

"Clauson, Karen L." <klclauson@eschelon.com> on 01/31/2002 04:44:53 PM

To: Sue Burson <sburson@qwest.com>

cc: "Filip, Dana" <Dana.Filip@qwest.com>, "Powers, F. Lynne" <flpowers@eschelon.com>, "Stichter, Kathleen L." <klstichter@eschelon.com>, "Johnson, Bonnie J." <bjjohnson@eschelon.com>

Subject: Eschelon reply regarding Qwest's proposed process for rate and profile changes

Sue:

Enclosed are red-lined versions of the documents that you sent to us. We thought this format would be the easiest way for you to review Eschelon's proposed changes.

We appreciate the changes that Qwest has made to its earlier versions of these documents. Qwest's revised flow chart seemed to incorporate the concept that we put forth in our CR of CLEC input and dispute resolution before changes are made to rates. We revised the flow chart further to clarify this. We also revised the other documents to better reflect the flow chart and that intent. Qwest's documents did not seem to contemplate disputes. While the process may work as described when all parties are in agreement, it is reasonable to anticipate that the parties may disagree at least in some cases. This is true even with respect to commission ordered rates. For example, Qwest changed our UDIT rate in MN based on a PUC decision. We have a specific, negotiated amendment, however, that provides for a different rate. Under the new process, we would iron out that issue before the rate was changed to avoid a situation in which a rate was changed in the systems even though not applicable to us. Because these types of issues arise, our proposed language attempts to address what happens when the parties disagree. This was a big factor in our CR (which stated: "A process should be put in place to handle objections to changes before the changes are made.")

Other CLECs may have additional, helpful comments that we have not thought to consider. The enclosed documents, however, should be a good starting point. Please call me or Lynne Powers if you have questions.

If you are also working on the additional testing issue, please let us know when we will receive a response to Lynne's email on that escalation.

Thanks.

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# CLEC Rate and Profile Change and Billing Correction Notification Process



The purpose of this document is to describe the different factors that cause rate and profile changes, including billing corrections, as well as outline the process by which Qwest will notify communicate with CLECs about proposed these changes and corrections. Qwest will continue to adhere to individual contract obligations, in addition to following the guidelines outlined below when consistent with those obligations. The parties reserve all of their rights relating to billing disputes and other dispute resolution processes under the laws and interconnection agreements.

Qwest has identified four three main categories of items that generally drive rate and profile changes: and billing corrections — interconnect interconnection agreements and amendments, bill errors/disputes, cost docket regulatory or judicial orders, changes and billing corrections validation efforts. Brief descriptions of these categories and the process by which Qwest will work with the CLECs to address proposed changes are notified are found below:

## ➤ New/Existing Interconnection Agreements

Interconnection agreements typically often establish billing rates for all products included in the agreement. Amendments are used to may either add a new product to an interconnection agreement or change the rate of an existing product or element.

Because the impacted parties were involved in negotiation of the The signed agreement or amendment, which provides detail all of the products and rates, so a formal notification of those rates is not necessary. Qwest and CLEC will agree upon a timeframe for completing any systems work needed to implement the agreement. However, The Qwest Service Manager will then notify the CLEC when all such systems are updated work is completed, to indicate to the CLEC that ordering can begin. If the parties agree upon an effective date for pricing, the contract pricing will apply as of the agreed upon effective date. If systems work is not completed by the effective date, the pricing may need to be applied using a bill adjustment or as agreed by the parties.

If at any time a CLEC has a question about their new or existing interconnect agreement, Qwest Billing Representatives or Qwest Service Managers are available to handle such inquiries.

## ? Bill Errors/Disputes

When a CLEC Billing Representative identifies a rate discrepancy while reviewing the bill and reports that rate discrepancy, the Billing SDC investigates the claim and will amend the bill as appropriate to reflect the correct rate. In addition the SDC will notify a Contract Implementation Specialist to initiate a system rate change so that the correct rate is billed going forward. Formal written notification of the dispute resolution will be sent by the SDC once the necessary changes are complete, and the changes are validated on the bill.

If a Qwest Billing SDC discovers a rate discrepancy while reviewing the bill, the Qwest Billing SDC will notify the CLEC as to the necessary billing correction, amend the bill to reflect the correct rate, and notify the CLEC in writing of the change to its bill. In addition the

## **CLEC Rate and Profile Change and Billing Cycle Notification Process**



~~SDC will notify a Contract Implementation Specialist to initiate a system rate change so that the correct rate is billed going forward.~~

~~If at any time a CLEC has a question about any bill errors or disputes, Qwest Billing Representatives are available to handle such inquiries.~~

# CLEC Rate and Profile Change and Billing Cycle Notification Process



## ➤ Cost Dockets-Regulatory or Judicial Orders

~~Cost docket~~Regulatory decisions ~~s~~ or court rulings can result in rates ordered by ~~at~~ the Public Utilities Commission (PUC), judge, or other regulatory or judicial authority ~~for a state~~. Qwest currently provides ~~to~~ CLEC notification of cost docket rate changes. Qwest is implementing a new process by which CLECs will receive ~~an additional~~ notification of applicable cost docket rate changes resulting from regulatory or judicial orders.

