AFFIDAVIT

STATE OF ALABAMA

COUNTY OF JEFFERSON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David P. Scollard, BellSouth Telecommunications, Inc., being by me first duly sworn deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in "Investigation Concerning the Propriety of InterLATA Services by BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996," KY PSC Case No. 2001-105, and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of 18 pages and 1 exhibit(s).

David P. Scollard

SWORN TO AND SUBSCRIBED BEFORE ME this
19 day of July, 2001.

NOTARY PUBLIC

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 28, 2004
BONDED THRU NOTARY PUBLIC UNDERWRITERS

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF DAVID P. SCOLLARD

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2001-105

JULY 30, 2001

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.

A. I am David P. Scollard, Room 28A1, 600 N. 19th St., Birmingham, AL 35203. My current position is Manager, Wholesale Billing at BellSouth Billing, Inc. ("BBI"), a wholly owned subsidiary of BellSouth Telecommunications, Inc. ("BellSouth"). In that role, I am responsible for overseeing the implementation of various changes to BellSouth's Customer Records Information System ("CRIS"), Carrier Access Billing System ("CABS"), and BellSouth Industrial Billing System ("BIBS").

Q. ARE YOU THE SAME DAVID SCOLLARD THAT FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to reply to the testimony of Competitive Local Exchange Carrier ("CLEC") witnesses in this proceeding pertaining to the systems and processes BellSouth uses to bill CLECs for the services ordered from BellSouth.

Checklist Item (i): Interconnection

Q. ON PAGES 9 THROUGH 11 OF HIS REBUTTAL TESTIMONY, WORLDCOM WITNESS MR. ARGENBRIGHT BRINGS UP AN ISSUE HE DESCRIBES AS THE "TRUNK FRAGMENTATION" ISSUE. IS THIS STILL AN ISSUE BETWEEN BELLSOUTH AND WORLDCOM?

A. No. As Mr. Argenbright himself describes, BellSouth makes available to CLECs the "super group" which can accommodate the trunking that WorldCom is seeking. BellSouth is at a loss as to why WorldCom continues to raise issues that the companies have worked diligently to resolve.

Q. MR ARGENBRIGHT, ON PAGES 11 THROUGH 14 OF HIS TESTIMONY, TURNS HIS ATTENTION TO THE "TANDEM PROVIDER" ISSUE. DID WORLDCOM RAISE THIS ISSUE IN ITS RECENT ARBITRATION WITH BELLSOUTH?

A. Yes.

Q. WHAT IS BELLSOUTH'S UNDERSTANDING OF THE ISSUE?

A. BellSouth's understanding of this issue is that WorldCom wants to send access traffic to BellSouth across the local interconnection facilities provided to WorldCom by BellSouth for completion of local calls. BellSouth's position is that access traffic should be kept separate from local traffic and, therefore, that access traffic should be sent only across access facilities.

Q. WHAT BILLING IMPACTS WOULD BE SEEN IF WORLDCOM'S POSITION IS ADOPTED?

A. Generally, the result would be that BellSouth would be unable to bill WorldCom for its use of the local interconnection trunk. Each type of interconnection facility carries with it unique characteristics with regard to the recording of billing data for calls going across that facility. In the case of traffic coming across WorldCom's local interconnection facilities, the call records do not record information necessary to determine which calls are WorldCom's local calls and which ones are access calls originating from another carrier. The plain truth is that when WorldCom sends a call across its local interconnection trunks, it is recorded in BellSouth's network as just that – a call originated from WorldCom's local customer and sent to BellSouth. Therefore, BellSouth cannot distinguish this access traffic from the other local traffic based on the call records.

Q. MR. ARGENBRIGHT SUGGESTS ON PAGE 13 OF HIS TESTIMONY THAT BELLSOUTH CAN ACCEPT USAGE RECORDS FROM

WORLDCOM WITH WHICH TO BILL. WHAT IS BELLSOUTH'S RESPONSE TO THAT PROPOSAL?

