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November 5, 2015

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**RE: PMO III – Administrative and Process Changes (Folder 19)
Docket No. M-2015-2464294**

**RE: PMO – Performance Metrics and Remedies – (Folder 19)
Docket No. M-00011468**

**Verizon Pennsylvania LLC's Submission of Revised PA Guidelines
to Conform the PA Guidelines to the May 2015 NY Guidelines**

Dear Secretary Chiavetta:

Enclosed please find Verizon's Petition for Reconsideration, filed on behalf of Verizon Pennsylvania LLC in the above captioned matter.

If you have any questions, please feel free to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Suzan D. Paiva" with a stylized flourish at the end.

Suzan D. Paiva

SDP/slb

Via E-Mail and Federal Express
cc: Louise Fink Smith
Cheryl Walker Davis

Via Electronic Mail
cc: Pennsylvania Carrier Working Group

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITIES COMMISSION**

PMO III – Administrative and Process Changes (Folder 19)	:	M-2015-2464294
PMO – Performance Metrics and Remedies (Folder 19)	:	M-00011468

PETITION FOR RECONSIDERATION

The Commission’s October 22, 2015 Order should have been a simple approval of routine, unopposed changes to the guidelines that measure Verizon Pennsylvania LLC’s (“Verizon PA”) service to its wholesale customers. But the Order added an unexpected condition: a requirement for six months of “parallel reporting” (filing two sets of reports, one using the old metrics and one using the revised guidelines). Parallel reporting will impose significant programming costs on Verizon PA for no beneficial purpose. The Commission has approved many changes to these guidelines over the years without requiring or even considering parallel reporting. The record contains no reason to depart from that precedent here, where parallel reporting was never proposed or even discussed. Pursuant to 52 Pa. Code §5.572, Verizon PA respectfully requests reconsideration and removal of the portion of the order that imposed requirement for six months of parallel reporting.

INTRODUCTION

As part of its implementation of local telephone competition in the 1990’s, the Commission adopted a mechanism to measure Verizon PA’s performance delivering federally required wholesale services and to calculate payments to wholesale customers if service falls short. The Commission joined a number of other states in adopting a metrics

and remedies system modeled on New York,¹ consisting of a Performance Assurance Plan (“PAP”) and Carrier-to-Carrier Guidelines (“Guidelines”). When the New York Public Service Commission approves changes to the PAP or the Guidelines, they are flowed through to the other states.

In the other states New York changes are deemed approved if no one opposes them, but Pennsylvania requires comments, discussion at the Pennsylvania CWG and a formal order at public meeting. This cumbersome process applies even to routine changes like these, that were not opposed or even commented upon by anyone in Pennsylvania and were simply to clean up the Guidelines by updating references and removing low or no volume metrics.

Verizon PA submitted these changes for approval in Pennsylvania on July 7, 2015, within thirty days after they took effect in New York (a quick deadline required by Pennsylvania’s governing documents), and provided copies to all members of the Pennsylvania carrier working group (“CWG”). The Commission set dates for comments and reply comments, but Verizon was the only party to comment, urging approval of the changes. Despite the lack of opposition, the changes were required to be discussed live at a meeting of the Pennsylvania CWG, which meets by telephone every other month. They were discussed on August 4, 2015, as part of the CWG meeting. At the request of Commission staff, Verizon PA explained to the group that Pennsylvania-specific data shows that the same metrics have little to no activity in Pennsylvania. Also at staff’s request Verizon PA filed a letter on August 7, 2015 memorializing the presentation and supplying the supporting Pennsylvania data for the record. Parties were given an

¹ See *PMO II*, Docket No. M-00011468, F0005 (December 16, 2004).

opportunity to comment in writing again, even though no one raised any issue or opposition at the CWG meeting, but no one responded or commented.² At no time during the CWG meeting or in any written submission or informal exchange of emails did any party or member of staff suggest that a period of parallel reporting should be added as a condition of the approval of these routine changes.

Verizon PA's filing requested approval by the end of September so that the programming work could be done to implement the changes by the November 2015 data month. The other states using the New York-style guidelines approved the changes by that date and they are in the process of being implemented for those states. Because Pennsylvania's changes were not approved in time for implementation with the other states, they will have to be programmed separately, which increases Verizon's cost for IT programming. No other state required parallel reporting, nor did the New York PSC impose such a requirement when it initially approved the changes.