The first notification to the CLEC will occur when as soon as reasonably possible after Qwest receives official notice of the mandated rate change. The notice will provide a full citation to the regulatory or judicial decision and describe the process for objecting to the proposed rate change. A CLEC may object, for example, that a rate is inapplicable to CLEC or CLEC may disagree with Qwest's application or interpretation of the rate. The notice will also include a red-lined pricing schedule that shows the old and new rates. Qwest will also provide information, if any, needed to apply the rates (such as zone information for geographically deaveraged unbundled rate elements). This information may be in the form of a URL indicating the page on the Internet where the information may be found. Rates applicable to the CLEC ~~the rates~~ in a specific ~~interconnect~~ interconnection agreement are updated in Qwest's ~~interconnect~~ interconnection agreement repository for that CLEC. If, however, a CLEC provides Qwest with a good faith basis for not applying the rate to that CLEC, Qwest will revert to the previous rate and incorporate it in the interconnection agreement repository until the dispute is resolved. Depending upon resolution of the dispute, appropriate pricing may need to be applied from the applicable effective date using a bill adjustment or as agreed by the parties or ordered by the appropriate authority. ~~At this point~~ By March 1, 2002, Qwest will develop a process for a second notification to occur at least 15 days prior to the implementation of the proposed rates in the Qwest billing system. The second notification will refer to the previous notification and will describe the process for objecting to the proposed rates. If the Order requiring the rate change includes an effective date that occurs before the notification and systems work can be completed, the pricing may need to be applied using a bill adjustment or as agreed by the parties from the effective date until the systems work is completed. For undisputed, mandated rate changes, the CLEC ~~is notified of the cost docket rate changes and can~~ either provide Qwest with request a copy of the updated ~~interconnect~~ interconnection agreement or request a copy from its Qwest Service Manager. If Qwest and CLEC disagree as to changes required to the interconnection agreement as a result of the ruling, the parties will negotiate mutually agreeable changes to update the interconnection agreement. ~~By March 1, 2002 Qwest will develop a process for a second notification to occur at least 15 days prior to the implementation of the new rates in the billing system (assuming sufficient time is provided by the State PUC in the Cost Docket Order)~~.

Any Qwest notification to CLECs dealing with mandated rates will include contact information for an appropriate person at Qwest who is familiar with the rate change(s) and will be available to handle inquiries. At or before the time Qwest sends notification to CLECs, Qwest will also send the notification of the rate change(s) to the Qwest Billing and Service Managers. ~~If at any time a CLEC has a question about Cost Dockets, Qwest Billing Representatives are available to handle such inquiries~~.

## ➤ Rate Validation Efforts Corrections

## ~~CLEC Rate and Profile Change and Billing~~ ~~Notification Process~~



~~Qwest has implemented a process for future validation efforts.~~ Qwest will provide notification to a CLEC of any proposed correction of ~~the~~ billed rate at the time Qwest determines that it believes a correction is necessary. The correction of the billed rate will occur within the time interval provided in the interconnection agreement or, if none, 10 days after the CLEC has received notification of the rate correction, unless a CLEC objects to the proposed correction. Notification will include the ~~UNE or resale~~ product (with USOC and English USOC description) affected, the current billed rates, ~~Qwest's proposed~~ corrected rate in the billing system, the effective date of the rate (and whether retroactive), proposed date of the correction, ~~the approximate~~ month during which the correction will appear on the bill, ~~and the~~ basis (specific citation to the pertinent section of the interconnection agreement, tariff, or other authority) on ~~by~~ which the ~~rate correction~~ is being proposed, and the process and time period for objecting to the change. CLEC does not waive any rights by failure to object within the stated time period. If CLEC objects to a proposed rate change, CLEC and Qwest will resolve the dispute pursuant to the provisions of their interconnection agreement before the rate change is made. Depending upon resolution of the dispute, appropriate pricing may need to be applied from the applicable effective date using a bill adjustment or as agreed by the parties or ordered by the appropriate authority.

