Continious-Time Markov Chains (CTMC)

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Excerpt from : **CTMC ,** Ward Whitt

Definition of a CTMC

- For the continuous-time Markov chain $\{X(t) : t \geq 0\}$ with N states, the Markov property can be written as
- $P[X(s+t) = j \mid X(s) = i, X(u)=x(u), 0 \leq u < s] = P[X(s+t) = j \mid X(s) = i], i, j \in S, 0 \leq t < \infty,$
- and reflects the fact that the future state at time s+t only depends on the current state at time s .

transition probabilities functions

- We consider the special case of stationary transition probabilities functions (sometimes referred to as homogeneous transition probabilities functions), occurring when

$P[X(s + t) = j \mid X(s) = i\,] = P[X(\,t) = j \mid X(0) = i\,] = P_{i\,j}\,(t)$

for all states i and j and for all times s > 0 and t > 0;

- $P_{i\,j}\,(t)$ is called stationary transition probabilities

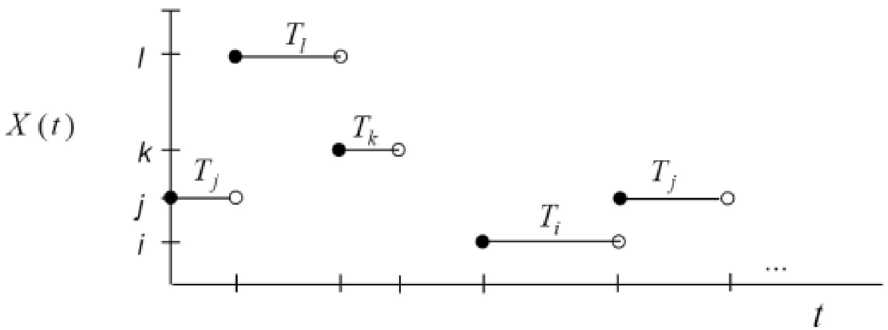
i.e. the independence of s characterizes the stationarity.

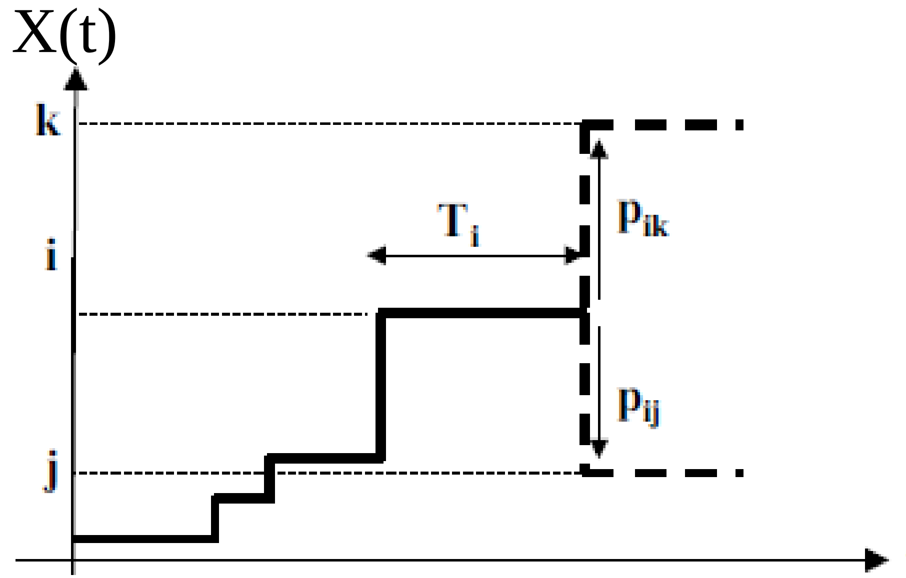
and

$\boldsymbol{P}(t) = [P_{i\,j}\,(t)]$

is called the ***transition probability matrix function*** (*TPMF*).(a function of time compared to TPM)

Behavior of a CTMC





Two major components:

- T_i = sojourn time in state i (random variable)
- p_{ij} = probability of moving to state j when leaving state i

Exponential holding time in states of CTMC

- ***Proposition:*** T_i is exponentially distributed
- ***Proof:*** By time homogeneity, we assume that the process starts out in state i. For $s \geq 0$ the event $\{T_i > s\}$ is equivalent to the event $\{X(u) = i \text{ for } 0 \leq u \leq s\}$.
- Similarly, for $s, t \geq 0$ the event $\{T_i > s+t\}$ is equivalent to the event $\{X(u) = i \text{ for } 0 \leq u \leq s + t\}$.

Exponential holding time in states of CTMC

- Therefore,
  $P\,(T_i > s + t \mid T_i > s)$
  $= P(X(u) = i \text{ for } 0 \le u \le s + t \mid X(u) = i \text{ for } 0 \le u \le s)$
  $= P(X(u) = i \text{ for } s < u \le s + t \mid X(u) = i \text{ for } 0 \le u \le s)$
  $= P(X(u) = i \text{ for } s < u \le s + t \mid X(s) = i)$
  $= P(X(u) = i \text{ for } 0 < u \le t \mid X(0) = i)$
  $= P(T_i > t),$

Exponential holding time in states of CTMC

- where
  - the second equality follows from the simple fact that $P(A \cap B|A) = P(B|A)$, where we let $A = \{X(u) = i \text{ for } 0 \leq u \leq s\}$ and $B = \{X(u) = i \text{ for } s < u \leq s + t\}$.
  - the third equality follows from the Markov property.
  - the fourth equality follows from time homogeneity.

