

# **FairPoint Northern New England Wholesale Performance Plan**

**Maine  
New Hampshire  
Vermont**

**Implementation:**

Bill Credits Begin: Performance Data  
Filing Date:

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# **Northern New England WHOLESale PERFORMANCE PLAN**

## **I. INTRODUCTION**

The Northern New England Wholesale Performance Plan (“NNE WPP”) is a self-executing remedy plan that will ensure Northern New England Telephone Operations, LLC, and Telephone Operating Company of Vermont, LLC, collectively “FairPoint Northern New England” or “FairPoint NNE,” continues to provide quality wholesale services to competitive carriers consistent with the requirements of Section 271 of the Telecommunications Act of 1996. The NNE WPP replaces in its entirety the Performance Assurance Plan (“PAP”) that was formerly used to measure and report FairPoint NNE’s wholesale services performance.

### **A. The NNE WPP**

The NNE WPP has two major components: (1) the metrics used to measure and report service performance; and (2) the methodology used to determine billing credits, including scoring method and other rules described in the plan document. Each of these components is summarized below and is discussed in more detail in the following sections and Appendices.

#### **1. Measures and Standards**

The NNE WPP uses the standards and measures set forth in the Simplified Metrics Plan Guidelines and Performance Reports (“Guidelines” or “SMP Guidelines”). The Guidelines measures include individual data points that track and report performance. Some metrics are compared with analogous FairPoint NNE retail services to ensure parity of service and others, where no retail analog exists, are

reviewed on the basis of absolute standards, or benchmarks. A subset of the Guidelines measures were selected for inclusion in the NNE WPP.

## **2. Methodology**

The NNE WPP is designed as a simple plan that provides bill credits to CLECs for transactions scored as “missed”<sup>1</sup> when the aggregate performance standard is scored as “missed.”

For each metric that has been identified as being subject to bill credits for missed performance standards, a per transaction amount has been set that will be used to provide credits for each CLEC that had eligible missed transactions in the metric. The annual dollar caps are set in section 3 and are detailed in Appendix A. The annual dollar caps are divided into 12 equal amounts to set the monthly dollar caps.

### *(a) Statistical Test*

The NNE WPP uses statistical methodologies as one means to determine if “parity” exists between FairPoint NNE’s wholesale and retail performance. The statistical methodology is described in Appendix E of the SMP Guidelines.

### *(b) Scoring*

Each of the measures within the Plan are scored as met or missed based on the statistical analysis and the magnitude of the Z-statistic for the month or its relationship to the absolute standard for the metric.

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<sup>1</sup> The term “missed” as used in the NNE WPP and also in the SMP Guidelines and Performance Reports is intended to mean that the calculated wholesale service metric score was determined to be not in parity with the analogous retail score or was below the benchmark value. It does not mean that FairPoint NNE did not perform the measured function.

(c) *Self-executing aspects*

For each of the three states, FairPoint NNE will report its performance on the NNE WPP on a monthly basis. Within 30 days of the close of the month in which performance is being reviewed, WPP credits will be processed for each CLEC. To the extent that a CLEC is entitled to performance assurance payments or credits under an interconnection agreement between the CLEC and FairPoint NNE, the amount of any such interconnection agreement payment or credit will be credited against and reduce any amount due to the CLEC under the NNE WPP.<sup>2</sup>

**II. PROVISIONS OF THE PLAN**

**A. Measures, Methods of Analysis and Standards**

**1. Measures**

The measures and standards in the NNE WPP have been taken directly from the SMP Guidelines and cover the functions of Pre-order, Ordering, Provisioning, Maintenance and Repair, Billing and Network Performance.

**2. Standards**

Each measure will be evaluated according to one of two standards. For measures for which a FairPoint NNE retail analog exists, a "parity" standard will be applied.<sup>3</sup> For those measures for which no retail analog is available, an absolute

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<sup>2</sup> This provision is included as a protection against the imposition of excessive, double incentive amounts. FairPoint NNE believes that the Simplified Metrics Plan Guidelines and the financial incentives of the NNE WPP are so comprehensive and substantial as to make it unnecessary to include performance provisions in interconnection agreements.

