

# **EXHIBIT K – Redesigned PAP**

## **CENTURYLINK QC’s PERFORMANCE ASSURANCE PLAN**

### **1.0 Introduction**

1.1 As set forth in this Agreement, Qwest Corporation dba CenturyLink QC (“CenturyLink QC”) and CLEC voluntarily agree to the terms of the following Performance Assurance Plan (“PAP” or “Plan”), prepared in conjunction with Qwest’s application for approval under Section 271 of the Telecommunications Act of 1996 (the “Act”) and subsequently modified in order FCC 19-72, a Memorandum Opinion and Order in WC Docket 18-141 (the “UNE Analog Loop and Resale Forbearance Order”), to offer in-region, interLATA service and as subsequently modified in accordance with the orders issued by the state commission (“Commission”) with statutory authority over telecommunications.

### **2.0 Plan Structure**

2.1 The PAP is a remedy payment and performance-monitoring plan. CenturyLink QC shall be subject to self-executing payments to CLEC for submeasurements, that are designated as “payment eligible” in Section 3.0 and that have parity or benchmark standards, as identified in Interconnection Agreement Exhibit B (Performance Indicator Definitions or “PIDs”), which generate payments (described in Sections 7.0 and 8.0). For measurements and submeasurements (PIDs) that are designated as “diagnostic” in Section 3.0, CenturyLink QC will report their performance results for monitoring purposes.

### **3.0 Performance Measurements**

3.1 Payment-Eligible PIDs and Submeasurements. The performance measurements and submeasurements that are eligible to trigger payments under the PAP and are thus subject to the PAP payment mechanisms are the following:

#### 3.1.1 Payment-Eligible PIDs:

- PO-5 Firm Order Confirmations (FOCs) on Time
- OP-3 Installation Commitments Met
- OP-4 Installation Interval
- OP-5 New Service Installation Quality
- OP-8 Number Portability Timeliness
- MR-5 All Troubles Cleared w/in 4 Hours
- MR-6 Mean Time to Restore
- MR-7 Repair Repeat Report Rate
- MR-8 Trouble Rate

#### 3.1.2 Payment-Eligible Submeasurements (Products or Services):

- EEL DS1
- LIS Trunks
- 2-Wire Non-Loaded Loops
- Existing Analog Loops <sup>NOTE 1</sup>
- DS1 Loops
- Sub-Loops – Non-Loaded (includes Existing Analog Loops <sup>NOTE 1</sup>)

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- xDSLi Loops
- ADSL Loops
- Existing Resale Services - Residential <sup>NOTE 1</sup>
- LNP (includes Existing Analog Loops <sup>NOTE 1</sup>)

3.2 Performance Standards. There are two types of standards, “parity” and “benchmark.”

3.2.1 Parity standards apply statistical and other related calculations defined in Sections 4.0 through 8.0 to determine whether reported performance results meet parity standards or trigger payments.

3.2.2 Benchmark standards do not apply statistical methodologies, but instead apply a “stare and compare” approach and other calculations defined in Sections 4.0 through 8.0 to determine whether the reported performance results meet benchmarks or trigger payments.

3.2.3 Where applicable elsewhere in the PAP, this provision modifies other provisions and operates as follows: For any benchmark or non-interval parity performance sub-measure, CenturyLink QC shall apply one allowable miss to a sub-measure disaggregation that otherwise would require 100% performance before the performance is considered as non-conforming to standard (1) if at the CLEC-aggregate level, the performance standard is met or (2) where the CLEC-aggregate performance must be 100% to meet the standard, the CLEC-aggregate performance is conforming after applying one allowable miss at that level.

3.3 Diagnostic PIDs.

- GA-1 Gateway Availability – LSR (includes former GA-8)
- GA-3 Gateway Availability – Repair (includes former GA-6)
- GA-4 Gateway Availability – ASR
- GA-7 Timely Outage Resolution – Software
- PO-1 Pre-Order / Order Response Times
- PO-2 Electronic Flow Through
- PO-3 LSR Rejection Notice Interval
- PO-9 Timely Jeopardy Notices
- OP-15 Interval for Orders Delayed Past Due Date
- MR-11 LNP Trouble Reports Cleared
- MR-9 Repair Appointments Met <sup>NOTE 1</sup>
- BI-2 Invoices Delivered within 10 days
- BI-3 Billing Accuracy – Adjustments for Errors
- BI-4 Billing Completeness
- DB-1b Time to Update Databases – LIDB
- DB-1c Time to Update Databases – Listings
- NI-1 Trunk Blocking
- CP-2 Collocations Completed

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NOTE 1: For product reference see ‘Definition of Terms’ in ‘CTL Amended ICA Exhibit B PID’. Reporting and payment eligible period for these products begin 2/2/20 and end 8/2/22 for specific metric categories in Exhibit B PID Version 10.1.

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### 4.0 Statistical Methodology

4.1 For all submeasurements with benchmark standards (“benchmark submeasurements”), as designated in the PIDs, the determination of CenturyLink QC’s conformance with Plan and PID standards will involve comparing performance levels reported for submeasurements against benchmarks established in the PIDs on a “stare-and-compare” basis (i.e., with no additional statistical methodology applied).

4.2 For all submeasurements with parity standards (“parity submeasurements”), as designated in the PIDs, the determination of CenturyLink QC’s conformance with Plan and PID standards will involve comparing statistical z-scores associated with performance levels reported for submeasurements against statistical critical values as defined in Section 5.0. The calculation of z-scores will be based on a statistical test, called the “modified z-test,” as defined in Section 4.4 below, to determine whether a parity condition exists between the results for CenturyLink QC and for CLEC.