Any Qwest notification to CLECs dealing with rate corrections will include contact information for the appropriate person at Qwest who is familiar with the rate change(s) and will be available to handle inquiries. At or before the time Qwest sends notification to CLECs, Qwest will also send the notification of the rate change(s) to the Qwest Billing and Service Managers.

Qwest recently completed an extensive rate validation effort ~~to verify that bills properly reflect rates ordered by the State Commissions and/or the appropriate interconnection contract rates.~~ CLECs have requested additional information about any changes made as a result of that effort.

For all rate validation USOC changes that Qwest completed as of December 2001, reports will be provided to each CLEC by state and by product (including USOCs and English USOC descriptions). The report will include the previously billed rates and the ~~corrected~~ changed rates for each product (including USOCs and English USOC descriptions) ordered by<sup>1</sup> the CLEC from September 2001 through January 2002, as well as the effective date of each change. For all rate validation usage changes completed as of December 2001, reports will be provided to each CLEC by state and by product (including USOCs and English USOC descriptions). The report will include all usage corrections and the corrected usage resale discount or rate, as well as the effective date of each change.<sup>2</sup>

In late December 2001, Qwest conducted a Resale USOC validation effort ~~was conducted.~~ As a result of this effort, Resale and UNE-P USOCs that needed to be added to the billing systems were identified. The USOCs that were added to the systems identified will be included in a report that will detail the USOC additions along with the rates. This report will be provided to each CLEC by state, by product (with USOCs and English USOC descriptions).

<sup>1</sup> Please clarify. Does "ordered by" mean only new orders, or does this include changes relating to the embedded base?

<sup>2</sup> Please define "rate validation usage changes." How does this relate to rate changes?

# CLEC Rate and Profile Change and Billing ~~Co~~ Notification Process



Because CLECs did not have an opportunity to review the specific changes before Qwest made them, CLECs have indicated that they need time to review the changes made during this time period, once they receive detailed information describing the changes. If CLEC objects to Qwest's changes, CLEC and Qwest will address the dispute using the procedures in their interconnection agreement. Depending upon resolution of the dispute, appropriate pricing may need to be applied from the applicable effective date using a bill adjustment or as agreed by the parties or ordered by the appropriate authority.

If at any time a CLEC has a question about the rate validation efforts, Qwest Billing Representatives are available to handle such inquiries.

## ➤ Other Profile Changes

Qwest will provide notice of proposed profile changes (including USOC additions, deletions, or changes) to CLEC sufficiently in advance of those changes to reasonably allow for CLEC to review and, if necessary, object to such changes. Notification will include the product (with USOC and English USOC description) affected, the current profile information, Qwest's proposed profile change, the proposed effective date of the change (and whether retroactive), the basis (i.e., specific citation to the pertinent section of the interconnection agreement, tariff, or other authority) on which the change is being proposed, and the process and time period for objecting to the proposed profile change. CLEC does not waive any rights by failure to object within the stated time period. If CLEC objects to a proposed profile change, CLEC and Qwest will resolve the dispute before Qwest changes the CLEC profile.

Upon request, Qwest will provide to CLEC its current profile information, including an electronic copy of all loaded USOC tables (including USOCs, English USOC descriptions, and any rates) for that CLEC, in a timely manner.

Any Qwest notification to CLECs dealing with profile changes will include contact information for the appropriate person at Qwest who is familiar with the profile change(s) and will be available to handle inquiries. At or before the time Qwest sends notification to CLECs, Qwest will also send the notification of the profile change(s) to the Qwest Billing and Service Managers.



January 931, 2002

CLEC Billing Contact:

Upon review of your Interconnection Agreement and the rates that have been entered in Qwest systems, we have identified one or more rates ~~that are being corrected~~ within Qwest systems that Qwest believes should be corrected. The rates should be corrected because [state reason]. ~~Action will be taken to correct the rate(s) 10 days after sending this notification.~~ Attached is ~~the~~ detailed information regarding the proposed correction(s). In addition, a description of the Rate Change Process is available on Qwest's wholesale website at [insert URL for correct page].

If you disagree with the proposed correction, please send an email to your Qwest Billing Representative stating your objection and the basis for it. If Qwest does not accept your position, we will follow the billing dispute resolution procedures in your interconnection agreement before changing the rate. If no objection is received, Qwest will take action to correct the rate(s) 10 days<sup>1</sup> after your receipt of this notification. CLEC does not waive any rights by failure to object within the stated time period. If you have any questions ~~or issues with the rate change~~, please let me know as soon as possible.

Thank you,

Billing Center Contact

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<sup>1</sup>[Or, if time period is different under interconnection agreement, state the interval in the interconnection agreement.]





### Rate Change Process

