

July 9, 2001

OBSERVATION REPORT #15

Unbundled Port Usage quantities for Originating Minutes of Use were incorrectly applied and billed to KPMG Consulting CLEC.

Issue

During the course of executing the Functional Usage Evaluation test from May 21 through May 25, 2001, KPMG Consulting completed a variety of test calls including calls on unbundled lines. KPMG Consulting examined the June 5 bills and observed inconsistencies between the expected results and the actual results for Unbundled Port Usage for Originating Minutes of Use (MOU). The expected results were calculated using the Daily Usage Feed (DUF) records sent by Verizon.

The expected and actual results are listed below in Exhibit 1.

Exhibit 1: Unbundled Port Usage – Originating Minutes of Use

Item	Account ID	NPA NXX	Expected Amount for Originating Minutes			Actual Amount for Originating Minutes			Variances between Expected and Actual Amounts		
			Qty	Rate	Cost	Qty	Rate	Cost	Qty	Rate	Cost
1	000946000421	757494	47	0.004129	0.19	36	0.004129	0.15	-11	0.0	-0.04
2	000885157373	703302	1264	0.004129	5.22	1199	0.004129	4.95	-65	0.0	-0.27
3	000932479743	805594	2150	0.004129	8.88	1971	0.004129	8.14	-179	0.0	-0.74

Assessment

A CLEC's ability to accurately project revenue and operating expenses is based, in part, on accurate billings from the ILEC. Incorrect billing may distort financial planning as well as cause a CLEC to incur added costs to reconcile bills.

This observation report is for discussion purposes only and subject to change without notice.