4.3 For the purpose of this Section, the CenturyLink QC results will be the CenturyLink QC monthly retail results as specified in the PIDs.

4.4 The modified z-test shall be applicable if the CLEC sample size is greater than 30 for a given submeasurement. The formula for determining parity using the z-test is:

$$Z = \text{DIFF} / \sigma_{\text{DIFF}}$$

Where:

$$\text{DIFF} = M_{\text{CenturyLink QC}} - M_{\text{CLEC}}$$

$$M_{\text{CenturyLink QC}} = \text{CenturyLink QC average or proportion}$$

$$M_{\text{CLEC}} = \text{CLEC average or proportion}$$

$$\sigma_{\text{DIFF}} = \text{square root } [\sigma^2_{\text{CenturyLink QC}} (1/n_{\text{CLEC}} + 1/n_{\text{CenturyLink QC}})]$$

$$\sigma^2_{\text{CenturyLink QC}} = \text{Calculated variance for CenturyLink QC}$$

$$n_{\text{CenturyLink QC}} = \text{number of observations or samples used in CenturyLink QC submeasurement}$$

$$n_{\text{CLEC}} = \text{number of observations or samples used in CLEC submeasurement}$$

In calculating the difference between CenturyLink QC and CLEC performance, the above formula applies when a larger CenturyLink QC value indicates a better level of performance. In cases where a smaller CenturyLink QC value indicates a higher level of performance, the order is reversed, i.e.,  $M_{\text{CLEC}} - M_{\text{CenturyLink QC}}$ .

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4.5 For parity submeasurements for which the number of data points is less than or equal to 30, CenturyLink QC will apply a permutation test to determine statistical significance. For such parity submeasurements reported as percentages, where the number of data points is less than or equal to 30, CenturyLink QC will apply an exact proportions test (a form of permutation testing that applies to metrics reported as percentages).

The permutation test for metrics reported as intervals will be applied to calculate the z statistic using the following logic or an equivalent approach that would yield the same result:

- Calculate the z statistic for the actual arrangement of the data.
- Pool and mix the CLEC and CenturyLink QC data sets.
- Perform the following 1000 times:
  - Randomly subdivide the pooled data sets into two pools, one the same size as the original CLEC data set ( $n_{CLEC}$ ) and one reflecting the remaining data points, which is equal to the size of the original CenturyLink QC data set or  $n_{CenturyLink\ QC}$ .
  - Compute and store the z-test score ( $Z_s$ ) for this sample.
- Count the number of times the z statistic for a permutation of the randomly subdivided data is greater than the actual z statistic.
- Compute the fraction (p-value) of permutations for which the z statistic for the rearranged data is greater than the z statistic for the actual samples.

The exact proportions permutation test for metrics reported as percentages will be applied to calculate the z statistic using the following logic or an equivalent approach that would yield the same result:

- Calculate the combined (CLEC and Retail) percentage result for the metric.
- Identify the possible configurations of Retail metric results and CLEC metric results that could exist in the actual data and yield more extreme differences between CLEC and Retail results, while still yielding the same combined CLEC-Retail result.
- For each such configuration of results that yields a more extreme difference than seen in the actual reported results, calculate the probability of observing that more-extreme result, given the actual combined result.
- Calculate the sum of the probabilities of the more-extreme data configurations. This sum constitutes the p-value that represents the total probability of observing a more extreme difference between CLEC and Retail results than seen in the actual data.

If the resulting p-value is greater than  $\alpha$  (alpha), the significance level of the test, the hypothesis of no difference is not rejected, and the test is passed. Alpha = 0.05, except as specified elsewhere herein. For individual month testing for performance measurements involving LIS trunks and DS-1s that are Unbundled Loops (performance measurements: OP-3D/E, OP-4D/E, OP-5, MR-5A/B, MR-7D/E, and MR-8) with sample sizes of 1-10,

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alpha = 0 .15. When submeasurements disaggregate to zone 1 and zone 2, the CLEC volumes in both zones shall be combined for purposes of statistical testing.

### 5.0 Critical Z-Value

5.1 The following table shall be used to determine the critical z-value for any submeasurements when the CLEC sample size is greater than 30. It is based on the monthly business volume of the CLEC for the particular performance submeasurements for which statistical testing is being performed.

**TABLE 1: CRITICAL Z-VALUE**

CLEC volume (Sample size)	Critical Z-Value
31-150	1.645
151-300	2.0
301-600	2.7
601-3000	3.7
3001 and above	4.3

5.2 When the CLEC sample size is greater than 30, CenturyLink QC’s performance to a CLEC for a relevant parity submeasurement will be considered to be “in parity” in a month when the z-score calculated pursuant to Section 4.4 is equal to or less than the appropriate critical z-value identified in Section 5.1, Table 1, except as allowed in Section 3.2.3.

### 6.0 Non-Conformance Definitions and Payment

6.1 Each month’s reported performance results for payment-eligible submeasurements will be evaluated to determine whether established standards (benchmark or parity) have not been met.

6.2 Based on the evaluation completed pursuant to Section 6.1 above for the current and prior two months, levels of non-conformance will be determined according to the following definitions, for a given submeasurement:

- **Level 3** Non-Conformance exists for any month in which CenturyLink QC fails to meet the established standard to the extent defined for a Level 3 non-conformance in Section 6.3, Table 2, below.
- **Level 2** Non-Conformance exists for any month, in which a Level 3 non-conformance is not found, that fails to meet the established standard for two consecutive months, each to the extent defined for Level 2 in Section 6.3, Table 2, below.
- **Level 1** Non-Conformance exists for any month, in which a Level 2 or Level 3 non-conformance is not found, that fails to meet the established standard for

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three or more consecutive months, each to the extent defined for Level 1 or Level 2 in Section 6.3, Table 2, below.