By order entered October 22, 2015 the Commission approved the changes for Pennsylvania, recognizing that they were simply "administrative changes" (updating phone numbers and URLs and other minor edits) and "process changes" (deletion of low and no volume metrics and associated clean-up changes). The Commission found "that the modifications proposed here are unopposed and reasonable and will help to clarify the

² Although the October 22, 2015 Order states that "[t]he Folder 19 proposal and clarifications were discussed at the PA CWG on October 8, 2015" (10/22/15 Order at 7) there was nothing that required discussion by that point given that no carrier had commented or raised any issue throughout the opportunities for discussion in July and August, and the CWG had already reached consensus on approval of the filing at the August 4 meeting as confirmed by the failure of any party to comment. See Verizon PA's August 7, 2015 Letter ("If no substantive responses are filed, *then it will be presumed that the PA CWG has reached consensus that the proposed changes to the Pennsylvania Guidelines should be approved.*")

PA Guidelines and enhance the efficient measurement of Verizon PA's operational processes." (10/22/15 Order at 10).

However, without explanation or discussion, the following condition was added, which was not proposed by any party or discussed on or off the record prior to the entry of this order:

For the first six months the new PA Guidelines are in effect, Verizon PA shall report performance under both the existing version of Guidelines and the Folder 19 version. This parallel reporting will allow us to confirm that the deletion of these metrics has not affected service rendered. (10/22/15 Order at 10).

For the following reasons, Verizon PA requests partial reconsideration of the October 22, 2015 Order to remove the above requirement for parallel reporting.

ARGUMENT

1. Petitions for reconsideration must generally raise new and novel arguments, not previously heard, or considerations that appear to have been overlooked or not addressed by the Commission. *Duick v. Pennsylvania Gas & Water Co.*, 56 Pa. PUC 553 (1982). This Petition satisfies the *Duick* standard. The issue for which Verizon PA seeks reconsideration was raised by the Commission for the first time in its Order, with no notice to Verizon PA and without any previous briefing or input from the parties. Therefore, the arguments in this Petition are new and "not previously heard" by the Commission.³

2. The Commission should reconsider its directive that Verizon PA must file parallel monthly reports under the old and new Guidelines for six months. This parallel reporting was never raised in the record, would be of no use to the Commission, would be

³ *Performance Metrics & Remedies (PMO III F001I)*, 2008 PA PAP, Docket No. M-00011468F0011 (Opinion and Order entered September 11, 2008) at 4 (finding Verizon PA's petition for reconsideration addressing issues raised for the first time in the Commission's order satisfies the *Duick* standard).

unnecessarily costly, is contrary to the Commission's treatment of similar Guideline changes, and will further delay implementation of these changes to the Guidelines.

3. None of the parties to this proceeding was given an opportunity to comment on the need for six-months of parallel reporting. No party raised this issue or requested parallel reporting either in comments or during the CWG meeting where the parties reviewed the proposed changes. If the parties had been given an opportunity to comment on a proposed six-month parallel reporting requirement, Verizon PA would have been able to demonstrate that the costs associated with the implementation of this requirement would outweigh any benefit.

4. Because of the nature of the changes at issue, parallel reporting will not yield any useful information. These metrics are being removed precisely because they have been showing low or no volumes – in other words there has been little or no activity to measure. Since nothing is being measured, those metrics are not adding value to the process and the Guidelines would be more efficient without them. Parallel reporting of results that are not measuring anything, compared to a report that omits those measurements, would yield no useful information.

5. Parallel reporting is also costly for Verizon PA to implement. To be able to prepare six months of parallel reports, Verizon PA would need to modify the current process/code to allow the old (Ver 18) and new (Ver 19) report production codes to run simultaneously. Time consuming manual efforts would then be required to deliver the parallel reports to the web portal through which they are accessed (WISE) in order not to disturb the current report delivery process and the site would need to establish a distinct point of presence for the parallel reports so as not to be confused with the production

reports. The parallel reporting process will then need to be decommissioned at the end of the six months. All of the above requires additional IT programming development work that Verizon PA did not plan, including the removal of code within the metrics reports process and the modification of the WISE website. Verizon PA's IT organization estimates that the cost of the effort described above would exceed \$65,000. Additional increased costs may be incurred if the parallel reporting interferes with site upgrades that are planned during the six month period.