A. Mr. Argenbright's suggestion is merely a description of how the access traffic could be billed to the interexchange carrier via some meet point billing arrangement. What Mr. Argenbright fails to understand is that his proposal would put a provider at the mercy of a customer to "self-report" usage for billing back to the customer. As I mentioned earlier, when traffic is placed across a local interconnection trunk, the usage records provide only enough information to identify the CLEC which ordered the trunk and that a local call was sent for completion. If WorldCom were allowed to mix access traffic (which is to be billed to an interexchange carrier) with the local traffic (to be billed to WorldCom), all of the usage records resulting from that traffic would be corrupted and unusable. Therefore, BellSouth would be required to wait on WorldCom to provide information as to what portion of the combined traffic is real local traffic billable to WorldCom and the portion which is to be billed to the other carriers. This type of "self reporting" of usage for billing creates opportunities for abuse.

Regionality Issues

Q. ON PAGE 29 OF HIS TESTIMONY, AT&T WITNESS BRADBURY CLAIMS THAT BELLSOUTH HAS 11 DATA CENTERS, WHICH PROCESS TRANSACTIONS FOR PRODUCTION OF BILLS SENT TO CLECS. IS THIS TRUE?

A. No. BellSouth processes all of the information to create bills for CLECs in the same two data centers used to produce bills for retail customers and inter-exchange carriers. These data centers are located in Birmingham, Alabama and Charlotte, North Carolina.

Q. MR. BRADBURY ALSO ASSERTS THAT BECAUSE OF THE MULTIPLE DATA CENTERS THE THIRD PARTY TESTING PERFORMED IN GEORGIA SHOULD NOT BE ACCEPTED IN KENTUCKY. IS THIS TRUE?

A. No. The same physical software that processes transactions and creates invoices in Kentucky (i.e., CRIS, CABS and BIBS) also performs these same functions in all other states in the BellSouth region. The control functions used to manage the multitude of billing transactions are performed by the same group for all of the states in the BellSouth region, including Kentucky. Methods and procedures required to perform all of the steps to accurately produce bills and usage information for CLECs are developed by a central staff supporting all states. The maintenance of the various reference tables (such as product rates, etc.) used by the billing system is handled for all states by one group. The systems, processes, and procedures are the same for all states and are created, maintained and executed by the same group of employees regardless of the state being processed. To effectively manage the massive amounts of data processing required to keep the daily billing cycles running, customer accounts are segregated into separate sets of databases depending on

the state in which that account resides. Because of this, multiple occurrences of CRIS, BIBS, and CABS run in parallel at the same time utilizing all of these databases. However, all of the software versions of CRIS, CABS and BIBS are identical to each other, and they are run on the same type of hardware for all states. Regardless of which processing stream is running, the software, controls, procedures, and processing steps required to create invoices and usage records for customers (CLEC as well as retail) are the same. Therefore, it would be redundant to again test these systems and processes in Kentucky.

Third Party Testing Issues

Q. ON PAGE 35 OF HER TESTIMONY, AT&T WITNESS NORRIS CLAIMS THAT THE FACT THAT KPMG CONSULTING, LTD. (KPMG) CLOSED EXCEPTION 91 IN THE GEORGIA OSS TEST WITH AN OUTSTANDING SOFTWARE REVISION IN PROGRESS JEOPARDIZES THE VALIDITY OF THE BILLING TEST. IS THIS TRUE?

A. No. The implication of the CLECs' testimony is that KPMG uncovered a significant billing issue and that KPMG concluded the test with a "satisfactory rating" without testing the software fix put in to address the issue. This simply is not the case. The issue referred to by Ms. Norris involves only one unbundled service (Operator Verify / Interrupt) and it applies only to those CLECs whose contracts call for billing to be on a per-minute basis as opposed

to a per call basis[1]. Thus, it was a very narrow issue. Moreover, BellSouth completed the software change referenced in the final test report in September, 2000 and the issue was resolved.

Q. MS. NORRIS GOES ON TO STATE (PAGE 35) THAT THE ALLEGED "INACCURACIES" FOUND IN EXCEPTION 91 WILL CAUSE CLECS TO INCORRECTLY BILL THEIR END USERS. IS THIS TRUE?

A. No. The industry (at the Ordering and Billing Forum or OBF) developed the invoices on which Verify / Interrupt charges would be billed. The UNE invoices were purposely designed to exclude the details that AT&T implies should be on them. While the invoices allow for charges to appear in bulk, OBF, correctly, decided that the invoice was not the appropriate mechanism to provide usage details (such as information to identify individual end users) for services such as Verify / Interrupt. As was foreseen, the most effective way for CLECs to bill their end users is to rely on their own ordering information as well as the usage records provided by the ILEC. What Ms. Norris fails to mention in her comments is the fact that even before the software change, BellSouth was providing usage records to KPMG for these calls to support end-user billing for Verify / Interrupt charges.