6.3 Levels 1, 2, and 3 non-conformance are determined according to the difference (“D<sub>P</sub>” or “D<sub>B</sub>”, as defined in Table 2 and as calculated in 6.3.1 below) between the reported submeasurement performance level provided to CLEC and the established standard.

**TABLE 2**

<b>PARITY STANDARDS</b>	
<b>Difference from Standard</b>	<b>Level</b>
0 <  D <sub>P</sub>   < 0.5	Level 1
0.5 ≤  D <sub>P</sub>   < 2	Level 2
D <sub>P</sub>   ≥ 2	Level 3
<b>BENCHMARKS as PROPORTIONS</b>	
<b>Difference from Standard</b>	<b>Level</b>
0 < D <sub>B</sub> < 5	Level 1
5 ≤ D <sub>B</sub> < 15	Level 2
D <sub>B</sub> ≥ 15	Level 3
<b>BENCHMARKS as MEANS or AVERAGES</b>	
<b>Difference from Standard</b>	<b>Level</b>
0 < D <sub>B</sub> < 25	Level 1
25 ≤ D <sub>B</sub> < 50	Level 2
D <sub>B</sub> ≥ 50	Level 3

6.3.1 The difference, “D<sub>P</sub>” or “D<sub>B</sub>,” is calculated as follows for a given submeasurement:

For PIDs with Parity Standards, and given Z<sup>T</sup> (the z-score as calculated per Section 4.0):

$$D_P = \frac{R - C}{S}$$

where **R** is CenturyLink QC’s performance level (mean, proportion, or rate) provided for the retail comparative product or service; **C** is CenturyLink QC’s performance level delivered to CLEC; and **S** is the calculated statistical standard deviation corresponding to Z<sup>T</sup> calculated for this comparison (and S is the same as “σ<sub>CenturyLink QC</sub>,” as found in Section 4.4 above). Thus, D<sub>P</sub> reflects the difference between CenturyLink QC and CLEC performance

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levels, in terms of the number of standard deviations (expressed in the same units of measure – i.e., time intervals or percentage points – as the performance results used in the above formula) that this difference represents.

This calculation assumes that higher values of *R* and *C* mean better service (“higher is better”). For submeasurements where higher values mean worse service, the subtraction in the numerator is reversed. In other words, where higher is better, the numerator should be positive when the performance delivered to CLEC is worse than the performance provided for the retail comparative.

For PIDs with Benchmark Standards:

$$D_B = \frac{C - B}{B}$$

where *C* is CenturyLink QC’s performance level (mean, proportion, or rate) delivered to CLEC, and *B* is the benchmark value established for the submeasurement in the PIDs.

This calculation assumes that higher values of *C* and *B* mean better service. For submeasurements where higher values mean worse service, the subtraction in the numerator is reversed. In other words, the numerator should be positive when the performance levels delivered to CLEC are worse than the benchmark. Thus, *D<sub>B</sub>* reflects the difference between CenturyLink QC and CLEC performance levels, in terms of the number of benchmark increments (expressed in the same units of measure – i.e., time intervals or percentage points – as the performance results used in the above formula) that this difference represents.

6.3.2 The allowances set forth in Section 3.2.3 shall apply, such that submeasurements that qualify for those allowances shall be considered to be conforming to PAP and PID standards.

6.4 Payments to CLEC are triggered only when the reported submeasurement performance level for the month being evaluated has failed to meet its established benchmark or parity standard and is non-conforming at one of the three levels defined in Section 6.2 above. The calculation methodology for payments thus triggered is set forth in Section 7.0 below.

6.5 For all parity submeasurements with sample sizes less than or equal to 30, CenturyLink QC shall calculate and report payments based upon the permutation test or the exact proportions test as set out in Section 4.5.



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6.6 CenturyLink QC’s performance to a CLEC for a given submeasurement will be considered to be conforming with PAP and PID standards in any month where the CLEC performance result is “better” than or equal to the benchmark or retail comparative performance result as defined in Sections 6.1, after applying allowances, if any, under 3.2.3.

6.7 Where the CLEC performance is “worse” than the retail comparative performance result, parity submeasurements shall rely on the statistical methodology set forth in Sections 4.0 and 5.0 of this Plan, to determine whether the comparison of CLEC and retail comparative constitutes statistical parity.

#### **7.0 Calculation of Payments to CLEC**

7.1 Payments to CLEC under the PAP are to be made on a per-occurrence basis. The formulas set forth below shall be used to determine the total number of occurrences upon which CenturyLink QC is required to make payments to CLEC.

For percentage submeasurements, the PAP uses the following formula:

CLEC Occurrences = Absolute value of (CLEC result – standard result)  
multiplied by CLEC volume.

For interval submeasurements, the PAP uses the following formula:

CLEC Occurrences = Absolute value of ((CLEC result – standard result)  
divided by the standard result), which is then multiplied by CLEC volume.

7.1.1 Standard Result Applicable from January 1, 2014 forward:

7.1.1.1 For a benchmark submeasurement, the “standard result” used in the above formulas is the benchmark set forth in the PIDs.

7.1.1.2 For a parity submeasurement, the “standard result” is a calculation of the performance result (average, mean, or percentage, as applicable) that would yield the critical value set forth in Section 5.0.