<sup>3</sup> The parity measures in the Plan fall into two categories: Measured variables and  
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“benchmark” standard has been specified as a surrogate to assess whether FairPoint NNE is providing non-discriminatory service to the CLECs. The metrics with absolute standards are displayed in Appendix A.

## **B. Scoring And Bill Credit Calculations**

### **1. Scoring**

Since the 1996 Act requires that FairPoint NNE provide interconnection “that is at least equal in quality” to that provided to itself, and “nondiscriminatory access” to unbundled elements, each month FairPoint NNE will convert the values calculated by the methods in Appendix D to equivalent standard normal Z-scores.<sup>4</sup> These equivalent Z scores will be converted into a performance score for each measure as follows:

<u>Statistical Score</u>	<u>Performance Score</u>
Z ≤ -1.645	Miss
Z > -1.645	Met

For parity measures that meet the minimum sample size criteria set forth in Appendix E of the Guidelines, Fisher’s Exact Test or the permutation test will be applied to obtain the statistical score, which will be converted into a performance score. (See Appendix E of the SMP Guidelines.) For parity measures that do not meet the minimum small sample size criteria, an “SS” for “small sample” will be reported.

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Counted variables. Measured variables are metrics of means or averages, such as Average Duration of Hot Cut Installation Troubles. Counted variables are metrics of proportions such as percent measures.

<sup>4</sup> The statistical methodologies are set forth in Appendix E of the SMP Guidelines.

Measures with absolute (i.e., benchmark) standards will be given a performance score of “Met” or “Miss” depending on the performance for that measure (See Appendix C.) For small sample sizes of measures with absolute standards, a small sample size table will be applied to obtain the performance scores.

Thus, for each of the measures within the WPP, FairPoint NNE’s performance will be graded Met or Miss.

## **2. Bill Credit Calculations**

If FairPoint NNE’s overall (aggregate) performance score for a metric falls below the standard in any given month, bill credits will be implemented. The bill credits payable to individual CLECs each month for each metric that is missed in the aggregate will be determined by multiplying the dollar value per transaction amount from the table in Appendix A by the quantity of that CLEC’s actual missed transactions for the metric.

## **C. Monthly Reports**

### **1. Performance Results and Bill Credits**

In order to ensure there is timely information regarding FairPoint NNE’s wholesale services performance, FairPoint NNE will report its performance on a monthly basis for each state in separate reports. Each month a CLEC-specific and state aggregate report will be made available upon request on a state specific basis to each CLEC obtaining wholesale services from FairPoint NNE in Maine, New Hampshire, or Vermont.<sup>5</sup>

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<sup>5</sup> A sample copy of a state aggregate report appears in Appendix E.

The state aggregate report will provide a summary of total bill credits, if any, due FairPoint NNE's wholesale customers. In addition, CLEC-specific reports will include bill credit amounts, if any, due to the individual CLEC. The monthly reports will be made available upon request to CLECs in electronic format via FairPoint NNE's wholesale web portal within 30 days of the end of each month.

Additionally, FairPoint NNE will file copies of the state aggregate reports with the respective state Public Utilities Commission or Public Service Board within 30 days of the end of the month.

#### **D. Bill Credits Payment**

If the monthly bill credit due a CLEC exceeds the monthly bill balance due FairPoint NNE on the CLEC's bill, the net balance will be carried as a credit on to the CLEC's next month's bill.

FairPoint NNE will issue checks in lieu of outstanding bill credits to CLECs that discontinue taking service from FairPoint NNE and have no outstanding bill balance. If such a CLEC has a balance due to FairPoint NNE, a check will be issued only in the amounts by which outstanding bill credits exceed any balance due from the CLEC.

#### **E. Term Of Wholesale Performance Plan**

Until such time as a replacement mechanism is developed or the WPP is rescinded, the WPP will remain in effect.

