

April 21, 2003

Mr. Joel H. Peck, Clerk
State Corporation Commission
Document Control Center
Post Office Box 2118
Richmond, Virginia 23216

Dear Mr. Peck:

Re: Case No. PUC-2001-00226

Enclosed for filing in the above-referenced case are sixteen (16) copies of Order No. 12706 as issued by the Public Service Commission of the District of Columbia on April 17, 2003. This order grants a stay of Verizon Washington, DC Inc.'s potential obligation to provide Slammer Worm related bill credits under the "Performance Assurance Plan Verizon Washington, DC Inc.," and was received too late for inclusion in Verizon Virginia Inc.'s April 18, 2003 application for a stay in Case No. PUC-2001-00226.

I have e-mailed, mailed or hand-delivered copies to the parties shown below. Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Enclosure

Copy to:
William Irby (letter only)
Kathleen A. Cummings
Service List

990-T-261

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, DC 20005

ORDER

April 17, 2003

FORMAL CASE NO. 990, IN THE MATTER OF DEVELOPMENT OF LOCAL EXCHANGE CARRIER QUALITY OF SERVICE STANDARDS FOR THE DISTRICT, Order No. 12706

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") stays the issuance of some bill credits to be made by Verizon Washington DC, Inc. ("Verizon DC") to competitive local exchange carriers ("CLECs") under the District of Columbia Performance Assurance Plan ("DC PAP") on April 25, 2003. Due to the nature of the issues presented by Verizon DC's Petition for Waiver of Certain Service Quality Results Measured Under the Performance Assurance Plan for January 2003 ("Verizon DC Waiver Petition"),¹ the Commission needs additional time beyond the April 25, 2003, bill credit deadline to make a determination on Verizon DC's Waiver Petition.

II. BACKGROUND

2. On September 9, 2002, the Commission adopted a Performance Assurance Plan for the District of Columbia ("DC PAP"), requiring Verizon DC to make incentive payments in the form of bill credits to competitive local exchange carriers ("CLECs") in the event that Verizon DC failed to meet certain performance standards.² The DC PAP permits Verizon DC to file for a waiver of its service results and payment obligations in certain circumstances, including situations that are beyond Verizon DC's control.³ On March 17, 2003, Verizon DC filed its waiver petition, requesting a waiver of its service results and payment obligations for three measures for the month of January 2003. Verizon DC explains that an Internet computer attack ("the Slammer worm"), which occurred during the weekend of January 25, 2003, caused it to fail three absolute measures, PO-2-02-6020, PO-2-02-6030, and PO-2-02-6080. Verizon DC asserts that this

¹ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards For The District*, Petition of Verizon Washington DC, Inc. for a Waiver of Certain Service Quality Results Measured Under the Performance Assurance Plan for January 2003 ("Verizon DC Waiver Petition"), filed March 17, 2003.

² *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards For The District*, Order No. 12451, Attachment A, rel. September 9, 2002.

³ Order No. 12451, Attachment A at 27.

interruption in service was out of its control.⁴ Verizon DC requested that the Commission rule on this waiver petition expeditiously, before the April 25, 2003, deadline to make bill credits to the CLECs for the month of January 2003. Verizon DC also requested the Commission to stay the issuance of bill credits that are subject to the waiver petition in the event that the Commission had not completed its review of the waiver petition by April 25, 2003.⁵

3. In Order No. 12687, released March 20, 2003, the Commission established an expedited comment cycle for submitting comments on Verizon DC's Waiver Petition so to complete its investigation on Verizon DC's Waiver Petition by April 25, 2003, the day Verizon DC's bill credits are due to CLECs. The Commission directed parties to submit comments by April 1, 2003, and reply comments by April 7, 2003.⁶ On March 31, 2003, AT&T Communications of Washington D.C., L.L.C. ("AT&T") filed its Motion for Enlargement of Time to File Comments⁷ ("AT&T Motion") on Verizon DC's Waiver Petition, requesting an extension of time to file comments until April 7, 2003.⁸ By Order No. 12694, released April 2, 2003, the Commission extended the comment period to April 7, 2003, and the reply comment period to April 14, 2003.⁹

4. Worldcom, Inc. ("Worldcom") filed its comments on the original comment date of April 1, 2003.¹⁰ On April 4, 2003, AT&T filed its comments.¹¹ Verizon DC filed its reply comments on April 14, 2003, reiterating its request for a stay

⁴ Verizon DC Waiver Petition at 1.