7.1.2 Standard Result Applicable from July 1, 2013 through December 31, 2013 (*after which this section 7.1.2 expires and may be removed from PAP*): For the above formulas, for payment-eligible parity submeasurements, the “standard result” used in the above formulas is the average of the prior six months’ retail performance adjusted by the relevant variance factor in Appendix A, Section A-6.1, Table A-2. For submeasurements with a benchmark, the standard is the benchmark.

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7.2 For interval submeasurements, the number of occurrences shall not exceed the CLEC volume for the particular submeasurement.

7.3 If CenturyLink QC’s performance levels delivered to CLEC falls into one of the non-conformance levels defined in Section 6.0 for a payment-eligible submeasurement, CenturyLink QC shall make a per occurrence payment to CLEC as specified in Table 3 below, subject to further modification by escalation payment increments as set forth in Section 8.0. That payment shall be calculated according to the following formula:

$$\text{Payment} = (\text{Applicable per-occurrence payment amount from Table 3 or from Table 4 if applicable}) \times (\text{number of CLEC Occurrences})$$

**TABLE 3: BASE PER OCCURRENCE PAYMENT INCREMENTS**

Non-Conformance Level	Per-Occurrence Payment Increments	
	Colorado & Minnesota	Other States
Level 1	\$225.00	\$150.00
Level 2	\$337.50	\$225.00
Level 3	\$450.00	\$300.00

**8.0 Calculation of Escalation Payments**

8.1 CenturyLink QC’s non-conforming performance for payment-eligible submeasurements shall be subject to escalating per occurrence payments pursuant to Table 4 below.

8.2 Payments for continuous months of non-conforming performance (as defined in Section 6.0) for a particular submeasurement will be made on a per occurrence basis (as defined in Section 7.0) using the dollar amounts specified in Table 4. The dollar amounts escalate depending upon the number of consecutive months for which CenturyLink QC has had non-conforming performance. The dollar amounts specified in Table 4 indicate the total amounts applicable per occurrence for each month with the base or “Month 1” per-occurrence payment increments being those specified in Table 3 of Section 7.0. Payment escalation is capped at Month 12, such that, for continuing non-conformance in Months 13 and beyond, consecutively, the payment amount remains at the level that would apply for Month 12 in accordance with Table 4.

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8.2.1 The escalation of payments for consecutive months of non-conforming service will be matched month for month with de-escalation of payments for every month of conforming service. For example, if CenturyLink QC has four consecutive months at any of the three non-conformance levels, it will make payments that escalate from Month 1 to Month 4 as shown in Table 4. If, in the next month (Month 5), service meets the standard, CenturyLink QC makes no payment. A payment “indicator” de-escalates down from Month 4 to Month 3. If CenturyLink QC service is non-conforming in the following month (Month 6), it will make payment at the Month 3 level of Table 4, because that is where the payment “indicator” moved in Month 5. If CenturyLink QC misses again the following month (Month 7), it will make payments at the Month 4 level. If CenturyLink QC’s performance then meets the applicable standard for Months 8, 9 and 10, the payment level will de-escalate to the Month 1 level. The non-conformance level of the current month’s performance, coupled with the escalation month number, determines the payment increment to be used from Table 4.

**TABLE 4: PER-OCCURRENCE PAYMENTS TO CLEC--WITH ESCALATION**

Per Occurrence Measurement Group	Consecutive Months of Non-conforming Performance at Any Level				
	Month 1	Month 2	Month 3	Month 4	Each following month after Month 4 add
<b>Colorado and Minnesota</b>					
Level 1	\$225.00	\$250.00	\$500.00	\$600.00	\$100.00
Level 2	\$337.50	\$362.50	\$612.50	\$712.50	\$100.00
Level 3	\$450.00	\$475.00	\$725.00	\$825.00	\$100.00
<b>Other States</b>					
Level 1	\$150.00	\$175.00	\$350.00	\$450.00	\$100.00
Level 2	\$225.00	\$250.00	\$500.00	\$600.00	\$100.00
Level 3	\$300.00	\$325.00	\$650.00	\$750.00	\$100.00

8.3 All of the payments (100%) shall be made only to those CLECs that have opted into the PAP.

**9.0 The Special Fund [Applicable only in Colorado which has a PAP Special Fund]**

9.1 Earlier instances of the PAP established the Special Fund, which contained payments generated by the former Tier 2 provisions of the PAP. CenturyLink QC shall keep the remaining balance of Special Fund moneys in an interest-accruing bank account.

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9.2 Potential uses for this fund include: paying a technical advisor for the Commission’s PAP Revision process; and, if the Commission so decides, paying for additional audits of CenturyLink QC’s performance measurement and reporting, and paying other administrative expenses.

9.3 Upon implementation of the PAP, the Commission shall decide how to use the remainder of this fund. The uses shall be competitively neutral efforts in the telecommunications field that do not benefit CenturyLink QC directly.

### **10.0 Cap on Total Annual Payments**

10.1 There shall be an annual cap on payments for performance under the PAP as follows:

- Arizona \$67 million
- Colorado \$100 million
- Idaho \$40 million
- Iowa \$36 million
- Minnesota \$100 million
- Montana \$22 million
- Nebraska \$25 million
- New Mexico \$39 million
- North Dakota \$13 million
- South Dakota \$10 million
- Utah \$52 million
- Oregon \$48 million
- Washington \$79 million
- Wyoming \$18 million

10.2 The following shall not count toward the annual cap: any penalties imposed by the Commission; any penalties imposed directly by the PAP for failure to report, failure to report timely, or failure to report accurately; any liquidated damages under another Interconnection Agreement; any interest payments; and any damages in an associated action.