[1] KPMG states in the final report that "Upon review of the May 2000 invoices, KCL concluded that BLS was correctly billing all usage charges with the exception of under billing for verification and interrupt calls." (page VI-A-20).

Q. ON PAGE 36 OF HER TESTIMONY, MS. NORRIS RAISES AN ISSUE WITH BELLSOUTH'S ABILITY TO ACCUMULATE USAGE TO BE SENT TO CLECS ON THE DAILY USAGE FILES (DUFS). WHAT WAS THE EXTENT OF THE ISSUE THAT KPMG FOUND?

A. Despite the fact that AT&T tries to make this issue appear widespread, the plain fact is that the situation uncovered during the testing was limited in scope. The issue identified was as follows: during the conversion period when, for example, a retail customer was switching over to a CLEC via unbundled switch ports, some usage was left unidentified in the limited cases where a service order was delayed for error correction purposes or some other reason (in most cases the delay is about one or two days). For some reason, a large percentage of the KPMG test calls were made during these conversion periods. BellSouth took two steps to resolve this issue. First, during the Georgia test, BellSouth implemented a system change to look at pending service order information to anticipate when an end user would be changing over from BellSouth to another CLEC. This change was tested by KPMG and resulted in the successful closure of the issue. Subsequent to the test, BellSouth enhanced the billing system to access service order data earlier than before and thus have as much information as possible when determining what usage belongs to BellSouth and what usage should be sent to CLECs.

Q. ON PAGE 37 OF HER TESTIMONY, MS. NORRIS POINTS OUT THAT KPMG INCLUDED SOME COMMENTS IN THE FINAL REPORT RELATIVE TO THE CONSISTENCY OF BILLING DOCUMENTATION

ACROSS DIFFERENT DOCUMENTS ALONG WITH GENERAL COMMENTS ABOUT EXAMPLES USED IN THE DOCUMENTATION. DO YOU AGREE WITH KPMG THAT THESE ISSUES HAVE LITTLE IMPACT ON CLECS?

A. Yes. What is not highlighted in the test report is that the documentation that is in question is the same documentation that BellSouth has provided to its retail customers for several years on its various bill formats and media choices. These documents are successfully used every day by BellSouth's customers, many of whom have far less experience in the world of telecommunications than do the CLECs. BellSouth provides a wealth of information about bill formats, media choices and how to understand the bills that are provided. Two documents in particular, *The BellSouth CLEC Billing Guide* and *Understanding Your Bill* (available to all CLECs via the internet) were written precisely for the CLEC community and answered all of the issues raised by KPMG on billing documentation.

Q. ON PAGE 15 OF HER TESTIMONY, MS. NORRIS LISTS FOUR EXCEPTIONS IDENTIFIED BY KPMG IN THE FLORIDA TESTING THAT WERE ALSO FOUND IN THE GEORGIA TESTING. WOULD YOU PLEASE COMMENT ON THOSE EXCEPTIONS?

A. Yes. First, let me state that Ms. Norris is mistaken in her conclusion that the issues identified in Florida are the same issues as those found in Georgia.

While the issue statements used by KPMG may sound the same, the root causes of the issues and corrective actions required to clear the issues are not.

Florida Exception 13 - Ms. Norris compares Florida Exception 13 with Georgia Exception 29. As described in BellSouth's response to Exception 13 in Florida, usage records, which were being manually repaired due to switch limitations, caused the benchmark to be missed. A mechanical correction process was implemented and the issue was resolved. During the re-test for this exception in Florida, a large percentage of the test calls were placed during the migration period described previously. This caused a relatively large percentage of the usage to be sent with a one to two day lag negatively impacting the results. In normal CLEC operations this large of a percentage of calls during a customer migration would not be experienced.

Florida Exception 31 - Ms. Norris also compares Florida Exception 31 to Georgia Exception 28. Exception 31 was opened in Florida due to the fact that ADUF records were not being sent for calls originating from unbundled switch ports to a toll-free number (800, 877, 888, etc.). The root cause of this issue was the fact that prices for the unbundled 800 screening service (which would include calls to 800, 877 or 888 numbers) were not included in the contracts for KPMG and, as such, no rates were loaded. This caused the usage to error out in the billing system. After the rates were made available, the errors were corrected, the usage was subsequently sent and the exception was closed. Because these rates were available in the Georgia testing, this issue did not arise.

