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Phoenix, Arizona 85007

1 Ernest Johnson
Utilities Division
2 ARIZONA CORPORATION COMMISSION
1200 West Washington
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4

5 COPY of the foregoing mailed
this 8th day of November, 2002 to:

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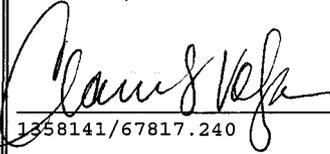
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EXHIBIT

A

PERKINS COIE LLP

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TELEPHONE: 202 628-6600 • FACSIMILE: 202 434-1690

JOHN M. DEVANEY
Phone: (202) 434-1624
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September 4, 2002

Mr. Charles White, Vice President
Marketing and Business Development
Taylor Nelson Sofres Telecoms
101 Greenwood Avenue, Suite 502
Jenkintown, Pennsylvania 19046

Re: Qwest Corporation and TNS Invoice No. 491

Dear Mr. White:

As counsel for Qwest Corporation in the recently concluded Arizona cost docket, I am writing in connection with TNS Invoice No. 491, issued June 14, 2002. That invoice, which lists me as the billed party, relates to work TNS performed to process Qwest's Arizona 2000 customer location data for use in the HAI model.

Qwest and I have two concerns with the invoice. First, neither my law firm nor I ever contracted with TNS to perform the work. Despite the designation on the invoice, I assume that TNS intended to bill Qwest for the work in question, and Qwest and I are proceeding on that assumption. If that assumption is wrong, please let me know right away.

Second, as you will recall, Qwest has made repeated requests for documents that are necessary to analyze and understand the work TNS performed to incorporate the Arizona customer location into the HAI model. These requests were made in a letter from Gary Fleming to you and Mr. Landis dated May 10, 2002, at a meeting on May 15, 2002, in an e-mail from Peter Copeland following the May 15 meeting, and in a letter from me to you dated June 17, 2002. At the May 15 meeting, Mr. Landis specifically agreed to provide the materials Qwest requested. Nevertheless, TNS' only response to Qwest is your two-page letter to me dated June 21, 2002, that does not include any documents. Your letter directs Qwest to a TNS "FTP server," but that server contains only raw data, not the documents and information that are needed to understand and evaluate fully how TNS processed Qwest's customer location data for use in HAI.

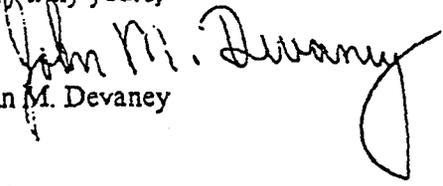
Because TNS has not produced these materials, Qwest cannot properly evaluate what TNS did with the customer location data. The materials are an important component of the work

Mr. Charles White, Vice President
Marketing and Business Development
September 4, 2002
Page 2

Qwest is being asked to pay for, and Qwest should not have to pay TNS' invoice until it has this work product in hand.

Accordingly, Qwest renews its request for the documents and information described in detail in our prior correspondence and meetings. Despite TNS' failure to produce these materials, Qwest is enclosing a check for \$5,000 that represents partial payment of the TNS invoice. When TNS produces the documents and information underlying its work, Qwest will address payment of the remainder of the invoice. Please call me if you would like to discuss this matter.

Very truly yours,


John M. Devaney

/jmd

PERKINS COIE LLP

1300 WYNKOOP STREET • SUITE 700 • DENVER, COLORADO 80202-1043
TELEPHONE: 303 291-2300 • FACSIMILE: 303 291-2400

June 17, 2002

Mr. Charles White, Vice President
Marketing and Business Development
TNS Telecoms
101 Greenwood Ave., Suite 502
Jenkintown, PA 19046

Re: Arizona Cost Docket No. T-00000A-00-0194, Procedural Order dated
May 9, 2002.

Dear Mr. White:

As counsel for Qwest Corporation, I am writing in connection with the Arizona cost docket and the work TNS performed to prepare Qwest's 2000 customer location data for use in the HAI model. As you will recall, in a letter dated May 10, 2002, Gary Fleming, a senior Director at Qwest, described the information Qwest requires to analyze the work TNS performed to prepare the customer location data. For your convenience, I am attaching a copy of that letter. The purpose of this letter is to follow up on Mr. Fleming's request to request again that TNS provide Qwest with the data described by Mr. Fleming.

To review, on May 15, representatives of TNS, AT&T, WorldCom and Qwest met to discuss the scope of the Arizona project. During those discussions, Qwest again identified the data it needed from TNS, repeating many of the requests that are contained in Mr. Fleming's May 10 letter. Following those discussions, Peter Copeland of Qwest composed an e-mail setting forth his understanding that TNS had agreed to provide written documentation of the processes used to compile the data within one week of the date that the data was provided to the parties to the proceeding. As of this date, June 17, 2002, Qwest has not received any of the data requested in Mr. Fleming's letter or during the conversations that were held on May 15.

