

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

Application of Southwestern Bell Telephone )  
Company to Provide Notice of Intent to File an )  
Application for Authorization to Provide In- )  
Region InterLATA Services Originating in )  
Missouri Pursuant to Section 271 of the )  
Telecommunications Act of 1996. )

Case No. TO-99-227

**STAFF'S REPORT ON SOUTHWESTERN BELL TELEPHONE COMPANY'S  
PERFORMANCE METRIC RESULTS FOR DECEMBER 2004**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff") and for its report states:

1. By Order titled "ORDER DENYING MOTIONS TO RECONSIDER RECOMMENDATION AND OPENING CASE FOR MONITORING PURPOSES" and dated September 4, 2001, in ordered paragraph no. 3, the Commission ordered "[t]hat this case shall remain open for administrative purposes and for the continued receipt of periodic reports from the Staff of the Missouri Public Service Commission regarding Southwestern Bell [Telephone Company]'s continued performance." In describing the nature of the reports in the subsequent sentence of that ordering paragraph the Commission stated, "The reports should include but not be limited to the results of the six-month performance reviews, any penalties paid to the state treasury as a result of the Performance Remedy Plan, recommendations for reductions of performance measures, and the results of the LMOS database audit in the state of Texas."

2. In the attached Memorandum, which is labeled Appendix A, the Staff reports that Southwestern Bell Telephone Company, LP d/b/a SBC Missouri's rolling three-month period all-measures success ratio for the months October through December, 2004 was 96.2%.

3. The Staff also reports that for the month of December, 2004 SBC Missouri met benchmark or parity levels for an all-measures success rate of 93.1%.

4. The Staff reports that SBC Missouri monitored fewer sub-measures for performance due to the Commission ordered change of the Missouri 271 Agreement Attachment 17 Business Rules from Version 1.7 to Version 3.0.

5. The Staff reports that for the reporting month of December, 2004 SBC Missouri credited \$9,325 to competitors for Missouri 271 Interconnection Agreement Tier I Performance Remedy Plan results. Additionally, the Staff reports that for the reporting month of December, 2004 SBC Missouri paid nothing into the Missouri State Treasury for Tier II Performance Remedy Plan payments. Since inception of the plan in Missouri through the reporting month of December, 2004 SBC Missouri has issued to competitors and paid into the Missouri State Treasury an aggregate of \$6,978,778 in credits and payments for Missouri 271 Interconnection Agreement Tier I and Tier II Performance Remedy Plan results. For calendar year 2004 Performance Remedy Plan results, SBC Missouri credited CLECs in the aggregate \$1,318,448 under Tier I and remitted to the Missouri State Treasury \$285,000 in the aggregate under Tier II. The Missouri 271 Interconnection Agreement, including the Performance Remedy Plan, expired on March 6, 2005. The Staff is inquiring as to whether SBC Missouri intends to report Performance Remedy Plan results during the negotiation window under the Missouri 271 Agreement, whether there will be any credits or payments during the negotiation window and whether there will be successor performance remedy plans.

**WHEREFORE**, the Staff, in compliance with the Commission's Order dated September 4, 2001, files the attached Staff Memorandum, labeled Appendix A, that reports on payments and credits made by SBC Missouri under the Missouri 271 Interconnection Agreement Performance

Remedy Plan and certain performance measurement results through the reporting month December, 2004.

Respectfully submitted,

DANA K. JOYCE  
General Counsel

**/s/ Nathan Williams**

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 8<sup>th</sup> day of March 2005.

**/s/ Nathan Williams**

# Memorandum

**To:** Official Case File  
Case No. TO-99-227

**From:** Walt Cecil

**Date:** March 8, 2005

**Re:** Southwestern Bell Telephone, L.P. d/b/a SBC—Missouri Performance Metric  
Results Report For December 2004

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On February 15, 2005 SBC Missouri (SBC) submitted performance measurement results for the month of December 2004 and the three-month rolling time period ending December 2004. The report indicates:

- During the month December 2004, SBC monitored 1,239 submeasurements, down 153 submeasures from the 1,392 monitored in the November 2004 report. The reduction in submeasurements is in compliance with the Commission's order, effective December 12, 2004, modifying the M2A Attachment 17 Business Rules from Version 1.7 to Version 3.0. SBC filed the revised business rules on December 17, 2004 and began to use the standards and benchmarks contained therein to evaluate its wholesale performance provided to its competitive local exchange carrier (CLEC) customers for the month of December 2004 and the rolling three-month period ending in December 2004.
- Based on activity, SBC analyzed 332 submeasurements of which SBC successfully met 309 yielding an all measures success rate of 93.1%. By way of comparison, in December 2003, SBC monitored 1,428 sub-measurements and experienced a success rate of 94.8% for the 405 that it analyzed. During the twelve month period ending December 2004, SBC has achieved monthly success rates ranging from 93.1% (December 2004) to 96.8% (October 2004).
- For the October 2004-to-December 2004 period, SBC reported a rolling three-month period all-measures success rate of 96.2%. This percentage indicates that for the submeasurements analyzed, SBC met 96.2% of those sub-measurements in at least two of the three months. Thirteen submetrics were missed in at least two of the three months during this three-month reporting period, nine of which are subject to credits and/or payments to competitive local exchange carriers and/or

the State of Missouri. The data reported for the same three-month period last year indicated a success rate of 97.4% and ten missed submetrics in at least two of the three months.

- As a result of missing Tier I performance metrics in December 2004, SBC credited an aggregate of \$9,325 to competitors providing service in Missouri. SBC met Tier II performance standards in the three-month rolling period ending December 2004, and did not incur an obligation to pay assessments to the State of Missouri. For the past twelve months Tier I credits to competitors have averaged about \$109,871 per month while Tier II payments to the state have averaged about \$23,750 per month. Since inception of the plan, Tier I credits and Tier II payments total \$6,978,778. For the 2004 calendar year SBC paid CLECs \$1,318,448 as Tier I liquidated damages and the State \$285,000 as Tier II assessments.

The M2A expired on March 6, 2005. For those CLECs that are negotiating M2A-replacement agreements, SBC has extended the terms of the M2A until June. Staff does not know, but is investigating to discover, if performance measures will continue to be monitored during the negotiation window for replacement agreements, and if so, if the associated liquidated damages payments will continue. Staff will also seek to learn if replacement agreements will have performance remedy plans.