Florida Exception 43 - Ms. Norris also states that Florida Exception 43 was opened and addresses the same issue as Georgia Exception 103 dealing with usage, which was not included on invoices provided to KPMG. The issue in the Florida test was that KPMG did not fully understand the manner in which credit records are handled on invoices sent to customers. With this understanding, it is anticipated that KPMG will close the Florida Exception without the need for additional testing or revisions in the billing system.

Florida Exception 62 - Lastly, Ms. Norris brings up Florida Exception 62 in which the rates charged for mechanized OSS ordering were inconsistent with the Interconnection Agreement with KPMG. This issue is with the Interconnection Agreement and not with the billing systems. The agreement in effect at the time of the test contained conflicting information and provided two differing rates for OSS charges. BellSouth correctly applied the rates called for in the language of the agreement and, therefore, the Florida billing exception should not have been opened.

Q. AT&T (NORRIS TESTIMONY, EXHIBIT SEN3PT-1) LISTS SEVERAL ADDITIONAL EXCEPTIONS FOUND IN FLORIDA AND PROVIDES COMMENTS FOR EACH. WOULD YOU REPLY TO THESE ADDITIONAL EXCEPTIONS?

A. Yes. Exhibit DPS-6 provides BellSouth's responses to the Exceptions listed in Ms. Norris' exhibit.

Other Issues

Q. AT&T WITNESS MS. SEIGLER DESCRIBES THE EXPERIENCE ENCOUNTERED BY AT&T IN HAVING BILLING ACCOUNT NUMBERS (BANs) ESTABLISHED. WHAT IS A BAN?

A. A BAN represents an account that is established for a CLEC and serves as a means to accumulate the services for billing purposes. Generally, each month a CLEC receives an invoice for each BAN that has been created. Because the specifications designed by the industry for invoices differ by service, a BAN will only include one type of service. For example, a CLEC would have a BAN for its resale services and separate BANs for UNE-P and unbundled loops.

Q. WHAT IS THE PROCESS BY WHICH A CLEC WOULD HAVE A BAN ESTABLISHED?

A. The following items must be provided before a BAN can be established for a CLEC:

- Valid contract for services to be ordered for appropriate state
- Proof of PSC/PUC Certification
- Proof of Tax Exemption
- Proof of satisfactory credit
- Operating Company Number ("OCN")
- Blanket Letter of Authorization ("LOA")

- Contact Number form
- Master Account Application
- Carrier Identification Code ("CIC") if Facilities Based
- Disposition of Line Information Database ("LIDB") Contract Negotiations

Once a CLEC has negotiated and implemented a contract for a particular service in a particular state and the other items listed above have been completed, then all of the activities needed to set up the BAN in order for the CLEC to order services under that account can be completed. The CLEC's BAN request is used to notify the various organizations within BellSouth that the CLEC has requested a BAN and includes all of the pertinent information needed to complete the work. The request would contain various pieces of information such as the OCN (which identifies the CLEC to the various systems, etc.), type of service to be included on the BAN, etc. This process takes roughly two weeks.

Q. HAS THE ABOVE PROCESS BEEN COMMUNICATED TO BELLSOUTH'S CLEC CUSTOMERS?

A. Yes. The above information along with explanations of the forms and actions required for establishing billing accounts are located in the BellSouth CLEC Start-up Guide on the BellSouth Interconnection web site at www.interconnection.bellsouth.com. Members of the BellSouth account teams

and the BellSouth Interconnection department also communicate this information to BellSouth's CLEC customers.

Q. MS. SEIGLER CLAIMS THAT THE START-UP GUIDE HAS ONLY RECENLTY BEEN UPDATED FOR SWITCHED PORT LOOP COMBINATIONS. DID THESE UPDATES IMPACT THE PORTION OF THE GUIDE RELATED TO BANs?

A. No. The BellSouth Start-Up Guide was revised on March 30, 2001. The only changes made to the chapter relating to BAN establishment was to change two contact telephone numbers and to remove some information pertaining to Interim Number Portability.

Q. THROUGHOUT HER TESTIMONY ON THIS ISSUE, MS. SEIGLER INSINUATES THAT AT&T WAS MAKING A STANDARD REQUEST FOR NEW BANs AND THAT BECAUSE OF THE DIFFICULT AND BURDENSOME PROCESS USED BY BELLSOUTH, THE REQUEST TOOK AN INORDINATE AMOUNT OF TIME. IS THIS TRUE?