Qwest now reiterates its request to receive from TNS the data it has requested. Qwest also requests that TNS retain all information and data associated with compiling the Arizona 2000 customer location data for a period of one year. Please contact me to let me know when the requested data will be provided.

Thank for your cooperation in this matter.

Very truly yours,

John M. Devaney

JMD:tm

Enc.

cc: Gregory Kopta, Esq.

May 10, 2002

Mr. Kevin Landis, Senior Vice President Information Technology
Mr. Charles White, Vice President - Marketing and Business Development
TNS Telecoms
101 Greenwood Ave. Suite 502
Jenkintown, PA 19046

Mr. White and Mr. Landis:

I am writing on behalf of Qwest Corporation in connection with a recent order issued by the presiding Administrative Law Judge ("ALJ") in the wholesale cost docket in Arizona (Docket No. T-00000A-00-0194).

On May 9, 2002, the ALJ ordered Qwest and AT&T/WorldCom to provide Qwest's year 2000 Arizona customer location data to TNS to enable TNS to process the data for use in the HAI model. The order requires Qwest to pay one-half of TNS' processing costs. It also directs the parties to work together to minimize and resolve disagreements in order to meet the Commission's May 24, 2002 deadline for filing a joint price list based on the run of HAI using the 2000 customer location data.

As you are aware, Qwest has already provided the year 2000 customer location data to TNS through its production of this data to AT&T and WorldCom on May 1. Additionally, to assist TNS' preparation of the data, Qwest provided its Arizona wire center boundaries on May 3. In a conference call with representatives of TNS and AT&T on May 9, Qwest answered additional questions about the customer location data. Based on the ALJs' requirement that Qwest pay one-half of TNS' costs and work on an equal footing with the other parties involved in the process, Qwest would like to be sure that TNS provides Qwest with full, unfettered access to the processes and information that TNS uses to process Qwest's customer location data. Like AT&T/WorldCom, Qwest is now your paying customer. Accordingly, with this letter, I am requesting that TNS provide Qwest with access to all the processes, algorithms and intermediate and final outputs TNS uses and generates to transform Qwest's customer location data into the cluster data input file for use in HAI 5.2a. Many of Qwest's initial questions regarding the methods for processing the data can be satisfied by sending Qwest comprehensive documentation of algorithms and processes used to transform the data. As you know, the documentation provided in the HAI Model description is inadequate to replicate and therefore understand and monitor TNS' processes. To permit a proper understanding and allow us to meet our ALJ-ordered obligation to work cooperatively and "minimize and resolve disagreements, we will need documentation on the following processes and algorithms:

- Assignment of latitude and longitude to customer locations, including information regarding the precision that was achieved in the geographic

assignment and the number of instances in which TNS was unable to assign a specific longitude and latitude resulting in the need to surrogate the customer location;

- Assignment of latitude and longitude to surrogate points;
- Assignment of points to clusters and outlier clusters, including the choice of starting point and logic for exceeding the 1800 line cluster limit;
- All logic concerning the development of the convex hulls, including density and area calculations, centroid calculations, and aspect ratio calculations;
- All logic concerning the development of cluster strand distance; and
- The minimum spanning tree algorithm used to determine strand distance.

Additionally, we will need access to the intermediate output at the following steps in the process:

- Latitude and longitude of the customer points and their wire center assignments;
- Latitude and longitude of the surrogate customer points and their wire center assignments;
- Convex hulls and customer location points for each wire center; and
- Strand distance for each cluster.

Qwest also requests access to any preliminary runs of the TNS data through the HAI model at the time such runs are completed.

Qwest requests that we have a planning call with TNS and AT&T/WorldCom as soon as possible to develop specific timeframes for each process. This call, which we ask be held no later than the morning of May 14 in view of the short timeframe under which we are all operating, should establish specific dates for TNS to provide documentation and the results of each step of the process. In addition, draft or sample results of the process should be made available simultaneously to all the parties in this docket as TNS completes them. To permit compliance with the ALJs' requirement of joint submission of a price list by May 24, the entire process must be complete with the resulting input file distributed to the parties in the docket by May 21.

I look forward to working with TNS in this process to enable all of us to meet the demanding deadline under which we are operating. Please call me on 303-896-5178 if you have any questions.