⁵ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Letter to Sanford M. Speight, Acting Commission Secretary, from David A. Hill, Vice President and General Counsel, Verizon Washington DC, Inc. ("Verizon DC Waiver Petition Letter"), filed March 17, 2003.

⁶ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Order No. 12687, ¶ 6-7, rel. March 20, 2003.

⁷ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, AT&T Communications of Washington D.C., L.L.C.'s Motion for Enlargement of Time to File Comments, filed March 31, 2003.

⁸ AT&T Motion at 2.

⁹ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Order No. 12694, ¶ 7-10, rel. April 2, 2003.

¹⁰ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Comments of Worldcom, Inc. ("Worldcom Comments"), filed April 1, 2003.

¹¹ *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Opposition of AT&T Communications of Washington D.C., L.L.C. to the Petition of Verizon Washington DC, Inc. for a Waiver of Certain Service Quality Results Measured Under the Performance Assurance Plan for January 2003 ("AT&T Comments"), filed April 4, 2003.

of its bill credit obligations should the Commission issue an order after April 25, 2003, the day the bill credits are due.¹²

III. DISCUSSION

5. Under the DC PAP, Verizon DC is obligated to credit CLEC bills for January 2003 performance on April 25, 2003. Verizon DC's Waiver Petition presents many challenging issues requiring investigation. As such, the Commission anticipates that its investigation will extend the time period for issuing an order beyond the April 25, 2003, deadline. The effect of this extension would require Verizon DC to make the bill credits and have the CLECs refund Verizon DC after an order granting the Waiver Petition has been issued. Instead, Verizon DC has requested a stay of the issuance of bill credits, so they would be required only if the Commission denies Verizon DC's Waiver Petition. AT&T objects, arguing that the return of bill credits would be administratively simple. The Commission disagrees with AT&T. It will be more administratively efficient for the Commission to stay Verizon DC's bill credits until the Commission releases an Order on Verizon DC's Waiver Petition instead of possibly having to order a refund of the bill credits if the Waiver Petition is granted. Thus, Verizon DC's request for a stay is granted.¹³

THEREFORE, IT IS ORDERED THAT:

6. Verizon Washington DC, Inc.'s obligation to make bill credits under the District of Columbia Performance Assurance Plan for failure of certain PO-2-02 metrics in January 2003 is **STAYED**.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK


SANFORD M. SPEIGHT
ACTING COMMISSION SECRETARY

¹² *Formal Case No. 990, In The Matter of Development of Local Exchange Carrier Quality of Service Standards for the District*, Reply Comments of Verizon Washington DC, Inc. on its Petition for a Waiver of Certain Service Quality Results Measured under the Performance Assurance Plan for January 2003 ("Verizon DC Reply Comments"), filed April 14, 2003.

¹³ The issuance of this Order does not affect Verizon DC's obligation to make bill credits that are not the subject of Verizon DC's Waiver Petition.

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of April, 2003, a copy of Verizon Virginia Inc.'s Filing in Case No. PUC-2001-00226 was sent as stated below:

Don R. Mueller, Esquire
State Corporation Commission
Office of the General Counsel
Post Office Box 1197
Richmond, Virginia 23218
(Hand-delivered)

C. Meade Browder, Esquire
Office of Attorney General
2nd Floor
900 East Main Street
Richmond, Virginia 23219
(U.S. Mail)

Performance Standards/Remedy Plans Subcommittee of the Collaborative
Committee
(E-Mail)

Jennifer L. McClellan