A. No. The referenced request made by AT&T was anything but standard. Problems were encountered with the request for two main reasons. First, AT&T did not follow the above process for establishing BANS. More specifically, when AT&T first requested UNE-P service for Georgia and Florida, it was discovered that they did not have a contract for this type of service in these states. Second, AT&T did not communicate their plan for

requesting new UNE-P service in additional states to BellSouth in a timely manner. If the plan had been communicated by AT&T in advance as opposed to at the time that they wanted to begin issuing orders, the process would have gone more smoothly.

Q. HOW MANY BANs HAS BELLSOUTH SET UP FOR CLECs IN KENTUCKY?

A. Currently there are about 212 BANs set up for CLECs in Kentucky and approximately 3,246 established in the BellSouth region. The process works very smoothly and efficiently when the procedures are followed as they have been designed.

Q. WHAT STEPS HAS BELLSOUTH TAKEN TO INSURE THAT FUTURE REQUESTS FROM AT&T FOR BAN's ARE SUCCESSFUL?

A. First, the BellSouth account team met with AT&T to discuss the BAN process. In response to action items assigned in that meeting, the BellSouth account team provided AT&T with information which can be used in conjunction with the Start-Up Guide to make sure that there is no misunderstanding of what must be accomplished for AT&T to establish BAN's in other states. Second, a flow chart of activities to be performed and roles both BellSouth and AT&T must play was developed and provided to AT&T. Lastly, BellSouth has agreed to meet with AT&T to conduct a joint planning session to further insure that all

of the actions needed to be taken in future market entries are completed as per the process that has been established.

Q. ON PAGE 12 OF HER TESTIMONY, MCI WITNESS MS. LICHTENBERG BRINGS UP AN ISSUE SURROUNDING THE "HOLD FILE". WHAT IS THE "HOLD FILE"?

A. The hold file is a generic term that relates to a service order error correction process that takes place between the time an order has completed the provisioning steps and the time the billing system attempts to update the Customer Service Record (CSR) with the information on the order. As the billing system processes the order, it can detect errors that prevent the order from being updated to the various databases supporting billing. The order is sent to a database (called the "hold file") and needed correction activities are performed. On average, about one-half of one percent of all orders are found to have errors and corrected through this process.

Q. MS. LICHTENBERG DESCRIBES THREE NEGATIVE IMPACTS THAT HOLD FILE PROCESSING HAS ON CLEC OPERATIONS. WOULD YOU ADDRESS EACH OF THESE?

A. Yes. First, Ms. Lichtenberg claims that the delays in correcting the errors found in the hold file process "prevents customers from receiving MCI branding on their OS/DA calls". This is not true. Because the errors detected during the hold file process occur after any and all provisioning steps are complete, the

services being requested on those orders (including branding of OS/DA calls via OLNS) would have already been set up in the network. Second, Ms. Lichtenberg states that the hold file error correction process causes customers to be double billed (i.e., BellSouth continues to bill the end user and the CLEC bills the end user). To address this, BellSouth organizes its order correction activities for both retail and wholesale orders by billing periods. Those orders affecting customers whose bills will be produced soonest will be worked first. In that way the risk of double billing is minimized. If a service order is not updated before a bill has been created for the customer, then as the order is posted to the customer's account a credit is electronically generated to account for the delay in updating the customer's records and included on the customer's next (and generally final) bill from BellSouth. Lastly, Ms. Lichtenberg claims that the delays risk "potential service disruption". Ms. Lichtenberg provides no details as to the service orders mentioned in her testimony nor what type of service disruption she is referring to. However, since the hold file errors are detected after all of the provisioning steps have completed, the impact of the error correction activities would be limited to the customer service record and service disruption would not occur.

Q. ARE THE ERROR CORRECTION PROCESSES FOR CLEC ORDERS IDENTICAL TO THE PROCESSES USED FOR RETAIL ORDERS?

A. Yes. Obviously, if an error is detected on a service order, some amount of time will be spent in correcting those errors. However, this is true for both retail service orders as well as CLEC orders. As I described in my direct testimony in

this proceeding, the service order processes in the billing systems operate on CLEC transactions (such as service orders) in the same manner as retail transactions. The hold file error correction activities are identical for CLEC orders as for retail orders.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.