Gary Fleming, Senior Director
Qwest
1801 California St. 47th Fl
Denver, CO 80202

EXHIBIT

B

CWhite@tnstelecoms.com on 09/27/2002 01:17:44 PM

To: "Peter Copeland" <pcopela@qwest.com>, devaj@perkinscole.com
cc: Kevin_Landis/TNS@tnspa.com, John_Schiela/TNS@tnspa.com

Subject: Summary of Today's Call

Dear John and Peter,

Thank you for the opportunity to speak with you today to attempt to clarify Qwest's remaining questions regarding TNS Telecoms' previous work in creating the HAI customer location data from the Qwest supplied customer data. As we stated, while we are willing to answer questions and provide high-level documentation of the overall process, we are providing those services out of professional courtesy rather than an obligation resulting from Qwest's responsibility to pay for the data processing.

As I stated on the call today, it is our belief that our obligation to Qwest ended with the production and dissemination of the input data for AZ. Per the AZ commission's May order in DOCKET NO. T-00000A-00-0194 TNS was to provide "data processing services" under specific requirements and that "AT&T/WorldCom shall pay one-half of TNS' data processing costs, and Qwest shall pay one-half of TNS' data processing costs." Thus, as this is the only guidance provided to TNS Telecoms surrounding the creation of the input data, the viewpoint that TNS Telecoms is also obligated to provide additional support and documentation was never mutually agreed to.

Therefore, it is our belief that we are indeed dealing with two separate issues: 1) Qwest's non-payment of \$10,000 for the data processing services provided and 2) Qwest's requests for additional information surrounding these services. Thus, our recommended solution would be for Qwest to immediately provide payment for the remaining balance due and for TNS Telecoms to provide a general description of the processing of the Qwest data in AZ and to review previous Qwest questions in written form. Following these commitments TNS Telecoms would have to begin a separate engagement with Qwest to address any further issues surrounding the data.

I look forward to hearing from you soon.

Charles A. White
Vice President
Marketing and Business Development
TNS Telecoms
101 Greenwood Ave, Suite 502
Jenkintown, PA 19046
(267) 287-0111
<http://www.tnstelecoms.com>

June 21, 2002

Mr. John M. Devaney
Perkins Coie LLP
1899 Wynkoop Street
Suite 700
Denver, CO 80202-1043

Dear Mr. Devaney:

In response to your June 17, 2002 letter received by TNS Telecoms via U.S. Mail on June 20, 2002, I will provide more detail regarding the exact location of files previously requested and made available by/to Qwest. As we notified Qwest and AT&T/Worldcom on May 15, 2002, all geocoded results are available from the FTP server established by TNS Telecoms for prompt dissemination of the data and information. The details regarding this site have been previously distributed to all parties involved. Additional data elements requested by Qwest regarding the ClusterOutput files were made available at the same FTP location on May 23, 2002 and likewise TNS Telecoms notified Qwest and AT&T/Worldcom of its availability. This includes data that answers questions related to all points and convex hulls and can be found in the file named cluster_pts.dbf.

In addition to this information, the following points should clarify those specific questions relayed by Qwest inquiring about parts of the data conversion and clustering process:

Starting point logic: There is no real cluster starting point. Each point starts out as it's own cluster. As the perimeter around it increases, it merges with other clusters and continues to grow as long as size and line count rules are not exceeded.

Cluster Line Limit: The 1800 line cluster limit is a rule to prevent clusters from growing beyond the 1800 line limit.

Creation of Convex Hulls: Convex hulls are formed by connecting all of the outer cluster points. Hull "centroids" is the center point between the two most

distant perimeter points. The convex hull area is computed with a standard algorithm, looping of each perimeter point pair and computing positive or negative area and then aggregating the results. Aspect ratio is computed based on the minimum-bounding rectangle for the cluster. Density is lines/sq. mile for the dominant CBG.

Clustering Strand Distance: Clustering strand distance is based on connecting points using a nearest-neighbor type algorithm.

As for any additional points remaining I will again refer to my May 15th letter that states: "Regarding the requests for both documentation and "logic" surrounding various processes within the data creation, we will certainly work to enable Qwest to have a thorough understanding of the data, and the processes to create it, after it has been created ...Further, in the case of "algorithms" and "logic" we are in need of more detailed conversations reviewing Qwest's specific needs, as no specific "algorithms" are used in the process, but rather numerous data processing procedures in various computing languages." Thus, should Qwest continue to have questions about any parts of the process I recommend they contact us directly at their convenience to review the specific points further, as reiterating the original request will not provide for the most productive exchange on these issues.

It is our goal to satisfy all of our clients in this process and therefore we have shared information among them (Qwest, AT&T and Worldcom) equally and without bias throughout. AT&T/Worldcom and Qwest have been provided the same information, documentation and data without exception and we hope that the above information will further clarify any remaining issues.

Cordially,

Charles A. White
Vice President
TNS Telecoms

cc: Douglas Denney, AT&T
Mark Bryant, Worldcom