10.3 If CenturyLink QC payments equal or exceed the annual cap for two years in a row or equal or exceed 1/3 of the annual cap in a combination of two consecutive months, the Commission shall have the authority to open a proceeding to request CenturyLink QC to explain the non-conforming performance and show that it did not result from CenturyLink QC’s failure to avoid reasonably foreseeable risks.

### **11.0 Timing and Form of Payment**

11.1 All payments to CLEC shall be made on the last business day of the month following the due date of the performance measurement report for the month for which payment is being made.

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11.1.1 Notwithstanding Section 11.1, for Unbundled DS1-Capable Loops and EELs-DS1, CenturyLink QC shall compare for payment purposes the MR-8 calculated payment amount with the sum of the OP-5 and MR-7 calculated payment amounts, for the same performance data month, to determine whether the MR-8 payment amount or the combined OP-5 and MR-7 payment amount is the larger amount. In the event the two amounts are the same, the MR-8 payment amount will be considered to be the larger payment amount. Based on determination of the larger payment amount, CenturyLink QC shall pay either the MR-8 payment amount or both the OP-5 and MR-7 payment amounts. However, since the performance results for OP-5 and MR-7 are available one month later than the MR-8 performance results for the same performance data month, the applicable payments shall be made on the last business day of the month following the due date of the performance report for OP-5 and MR-7, except as allowed in Section 11.5.

11.2 All payments shall be by credits to CLEC bills. CenturyLink QC shall be allowed, after obtaining the individual agreement of CLEC, to make such payments through the use of electronic fund transfers to CLEC. However, once CenturyLink QC and CLEC agree on a method of payment (e.g., wire transfer or check), CenturyLink QC shall not change the method of payment without the permission of CLEC. CenturyLink QC shall be able to offset payments to CLEC with a bill credit applied against any non-disputed charges that are more than 90 days past due.

11.3 CenturyLink QC shall provide monthly payment information at the same time that the performance reports are due. Monthly payment information shall include the payment calculations.

11.3.1 Notwithstanding Section 11.3, for Unbundled DS1-Capable Loops and EELs-DS1, CenturyLink QC shall provide the MR-8 monthly payment information at the same time that the payment information for OP-5 and MR-7 for the same performance data month is due, to allow for the applicable payment determinations for MR-8, OP-5, and MR-7 as stated in Section 11.1.1 above, except as allowed in Section 11.5.

11.4 In the case of late payments and underpayments, CenturyLink QC shall pay interest to CLEC calculated at the current Commission-prescribed customer deposit rate on the amount in question (*i.e., as of May 24, 2013, for Arizona, Colorado, Idaho, Minnesota, New Mexico, North Dakota, Oregon, Washington, and Wyoming*) or, in the absence of a current Commission-prescribed customer deposit rate (*i.e., as of May 24, 2013 for Iowa, Montana, Nebraska, South Dakota, and Utah*), at the U.S. Treasury rate in place at the beginning of the current calendar year. Should CenturyLink QC demonstrate to the relevant CLEC that it overpaid, it shall be able to deduct from future payments in any state in which CLEC has opted into a CenturyLink QC PAP any past overpayment, along with interest calculated at the aforementioned rate for the amount in question.

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11.5 CenturyLink QC may petition the Commission for credits to PAP payments for the recovery of prior PAP payments made, which have been determined to be unnecessary and unjustified by the Commission. Any such request shall only seek recovery of payments made within the prior twelve consecutive months from the date of the petition.

### **12.0 Reporting**

12.1 CenturyLink QC will provide the Commission and CLECs opting into the PAP with a monthly report of CenturyLink QC’s performance for the payment-eligible PIDs. These reports shall contain any carry-over payment amounts and calculations as well as the current month’s information. CenturyLink QC will collect, analyze, and report performance data for these PID measurements. CenturyLink QC will store such data in easy-to-access electronic form for one year after they have been produced and for an additional two years in an archived format. Any failure to follow these requirements shall be treated as a violation of the PAP integrity requirements discussed in Section 16.4.

12.2 On or before the last business day of each month following the relevant performance or payment period, CenturyLink QC shall post the individual CLEC monthly performance (for payment-eligible and diagnostic PIDs) and payment reports (for payment-eligible PIDs) to a secure part of the PAP website and the aggregate state performance and payment reports to the public part of the PAP website. In addition, CenturyLink QC must officially file with the Commission, one electronic copy in an Excel format, of all CLEC individual monthly reports under seal and one electronic copy in an Excel format of the state aggregate report in the public file. If CLEC requests hard copies of its individual reports, CenturyLink QC should make those hard copies available at no cost to CLEC.

12.3 In the case of late reporting, CenturyLink QC shall make a payment to the state general fund or the equivalent (as directed by the Commission) of \$500 per calendar day for each day the report is late. This amount represents the total payment for missing a reporting deadline, rather than a payment per report and does not count against the cap described in Section 10.1. This payment shall begin on the report due date and continue until the report is actually distributed.

12.4 If any inaccurate reporting is revealed by an audit, CenturyLink QC shall make any payments due to the CLEC as a result of the inaccurate reporting plus an additional payment of 25% of the amount due as a result of the underpayment.

12.5 In addition to the Section 12.4 payment, if as a result of an inaccurate report, any bill over \$25,000 is adjusted upwards by 25% or more, CenturyLink QC shall also incur a late reporting payment as set forth in Section 12.3. This payment shall begin on the report due date and shall continue until the day the discrepancy is resolved.