6. Requiring parallel reporting here is contrary to the Commission's handling of changes to the Guidelines over many years. The Commission typically approves changes to the Guidelines without requiring or even considering parallel reporting in its orders. Parallel reporting was never mentioned as a possibility, even where the changes to the Guidelines were more complex or controversial than the ones at issue here. The Commission approved Guideline changes without parallel reporting in 2005,⁴ March of 2006,⁵ September of 2006,⁶ 2007,⁷ 2008,⁸ 2009,⁹ and 2011.¹⁰ With that history, there is no reason Verizon PA would have anticipated anyone wanting to require parallel

⁴ *Performance Metrics and Remedies –Footprint Changes stemming from NY PCS April 15, 2005 Changes Elimination of Allegedly Superseded PA-Specific Billing Metrics*, Docket No. M-00011468F0008 (Opinion and Order entered September 12, 2005).

⁵ *Performance Metrics and Remedies – Footprint Changes stemming from NY PSC December 2005 Changes*, Docket No. M-00011468F0009 (Opinion and Order entered March 3, 2006).

⁶ *Performance Metrics and Remedies – July 2006 Changes*, Docket No. M-00011468F0010 (Opinion and Order entered September 18, 2006).

⁷ *Performance Metrics and Remedies – November 2006 Changes, Administrative Changes, Changes to Eliminate UNE-P Transactions from Billing Metrics, Changes to Increase the standard for BCNs*, Docket No. M-00011468F0012 (Opinion and Order entered January 31, 2007).

⁸ *Performance Metrics & Remedies (PMO III F0013) 2008 Guidelines Updates*, Docket No. M-00011468F0013 (Opinion and Order entered July 22, 2008).

⁹ *Performance Metrics & Remedies (PMO III F0014), July 2009 Guidelines Updates*, Docket No. M-2009-2089430 (Opinion and Order entered March 27, 2009).

¹⁰ *PMO III – Administrative and Process Changes (Folder 17)*, Docket No. M-2011–2232341 (Opinion and Order entered May 20, 2011).

reporting for the current most minor changes to the Guidelines. The record contains no basis for the Commission to depart from this overwhelming precedent of approving Guideline changes without parallel reporting.

7. Parallel reporting only comes into play with major structural changes to the PAP, not with routine Guideline changes. For example, three months of parallel reporting was required when the Commission moved to the New York-style PAP in 2002, at a time when there was far less intermodal competition and when the Commission had no prior experience with a New York-style PAP.¹¹ In 2008, when the Commission approved substantial revisions to the PAP to eliminate obsolete metrics associated with services no longer required by federal law, such as the UNE-platform, it initially required parallel reporting, but on reconsideration decided that the submission of historical data comparing the old and new metrics would be sufficient.¹² The parallel reporting required in this order is actually more onerous than the reporting required in either of those major changes to the PAP. There is simply no basis to impose this burden on Verizon PA as a condition of making very simple changes to the Guidelines.

8. For all the above reasons, the Commission, upon reconsideration, should eliminate the requirement for six months of parallel reporting.

9. The October 22, 2015 Order directs Verizon PA to provide a compliance filing incorporating the approved Guideline changes and confirming the implementation schedule within 15 days of the date of entry of the Order. However, Verizon PA is not able to begin work to implement the changes until it knows whether or not it will also

¹¹ *PMO II*, M-00011468 (12/10/02).

¹² *Performance Metrics & Remedies (PMO III F001I)*, 2008 PA PAP, Docket No. M-00011468F0011 (Opinion and Order entered September 11, 2008).

have to undertake the substantial IT work to enable parallel reporting. The addition of this IT work is also likely to delay the implementation schedule since Verizon PA must be ready to parallel report before it implements the changes. Accordingly Verizon PA is filing this Petition for Reconsideration in lieu of a compliance filing. The compliance filing will be made after the Commission rules on the merits of this petition.

CONCLUSION

For the foregoing reasons, Verizon PA respectfully requests that the Commission reconsider its October 22, 2015 Order and eliminate the requirement for six months of parallel reporting.

Respectfully submitted,



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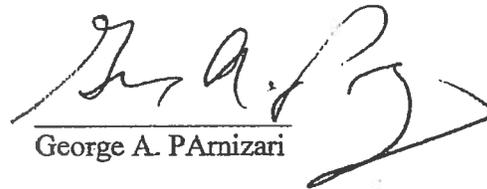
Attorney for
Verizon Pennsylvania LLC

Dated: November 5, 2015

VERIFICATION

I, George A. Parnizari, state that I am Senior Consultant – Business Operations for Verizon and that as such I am authorized to make this verification on behalf of Verizon Pennsylvania LLC (“Verizon”). I have reviewed Verizon’s Petition for Reconsideration and verify that the facts contained therein are true to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C. S. § 4904, relating to unsworn falsification to authorities.

Date: November 5, 2015


George A. Parnizari