#### **F. Exceptions Process**

Recognizing that wholesale service quality data may be influenced by factors beyond FairPoint NNE's control, FairPoint NNE may file Exception petitions with the Commissions seeking to have the monthly service quality results modified on three



generic grounds. The first ground for filing an Exception involves the potential for “clustering” of data, and the effect that such clustering has on the statistical models used in this Plan. The requirements of the clustering Exception are set forth in Appendix E of the SMP Guidelines.

The second ground for filing an Exception relates to CLEC behavior. If performance for any measure is impacted by unusual CLEC behavior, FairPoint NNE will bring such behavior to the attention of the CLEC and attempt to resolve the problem. Examples of CLEC behavior which may influence performance results include:

1. poor order quality, such as missing codes, incorrect codes or misspelled directory listings;
2. actions that cause excessive missed appointments, such as wrong addresses, wrong due dates or offered intervals shorter than the standard interval;
3. actions resulting in excessive multiple dispatch and repeat reports, such as incorrect dispatch information or inadequate testing by a CLEC;
4. inappropriate coding on orders, such as where extended due dates are desired and are not coded as such;
5. delays in rescheduling appointments when FairPoint NNE has missed an appointment.

If such action negatively influences FairPoint NNE’s performance on any metric, FairPoint NNE will be permitted to petition for relief. The Exception petition, which will be filed with the Commissions and served on the CLEC, will provide appropriate,

detailed documentation of the events, and will demonstrate that the CLEC behavior has caused FairPoint NNE to miss the service quality target. FairPoint NNE's petition must include all data that demonstrates how the measure was missed. It should also include information that excludes the data affected by the CLEC behavior. CLECs and other interested parties will be given an opportunity to respond to any FairPoint NNE petition for an Exception. If the Commission determines that the service results were influenced by inappropriate CLEC behavior, the data will be excluded from the monthly reports.

The third ground for filing an Exception relates to situations beyond FairPoint NNE's control that negatively affect its ability to meet or exceed measures with absolute standards. The performance requirements dictated by absolute standards establish the quality of service under normal operating conditions, and do not necessarily establish the level of performance to be achieved during periods of emergency, catastrophe, natural disaster, severe storms, work stoppage, or other events beyond FairPoint NNE's control.

Any Exception petition pursuant to this provision must demonstrate clearly and convincingly the extraordinary nature of the circumstances involved, the impact the circumstances had on FairPoint NNE's service quality, why FairPoint NNE's normal, reasonable preparations for difficult situations proved inadequate, and the specific days affected by the event. The petition must also include an analysis of the extent to which the parity metrics (retail and wholesale) were affected by the subject event, and must be filed within 45 days from the end of month in which the event occurred.

The Commissions or Board shall determine which, if any, of the daily and monthly results should be adjusted in light of the extraordinary event cited, and will have full discretion to consider all available evidence submitted.

#### **G. Commission or Board Reviews, Updates and Audits**

The Commissions or Board may review and/or audit the Wholesale Performance Plan once every two or more years to determine whether any modifications or additions should be made. During this review, the Commissions or Board can determine, among other things, whether: (1) measures should be modified, added or deleted; (2) the clustering and CLEC behavior Exceptions included in Appendix D should be modified; (3) small sample size procedures should be modified; or (4) the methodologies used to calculate the bill credits should be modified. All aspects of the Plan, however, will be subject to review. Any modifications to the WPP will be implemented as soon as is reasonably practical after Commission or Board approval of the modifications.

#### **H. Plan Cap**

The NNE WPP contains a maximum bill credit cap. The total cap for FairPoint NNE for all three states combined shall equal not more than thirty-nine percent (39%) of NNE's five-year rolling average ARMIS net return (rounded to the nearest hundred-thousand dollars). The cap amount is calculated annually. One twelfth of this amount (rounded to the nearest thousand dollars) is allocated to each month. Should the sum of bill credits for all missed metrics for all CLECs combined for the three states exceed the monthly cap of  $\frac{1}{12}$ th the annual cap, the maximum monthly dollar amount will be distributed to each affected CLEC based on its proportion of total calculated bill credits.