12.6 If a discrepancy is revealed solely by CenturyLink QC, and CenturyLink QC self-corrects the discrepancy prior to the monthly payment being due, no additional liability shall be assessed. If CenturyLink QC self-corrects the erroneous reports before an audit on the relevant measurements in question begins but after the relevant payment is made, it shall

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be responsible for paying the additional amount owed due to the non-conforming performance as well as interest on this amount at the rate set forth in Section 11.4.

12.7 If a discrepancy is revealed by a CenturyLink QC-CLEC data reconciliation process or any other inquiry, CenturyLink QC shall pay the additional amount owed as well as interest on any late additional amount at the rate set forth in Section 11.4.

12.8 If a CenturyLink QC-CLEC data reconciliation process forces CenturyLink QC to adjust its payment upwards three months in a row, CenturyLink QC must pay the additional amount and an additional penalty to CLEC as if the discrepancy had been revealed by an audit (see Section 13.7) for that third month and for each consecutive month that the CLEC reveals additional payments via data reconciliation.

12.9 If a CenturyLink QC-CLEC data reconciliation process forces CenturyLink QC to adjust its payment upward five times in a calendar year, CenturyLink QC must pay the additional amount and an additional penalty to CLEC as if the discrepancy had been revealed by an audit for that fifth month and for all other months in that calendar year that the CLEC reveals additional payments via data reconciliation.

#### **13.0 Audits of Performance Results**

13.1 CenturyLink QC shall carefully document any and all changes that CenturyLink QC makes to the Performance Measurement and Reporting System. A summary of this change log shall be displayed on a public website dedicated to PAPs. Details shall be made available in a timely manner upon request. The Performance Measurement and Reporting System is defined to include at least: elements of CenturyLink QC’s Regulatory Reporting System that constitute the data collection programs (*i.e.*, the software code used by CenturyLink QC to determine which data fields are used and how they are used), the underlying data extracted by the data collection programs and data reference tables (*e.g.*, USOC tables, wire center tables, *etc.*, used in the calculation of measurements), the data staging programs (programming code used to organize and consolidate the data), the calculation programming (the code used to implement the formula defined for a measurement), and the report generation programs (including the report format and report file creation). This change log shall contain, at a minimum, a detailed description of the change (in plain English); the effects of the change, the reason for the change, the dates of notification and of implementation, and whether the change received Commission approval.

13.2 CenturyLink QC shall be allowed to change management processes that improve accuracy or that improve efficiency without sacrificing accuracy of submeasurement results. These changes are at CenturyLink QC’s discretion, but also may be subject to other requirements, as applicable, that address change management in the Interconnection Agreement. Omitted or inaccurate changes shall result in CenturyLink QC being required to pay a \$2,500 fine, plus interest at the rate set forth in Section 11.4, accrued from the time the change took effect. The payment of this fine shall go to the state general fund or equivalent (as directed by the Commission), and such payment does not count against the annual cap described in Section 10.1.

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When making any changes to the Performance Measurement and Reporting System in a manner whereby the relevant data cannot be reconstructed under the prior approach, CenturyLink QC shall record the change to the change log and notify CLECs that have interconnection agreements opting into the PAP.

13.3 As part of the data reconciliation process (see Section 13.4 below), CLEC shall have the right to request access to the raw, excluded data and business rules or other basis relied upon by CenturyLink QC to exclude the data from the most recent month’s report. The records and data must be turned over, in a mutually-agreeable format within two weeks of the request.

13.4 CLEC may request a mini-audit of the performance measurement results covering CenturyLink QC’s performance to CLEC for any payment-eligible and diagnostic submeasurements. However, a CLEC will not be allowed to commence such an audit unless and until (1) CLEC has requested access to the raw data and business rules and attempted to meet with CenturyLink QC to attempt data reconciliation for any discrepancies by presenting its own version of the data calculation and comparing it to CenturyLink QC’s to demonstrate the areas in which CenturyLink QC allegedly erred, and (2) CenturyLink QC and CLEC are unable to reach agreement about any alleged discrepancy through the CenturyLink QC-CLEC data reconciliation process. CenturyLink QC must provide the necessary expertise and work in good faith to attempt to answer CLEC concerns. CenturyLink QC’s experts must be available for requested meetings to take place within 10 business days of the CLEC request, but CenturyLink QC may attempt to resolve the issue over the phone or via email before holding a face-to-face meeting.

13.5 Upon CLEC request, data files of the CLEC raw data, or any subset thereof, and business rules or other basis used to generate the reports as part of the data reconciliation process will be transmitted, without charge, to CLEC, within two weeks of the request, in a mutually acceptable format, protocol, and transmission medium.

13.6 The scope of the mini-audit allowed under this PAP is limited to the relevant payment-eligible and diagnostic submeasurements that were the subject of and determined to be suspect, through the CenturyLink QC-CLEC data reconciliation process.

13.7 The mini-audit shall be conducted by a qualified independent Auditor (i.e., an auditor that has experience with multiple, prior performance measurement audits in the telecommunications industry) selected by CenturyLink QC and agreed upon by CLEC. CLEC shall pay the Auditor’s fees and expenses, and CLEC and CenturyLink QC shall bear their own costs. If a mini-audit identifies a non-conformance that materially affects the results (material being defined as a deficiency that requires an additional payment of at least 10% more than the total amount paid on the submeasurements examined by the mini-audit) by CenturyLink QC, CenturyLink QC shall pay the Auditor’s fees and expenses. In addition, CenturyLink QC shall resolve the identified problems and shall pay any applicable payments under the late payment provisions. CenturyLink QC shall also pay other CLECs any appropriate payments and penalties based on problems uncovered in the mini-audit. If



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the Auditor does not identify any non-conformance, CLEC shall not be allowed to request another mini-audit during the six months after the initial mini-audit request; however, CLEC is nevertheless permitted to request CenturyLink QC-CLEC data reconciliation during that time.