### **III. PROCESS FOR INCORPORATING CHANGES TO THE SMP GUIDELINES INTO THE WPP**

Changes to the SMP Guidelines may impact the measurements used in the WPP. The following are the filing procedures for all Guideline changes that affect the WPP. To the extent that a filed amendment to the Guidelines reflects a “consensus” of items by the impacted CLECs and FairPoint NNE, such amendments will become effective in the Guidelines and the WPP in Maine, New Hampshire, and Vermont immediately upon filing. FairPoint NNE will file, along with the amendment, the report of the impacted CLECs and FairPoint NNE recommending such changes.

If, however, proposed changes to the Guidelines and WPP include “non-consensus” items, FairPoint NNE shall file such “non-consensus” items with the Commissions and Board for review and adoption.

Since the WPP uses the measures and standards defined by the Guidelines, once the procedures described above for an amendment to the Guidelines are complete, any adopted changes in the definition or standard for a Guideline measurement that also appears in the WPP, will flow through to the WPP. Examples of some common changes are as follows:

- If a definition or standard is revised in the Guidelines, the WPP will use the revised definition and standard for reporting results for a measure.
- If a measure is deleted in the Guidelines and specifically replaced with another measure, the new measure with its new definition and standard will be reported in the WPP, if the deleted metric was previously reported in the WPP.
- If a measure in the Guidelines is deleted and not replaced, the measure will

be deleted in the NNE WPP.

- If a change in the Guidelines includes additional product disaggregation for an existing measure, the WPP reports will continue to show the measure as a single measure using the revised definitions of the components. (Any disaggregation in the WPP must wait for the next Commission and Board review as associated credit dollar assignments must be determined).

Changes in the statistical methods in Appendix E of the Guidelines are automatically adopted in the WPP.

## **APPENDIX A – Bill Credit Mechanism**

## Bill Credit Mechanism

The following are the steps that will be undertaken to determine whether Bill Credits are due to a CLEC.

### Measures with Per Unit Payment Calculations:

1. For each measure with a “parity” standard: Calculate Z or t score or perform permutation test (for small samples).
2. Convert Z, t or permutation equivalent score to performance score pursuant to the following table:

<u>Statistical Score</u>	<u>Performance Score</u>
$\leq -1.645$	Miss
$> -1.645$	Met

3. For each measure with an absolute standard: Determine Performance Score using performance range for the applicable measure. For small sample sizes, the small sample size table for measures with absolute standards is used. (See Appendix C.)

4. If the Aggregate Total Performance Score for a measure is Met, no bill credits are due to the CLECs that received the particular service in that month. If the value is Miss, CLECs with qualifying missed transactions will receive bill credits pursuant to the Bill Credit Tables in Appendix B.

5. The Bill Credit Table reflects (1) the standard for the aggregate performance scores, and (2) the corresponding monthly rate that will be credited to each CLEC for each missed transaction, if FairPoint NNE’s performance is below standard. The individual CLEC’s bill credit will be determined by multiplying the quantity

of the CLEC's monthly missed transactions by the applicable dollar per miss rate in Appendix A.

### **Measures with Per Measure Payment Calculations**

1. PR-9-08 - Average Duration of Hot Cut Installation Troubles has a performance standard that is an average duration. Since each of these transactions represents troubles reported, the eligible transactions will be the denominator of the same metric. Appendix B provides this in detail. See Appendix B Table A-1-1-A.

2. PO-2 Metrics (OSS Availability) are calculated at the Aggregate level only. Should the benchmark performance standard be missed, bill credits will be issued to CLECs using the process described in Appendix B.



## **APPENDIX B – MEASURES, STANDARDS AND BILL CREDIT TABLES**

# Per Unit Payment Calculations:

**Table A-1-1-A: Average Duration of Hot Cut Installation Troubles**

WPP Metric ID	Metric Description	Product	Standard	Rate per Missed Unit
PR-9-08-3533	Average Duration of Hot Cut Installation Troubles	UNE POTS - Loop - Hot Cut	Parity	\$3.50

For PR-9-08-3533 Average Duration of Hot Cut Installation Troubles, if performance is missed at the CLEC Aggregate level, bill credits will be calculated for each CLEC whose performance was missed using the total number of eligible hot cut installation troubles multiplied by the rate per missed unit for each CLEC where the performance is missed. *Note the total eligible cannot exceed the total number of troubles.*

**Example Per Unit Calculation for PR-9-08 Metric with Aggregate miss**

CLEC	Actual Performance	Miss/Met	Total Volume	% Missed	Eligible Misses	Rate per miss	Bill Credit
Retail Compare	2.00						
Aggregate	3.00	Miss	30				
A	4.00	Miss	15	100.0%	15	\$3.50	\$52.50
B	2.50	Miss	10	25.0%	2.5	\$3.50	\$8.75
C	1.00	Met	5	0.0%	0	\$3.50	\$0.00

**Table A-1-2-A: Measures with Absolute (Benchmark) Standards:**

<b>Metric #</b>	<b>Metric Description</b>	<b>Product</b>	<b>Standard</b>	<b>Per Unit Credit</b>
OR-1-02-2100	% On Time LSRC - Flow Through	Resale POTS	95%	\$9.00
OR-1-02-3331	% On Time LSRC - Flow Through	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-1-04-2100	% On Time LSRC/ASRC - No Fac. Chk - No Flow Thru	Resale POTS	95%	\$9.00
OR-1-04-3331	% On Time LSRC/ASRC - No Fac. Chk - No Flow Thru	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-1-04-3342	% On Time LSRC/ASRC - No Fac. Chk - No Flow Thru	UNE 2-Wire xDSL Loops	95%	\$6.00
OR-1-06-2100	% On Time LSRC/ASRC - Fac. Chk - No Flow-thru	Resale POTS	95%	\$9.00
OR-1-06-3200	% On Time LSRC/ASRC - Fac. Chk - No Flow-thru	UNE Specials	95%	\$21.00
OR-1-06-3331	% On Time LSRC/ASRC - Fac. Chk - No Flow-thru	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-1-06-3342	% On Time LSRC/ASRC - Fac. Chk - No Flow-thru	UNE 2-Wire xDSL Loops	95%	\$6.00
OR-1-12-5020	% On Time FOC	Interconnection Trunks (<= 192 Fcsted Trunks)	95%	\$13.00
OR-1-13-5000	% On Time Design Layout Record (DLR)	Interconnection Trunks (CLEC)	95%	\$13.00
OR-2-02-2100	% On Time LSR Reject (Flow-Through)	Resale POTS	95%	\$9.00
OR-2-02-3331	% On Time LSR Reject (Flow-Through)	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-2-04-2100	% On Time LSR/ASR Reject - No Fac. Check - No Flow-thru	Resale POTS	95%	\$9.00
OR-2-04-3331	% On Time LSR/ASR Reject - No Fac. Check - No Flow-thru	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-2-04-3342	% On Time LSR/ASR Reject - No Fac. Check - No Flow-thru	UNE 2-Wire xDSL Loops	95%	\$6.00
OR-2-06-2100	% On Time LSR/ASR Reject - Facility Check (No Flow-Thru)	Resale POTS	95%	\$9.00
OR-2-06-3200	% On Time LSR/ASR Reject - Facility Check (No Flow-Thru)	UNE Specials	95%	\$21.00
OR-2-06-3331	% On Time LSR/ASR Reject - Facility Check (No Flow-Thru)	UNE Loop/Pre-qualified Complex/LNP	95%	\$5.75
OR-2-12-5020	% On Time Trunk ASR Reject	Interconnection Trunks (<= 192 Fcsted Trunks)	95%	\$13.00

<b>Metric #</b>	<b>Metric Description</b>	<b>Product</b>	<b>Standard</b>	<b>Per Unit Credit</b>
OR-4-16-1000	% PCN sent within one (1) Business Day	Resale & UNE combined (EDI)	95%	\$6.25
PR-6-02-3520	% Installation Troubles reported within seven (7) Days	UNE Loop Basic Hot Cut	95%	\$11.50
PR-9-01-3520	% On Time Performance - Hot Cut	UNE Loop - Basic Hot Cut	2%	\$11.50
BI-3-04-1000	% CLEC Billing Claims Ack'd within two (2) Business Days	Resale & UNE combined	95%	\$6.25
BI-3-05-1000	% CLEC Billing Claims Resolved within 28 Calendar Days After Acknowledgment	Resale & UNE combined	95%	\$6.25