13.8 If CLEC proves to the Commission via the dispute resolution process that CenturyLink QC did not work in good faith to resolve the issues prior to the initiation of a mini-audit, the Commission can shift the Auditor’s fees and expenses to CenturyLink QC, and the six-month moratorium on mini-audits shall then be waived.

13.9 *[Applicable to Colorado only, to the extent the Special Fund has a sufficient remaining balance]* The Commission reserves the right to choose to conduct an audit itself, with the assistance of an outside Auditor if it chooses. Such an audit shall be paid for through the Special Fund. If the audit reveals any material non-conformance (as defined above) in CenturyLink QC’s performance reporting, CenturyLink QC shall reimburse the costs of the audit and, where appropriate, shall make applicable payments to CLECs or Special Fund as described above.

### **14.0 Waiver of Payments**

14.1 CenturyLink QC may seek a waiver of the obligation to make payments pursuant to this PAP by seeking an exception on any of the following grounds:

- (1) *Force majeure*, as defined in SGAT Section 5.7 (as to benchmark standards and parity submeasurements).
- (2) A work stoppage (as to benchmark standards and parity submeasurements).
- (3) An act or omission by CLEC that is in bad faith and designed to “game” the payment process; or
- (4) A material failure by CLEC to follow the applicable business rules.

14.2 Such waiver will be sought by CenturyLink QC by petitioning the Commission and providing notice to all CLECs operating in the state.

14.2.1 Prior to petitioning the Commission for a waiver, CenturyLink QC shall provide notice to all affected CLECs and Commission Staff of its intent to seek such waiver.

14.2.2 Within ten days of such notice, CLEC(s) must respond and indicate whether it opposes such waiver request, and if it does oppose, provide a general statement of the basis for such opposition. Within twenty days of such notice, Commission Staff must respond and indicate whether it opposes such waiver request, and if it does oppose, provide a general statement of the basis for such opposition. If CLEC opposes such request, prior to seeking Commission approval, CenturyLink QC and

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CLEC will use the dispute resolution process set forth in Section 16.0 as the procedure for resolving the issues.

14.2.3 After receipt of the responses and use of the dispute resolution process, if necessary, under Section 14.2.2, CenturyLink QC may file a petition with the Commission requesting a waiver. CenturyLink QC may indicate in its petition its understanding of the extent of opposition to its request based on the responses provided under Section 14.2.2 and/or the outcome of the dispute resolution process. Any waiver request must contain an explanation of the circumstances that justify the waiver, and any and all relevant documentation relied upon to support the request. To establish that the circumstances warrant granting of a requested waiver, CenturyLink QC must show the existence of those circumstances by a preponderance of the evidence. For any such action, CenturyLink QC shall be required to pay the disputed credits or place the disputed amount of money into an interest-bearing escrow account until the matter is resolved.

#### **15.0 Limitations**

15.1 CenturyLink QC’s agreement to implement these enforcement terms, and specifically its agreement to make any payments hereunder, will not be considered as an admission against interest or an admission of liability in any legal, regulatory, or other proceeding relating in whole or in part to the same performance. CLEC may not use (1) the existence of this enforcement plan or (2) CenturyLink QC’s current, former Tier 1, or former Tier 2 payments as evidence that CenturyLink QC has discriminated in the provision of any facilities or services under Sections 251 or 252 of the Act or has violated any state or federal law or regulation. CenturyLink QC’s conduct underlying its performance measures, however, is not made inadmissible by this SGAT term. By accepting this performance remedy plan, CLEC agrees that CenturyLink QC’s performance with respect to this remedy plan may not be used as an admission of liability or culpability for a violation of any state or federal law or regulation. (Nothing herein is intended to preclude CenturyLink QC from introducing evidence of any payments under these provisions for the purpose of precluding additional payments or offsetting any payments against any other damages or payments a CLEC might recover.) The terms of this paragraph do not apply to any proceeding before the Commission or the FCC to determine whether CenturyLink QC has met, or continues to meet, the requirements of Section 271 of the Act.

15.2 This PAP contains a comprehensive set of performance submeasurements, statistical methodologies, and payment mechanisms that are designed to function together, and only together, as an integrated whole. To elect the PAP, CLEC must adopt the PAP in its entirety, into its interconnection agreement with CenturyLink QC in lieu of other alternative standards or relief, except as stated in Sections 15.3, 15.4, and 15.5.

15.2.1 Subsequent changes to the PAP approved by the Commission will be incorporated into individual interconnection agreements that contain the PAP as soon as the effective date of the Commission order, and without further Amendment to those Agreements.

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15.3 In electing the PAP in states in which there exist wholesale service quality rules, CLEC shall surrender any rights to remedies under state wholesale service quality rules (in that regard, this PAP shall constitute an “agreement of the parties” to opt out of those rules) or under any interconnection agreement designed to provide such monetary relief for the same performance issues addressed by the PAP. The PAP shall not limit either non-contractual legal or non-contractual regulatory remedies that may be available to CLEC.