For performance measures with absolute (benchmark) standards, if the standard is missed at the CLEC aggregate level, bill credits are calculated for all CLECs who received performance below the benchmark. For example:

If CLEC Aggregate Performance for OR-1-02-3331 % On Time LSRC - Flow Through UNE UNE Loop/Pre-qualified Complex/LNP is 90%, the performance standard of 95% is missed. The table below shows an aggregate miss, where 3 of 5 CLECs experienced a miss and the resulting bill credit calculation for each.

#### Example Per Unit Calculation for Benchmark Metrics with Aggregate miss:

<b>CLEC</b>	<b>Actual Performance</b>	<b>% standard miss</b>	<b>Total Volume</b>	<b>Eligible Misses</b>	<b>Rate per miss</b>	<b>Bill Credit</b>
Aggregate	90.00%	5.00%	3,500			
A	85.00%	10.00%	1500	150	\$5.75	\$862.50
B	90.00%	5.00%	500	25	\$5.75	\$143.75
C	90.00%	5.00%	500	25	\$5.75	\$143.75
D	95.00%	0.00%	500	0	\$5.75	\$0.00
E	100.00%	0.00%	500	0	\$5.75	\$0.00

Bill credit = number of eligible misses X rate

**Table A-1-3-A: Measures with Parity Standards:**

<b>Metric #</b>	<b>Metric Description</b>	<b>Product</b>	<b>Rate per Unit</b>
PR-4-01-3211	% Missed Appointment - FairPoint - Total	UNE Specials DS1	\$42.00
PR-4-01-3213	% Missed Appointment - FairPoint - Total	UNE Specials DS3	\$93.00
PR-4-04-2100	% Missed Appointment - FairPoint - Dispatch	Resale POTS	\$18.00
PR-4-04-3113	% Missed Appointment - FairPoint - Dispatch	UNE POTS Loop New	\$11.50
PR-4-05-2100	% Missed Appointment - FairPoint - No Dispatch	Resale POTS	\$18.00
PR-4-05-3113	% Missed Appointment - FairPoint - No Dispatch	UNE POTS Loop New	\$11.50
PR-4-14-3342	% Completed On Time - 2-Wire xDSL	UNE 2-Wire xDSL Loops	\$12.00
PR-4-15-5000	% On Time Provisioning - Trunks	Interconnection Trunks	\$26.00
PR-6-01-2100	% Installation Troubles reported within 30 Days	Resale POTS	\$18.00
PR-6-01-3113	% Installation Troubles reported within 30 Days	UNE POTS - Loop - New	\$11.50
PR-6-01-3200	% Installation Troubles reported within 30 Days	UNE Specials	\$42.00
PR-6-01-3342	% Installation Troubles reported within 30 Days	UNE 2-Wire xDSL Loops	\$12.00
PR-6-01-5000	% Installation Troubles reported within 30 Days	Interconnection Trunks	\$26.00
MR-3-01-2110	% Missed Repair Appointment - Loop	Resale POTS Business	\$5.75
MR-3-01-2120	% Missed Repair Appointment - Loop	Resale POTS Residence	\$2.50
MR-3-01-3112	% Missed Repair Appointment - Loop	UNE POTS Loop	\$3.50
MR-3-01-3342	% Missed Repair Appointment - Loop	UNE 2-Wire xDSL Loops	\$3.50
MR-3-02-2110	% Missed Repair Appointment - Central Office	Resale POTS Business	\$5.75
MR-3-02-2120	% Missed Repair Appointment - Central Office	Resale POTS Residence	\$2.50
MR-3-02-3112	% Missed Repair Appointment - Central Office	UNE POTS Loop	\$3.50
MR-3-02-3342	% Missed Repair Appointment - Central Office	UNE 2-Wire xDSL Loops	\$3.50
MR-4-08-2110	% Out of Service > 24 Hours	Resale POTS Business	\$5.75
MR-4-08-2120	% Out of Service > 24 Hours	Resale POTS Residence	\$2.50
MR-4-08-3112	% Out of Service > 24 Hours	UNE POTS Loop	\$3.50
MR-4-08-3217	% Out of Service > 24 Hours	UNE Specials (DS1 & DS3)	\$33.25
MR-4-08-3342	% Out of Service > 24 Hours	UNE 2-Wire xDSL Loops	\$3.50
MR-5-01-2100	% Repeat Reports within 30 Days	Resale POTS	\$5.75
MR-5-01-3112	% Repeat Reports within 30 Days	UNE POTS Loop	\$3.50
MR-5-01-3200	% Repeat Reports within 30 Days	UNE Specials	\$33.25
MR-5-01-3342	% Repeat Reports within 30 Days	UNE 2-Wire xDSL Loops	\$3.50