15.4 Payments to CLECs are in the nature of liquidated damages. Before CLEC shall be able to file an action seeking contract damages that flow from an alleged failure to perform in an area specifically measured and regulated by the PAP, CLEC must first seek permission through the Dispute Resolution Process set forth in Section 16.0 to proceed with the action. This permission shall be granted only if CLEC can present a reasonable theory of damages for the non-conforming performance at issue and evidence of real world economic harm that, as applied over the preceding six months, establishes that the actual payments collected for non-conforming performance in the relevant area do not redress the extent of the competitive harm. If CLEC can make this showing, it shall be permitted to proceed with this action. Any damages awarded through this action shall be offset with payments made under this PAP. If the CLEC cannot make this showing, the action shall be barred. To the extent that CLEC’s contract action relates to an area of performance not addressed by the PAP, no such procedural requirement shall apply.

15.5 If for any reason CLEC agreeing to this PAP is awarded compensation for the same harm for which it received payments under the PAP, the court or other adjudicatory body hearing such claim may offset the damages resulting from such claim against payments made for the same harm. Only that relevant finder of fact, and not CenturyLink QC in its discretion, can judge what amount, if any, of PAP payments should be offset from any judgment for a CLEC in a related action.

15.6 The Commission shall have the right to modify this plan in accordance with Section 17.0.

#### **16.0 Dispute Resolution Process**

16.1 The dispute resolution process specified in this PAP does not replace or in any way limit, among other things, the processes for resolving interconnection disputes not within the ambit of the PAP.

16.2 The Commission may decide issues arising from for-cause audits and root-cause analyses.

16.2.1 The Parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of, or relating to, this Agreement. Either Party may give written notice to the other Party of any dispute not resolved in the normal course of business. Each Party will within seven (7) Days after delivery of the written notice of dispute, designate a vice-president level employee or a

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representative with authority to make commitments to review, meet, and negotiate, in good faith, to resolve the dispute. The Parties intend that these negotiations be conducted by non-lawyer, business representatives, and the locations, format, frequency, duration, and conclusions of these discussions will be at the discretion of the representatives. By mutual agreement, the representatives may use other procedures to assist in these negotiations. The discussions and correspondence among the representatives for the purposes of these negotiations will be treated as Confidential Information (Confidential Information) developed for purposes of settlement, and will be exempt from discovery and production, and not be admissible in any subsequent proceedings without the concurrence of both Parties.

16.2.2 If the designated representatives have not reached a resolution of the dispute within fifteen (15) Days after the written notice (or such longer period as agreed to in writing by the Parties), then either Party may commence an action which will be brought to the Commission.

16.3 The dispute resolution process envisioned by the PAP provides a means of resolving issues raised by the PAP reports, payment calculations and processes. This process is akin to the dispute resolution processes that might be established in other Interconnection Agreements, except it applies exclusively to the PAP.

16.4 The PAP’s dispute resolution process shall not be resorted to unless and until the problem is raised at the Vice President – Vice President level at least two weeks before a dispute is submitted to the Commission. As part of its request for dispute resolution, the party making the request (“complainant”) must provide a statement including specific facts that the complainant engaged (or attempted to engage) in good faith negotiations to resolve the disagreement, and that, despite these good faith efforts, the parties failed to resolve the issue.

16.5 In all actions before the Commission, the losing party shall pay all relevant attorney’s fees and costs – including monies spent to prove that the problem exists – as determined by the Commission.

### **17.0 Effective Date, Change Provisions and Termination**

17.1 The effective date of the current PAP is February 2, 2020 the date on which the Commission adopts its decision in an order approving it, or the effective date of a new CLEC opting into the PAP in its ICA, whichever date is later.

17.2 If CenturyLink QC or CLEC wishes to modify a PID or a PAP provision, the change must be approved by the Commission. Prior to seeking Commission approval, CenturyLink QC and CLEC will use the dispute resolution process set forth in Section 16.0 as the procedure for resolving the issues. Either CenturyLink or CLEC may submit its proposed modification(s) to the Commission for approval. The Commission will establish a process for providing notice and considering such request, including timelines for interested parties

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or Staff to oppose the request. If the request is unopposed, the Commission may grant such request without a hearing or further notice.

17.2.1 Any party may submit a root cause analysis to the Commission requesting removal of a PID or submeasurement from the PAP. Prior to making such request to the Commission, the party shall provide notice to all affected parties and Commission Staff of its intent to make such request. If the requested removal is contested, CenturyLink QC and CLEC will pursue the dispute resolution procedures of Section 16.0 before seeking a Commission decision on the matter.

17.2.2 If CenturyLink QC or CLEC wishes to submit a root cause analysis to the Commission requesting removal of a PID or submeasurement from the PAP, the removal must be approved by the Commission. The root cause analysis shall address, at a minimum, whether there is evidence of no harm, the same harm as covered by other PID submeasurements, non-CenturyLink QC related causes, or other factors which directly relate to the harm or circumstances specific to the PID or submeasurement being analyzed. The Commission will establish a process for providing notice and considering such request, including timelines for interested parties or Staff to oppose the request. If the request is unopposed, the Commission may grant such request without a hearing or further notice.

17.3 If any agreements on adding, modifying or deleting performance measurements or PAP provisions are reached between CenturyLink QC and CLECs, or if the Commission approves changes to the PAP after notice and hearing, those additions, deletions, or modifications shall be incorporated into the PAP and modify the agreement between CLECs and CenturyLink QC at any time those agreements are submitted to the Commission.

### **18.0 Voluntary Performance Assurance Plan**

18.1 This PAP represents CenturyLink QC’s voluntary offer to provide performance assurance.