For performance measures with parity standards, if the standard is missed at the CLEC aggregate level, bill credits are calculated for all CLECs that received performance below parity. Parity will be considered missed if the respective Z score is more negative than -1.645. If the performance for all CLECs in the aggregate is deemed to have been missed, the retail analog performance will be used as the "benchmark" and comparisons will be made between each CLEC's actual performance and the parity "benchmark". See example below:

If CLEC Aggregate Performance for PR-6-01-3342% % Missed Appointment - FairPoint - No Dispatch (UNE 2-Wire xDSL Loops) missed with a reported Z score of -5.00 (more negative than -1.645) and retail analog performance was 7.1% then all CLECs with reported performance worse than 7.1% would have bill credits calculated. The table below shows an aggregate miss, where 3 of 5 CLECs experienced a missed standard and the resulting payment calculation for each.

**Example Per Unit Calculation for Parity Metrics with Aggregate miss:**

CLEC	Performance	Miss / Met	Total Volume	Eligible Misses	Rate per miss	Bill Credit
Retail Performance	7.10%					
Aggregate	31.80%	Miss	151			
A	33.30%	Miss	51	17	\$12.00	\$204
B	20.00%	Miss	25	5	\$12.00	\$60
C	8.00%	Miss	25	2	\$12.00	\$24
D	4.00%	Met	25	0	\$12.00	\$0.00
E	4.00%	Met	25	0	\$12.00	\$0.00

Bill Credit = Eligible Misses X rate

**Per Measure Payment Calculations:**

**Table A-2-1-A: Measures with Absolute (Benchmark) Standards:**

WPP Metric ID	Metric Description	Product	Standard	≥ 99% and < 99.5%	≥ 98 and < 99%	< 98%
PO-2-02-6020	OSS Interface Availability - Prime Time	EDI	99.5%	\$3,000	\$6,000	\$12,000
PO-2-02-6050	OSS Interface Availability - Prime Time	WEB GUI	99.5%	\$2,500	\$5,000	\$10,000

PO-2-02 is measured at the Aggregate level only. Should performance be missed, bill credits would be calculated using the table above. Bill credits will be allocated according to each CLEC's proportional transaction volume (denominator) in PO-1 for the associated sub-metrics for each interface.

#### Example of PO-1 Allocations for PO-2 Missed Performance

CLEC - PO-2-01	Performance	% Allocation	Penalty Allocation
Aggregate PO-2-02 - EDI	97.00%		\$12,000
PO-1 Transactions - EDI	1000		
CLEC A	500	50.00%	\$6,000
CLEC B	300	30.00%	\$3,600
CLEC C	150	15.00%	\$1,800
CLEC D	50	5.00%	\$600
CLEC E	0	0.00%	\$0

## **APPENDIX C: SMALL SAMPLE SIZE SCORING**



**Sample Size Scoring Procedures for  
Counted Variable Performance Measures with Absolute (Benchmark) Standards  
for Use on CLEC Aggregate Results**

**A. Allowable Misses:**

For counted variables with benchmark standards, it is possible to have small sample sizes, such that just a single missed transaction within a report period can cause the measure to miss its benchmark. The plan recognizes that without an allowance for a single miss, the plan would effectively require perfection to avoid bill credits, which would be above the designated benchmark for the measure. Also, a single missed transaction does not demonstrate that the measure's performance warrants a performance score of Miss. Thus a "Met" will be assigned in any single miss situations as specified by the criteria below. This deems the measure will not be calculated for the purposes of bill credit calculations. In addition, if there are only 2 missed transactions in any small sample situation described below, a performance score of Met will be assigned to the measure, again due to the minimal number of missed transactions.

For Counted Variables with Benchmark Standards that have a small number of observations in a data month, the following scoring procedures will be used at the CLEC aggregate level only:

For counted variable metrics where higher performance is better ("HIB"), e.g., 95% on-time, or a 0.95 standard:

- for any HIB counted variable metric where  $n < \{1/[1-\text{standard}]\}$ , (for example, for a 95% standard,  $n < (1/[1-0.95])$  or  $n < 20$ )
  - 0 misses is a Met performance score
  - 1 miss is a Met performance score

2 misses is a Met performance score  
more than 2 misses is a Miss performance score

For counted variable metrics where lower performance is better ("LIB"), e.g., 5% missed appts, or a 0.05 standard:

- for any LIB counted variable metric where  $n < \{1/[\text{standard}]\}$ , (for example, for a 5% standard,  $n < (1/0.05)$  or  $n < 20$ )

0 misses is a Met performance score  
1 miss is a Met performance score  
2 misses is a Met performance score  
more than 2 misses is a Miss performance score

Examples of what should be reported in the performance scores column for measures with a 95% or a 5% standard are shown in the table below for different combinations of misses and sample sizes:

Sample Size	Number of Misses			
	0	1	2	3 or more
1	Met	Met	NA	NA
2	Met	Met	Met	NA
3	Met	Met	Met	Miss
4	Met	Met	Met	Miss
5	Met	Met	Met	Miss
6	Met	Met	Met	Miss
7	Met	Met	Met	Miss
8	Met	Met	Met	Miss
9	Met	Met	Met	Miss
10	Met	Met	Met	Miss
11	Met	Met	Met	Miss
12	Met	Met	Met	Miss
13	Met	Met	Met	Miss
14	Met	Met	Met	Miss
15	Met	Met	Met	Miss
16	Met	Met	Met	Miss
17	Met	Met	Met	Miss
18	Met	Met	Met	Miss
19	Met	Met	Met	Miss

## B. CLEC Exception Process

Each month each CLEC will have the right to challenge the allowable misses that FairPoint NNE may exercise pursuant to the small sample size table for performance measures with absolute standards. If a CLEC exercises this right, it must file a petition with the Commission or Board demonstrating that the exclusion will have a significant impact on the operations of the CLEC's business and that FairPoint NNE should not be allowed to exclude the event pursuant to the above table. FairPoint NNE will have a right to respond to any such challenge by the CLEC. The timeline for CLEC Exceptions will be the same as the Timeline for FairPoint NNE Exceptions under the small sample size section in Appendix D. If a CLEC's Exception Petition is granted, the appropriate bill credits will be reflected on the CLEC's bill as soon as is practical.

## **APPENDIX D: STATISTICAL METHODOLOGIES AND EXCEPTIONS PROCESS**

## **STATISTICAL ANALYSIS**

### **A. Statistical Methodologies:**

The Wholesale Performance Plan uses the statistical methodologies and exceptions found in Appendix E of the Simplified Metrics Plan Guidelines.

#### **1. The Timeline for Exceptions Process:**

The following is an example illustrating the timeline for the Exception Process.

<b>Action</b>	<b>Date</b>
January Performance Reports	February 28 <sup>th</sup>
FairPoint NNE Files Exceptions on January Performance	March 18 <sup>th</sup>
CLEC and other interested parties Files Reply to FairPoint NNE Exceptions	April 4 <sup>th</sup>
Commission Issues Ruling on Exceptions	April 18 <sup>th</sup>

## **APPENDIX E – SAMPLE REPORT**