  Therefore, the distribution of T_i has the memoryless property, which implies that it is exponential.

Exponential holding time in states of CTMC

- Papoulis (4th ed) pages 775-776

T_i ~the waiting time for a change of state for a Markov process X(t), given that it is in state i at time 0. if T_i >s, then the process will be in the same state i at time t_0+s as at t_0 and (being a Markov process) its subsequent behavior is independent of s. Hence,

$P\{T_i > s + t \mid T_i > s\} = P\{T_i > t\} \triangleq \varphi_i(t)$

represents the probability that the event $\{P(T_i > s + t\}$ given that $P\{T_i > s\}$. But

$\varphi_i(t+s) = P\{T_i > s+t\} = \mathrm{P}\{T_i > s + t, T_i > s\} =$

$\mathrm{P}\{T_i > s + t \mid T_i > s\}\, \mathrm{P}\{T_i > s\} = \varphi_i(t)\varphi_i(s)$

Or

$log\varphi_i(t+s) = log\varphi_i(t) + log\varphi_i(s)$

The only function satisfies above is either of the form ct (c=cte) or unbounded form above. Thus

$log\varphi_i(t) = -\lambda_i(t)$ $\quad\quad$ $\varphi_i(t) = P\{T_i > t\} = e^{-\lambda_i(t)}$ $\quad\quad$ t>=0

Thus sojourn time has an exponential distribution for all Markov processes

Chapman-Kolmogorov equations

- ***Lemma 1.*** (Chapman-Kolmogorov equations) For all $s \geq 0$ and $t \geq 0$, $P_{i,j}(s + t) = \sum_k P_{i,k}(s)P_{k,j}(t)$
- Or in matrix notation $P(s + t) = P(s)P(t)$
- ***Proof***
- We can compute $P_{i,j}(s + t)$ by considering all possible places the chain could be at time s.
- We then condition and and uncondition, invoking the Markov property to simplify the conditioning; i.e.,

$P_{i,j}(s + t) = P(X(s + t) = j | X(0) = i)$

Chapman-Kolmogorov equations

- ***Proof (cntd.)***

$=\sum_k P(X(s+t) = j, X(s) = k \mid X(0) = i)$

$=$

$\sum_k P(X(s) = k \mid X(0) = i) P(X(s+t) = j \mid X(s) = k, X(0) = i)$

(conditioning on X(s)=k)

$= \sum_k P(X(s) = k \mid X(0) = i) P(X(s+t) = j \mid X(s) = k)$

(Markov property) (uncondition)

$= \sum_k P_{i,k}(s) P_{k,j}(t)$ (stationary transition probabilities)

▪

Describing a CTMC

- A CTMC is well specified if we specify:
- (1) its initial probability distribution –

p(X(0) = i) for all states i

- (2) its transition probabilities - $P_{i,j}(t)$ for all states i and j and positive times t.
- Thus we use these two elements to compute the distribution of X(t) for each t,

$$P(X(t) = j) = \sum_i P(X(0) = i) P_{i,j}(t)$$

Describing a CTMC

- Since the CTMC must be at any time in one of the N states, the analogous of DTMC is, for any state *i*

$\sum_{j=1}^{N} P_{i,j}(t) = 1$

constructing a CTMC model- four approaches(models)

- <u>for all four models:</u>
- the initial distribution are required and thus we focus on specifying the model beyond the initial distribution.
- The four models are equivalent: you can get to each from any of the others.
- Even though these four approaches are redundant, they are useful because they together give a different more comprehensive view of a CTMC.

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

- For the DTMC with transition matrix P (looking at the transition epochs of the CTMC thus p_{ii}=0), the transition probabilities of the embedded chain

$$p_{i,j} = \lim_{\Delta t \to 0} P\{X_{t+\Delta t} = j | X_{t+\Delta t} \neq i, X_t = i\}$$

$$= \lim_{\Delta t \to 0} \frac{P\{X_{t+\Delta t} = j, X_{t+\Delta t} \neq i | X_t = i\}}{P\{X_{t+\Delta t} \neq i | X_t = i\}}$$

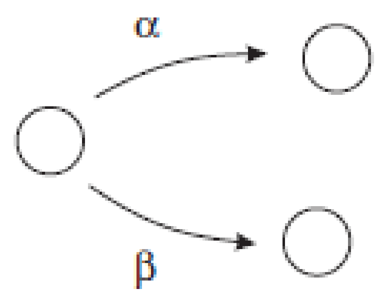
$$= \begin{cases} \dfrac{q_{i,j}}{\sum_j q_{i,j}} & i \neq j \\ 0 & i = j \end{cases} \qquad \text{cf. } P\{\min(X_1, \dots, X_n) = X_i\} = \frac{\lambda_i}{\lambda_1 + \cdots + \lambda_n}, \text{ when } X_i \sim Exp(\lambda_i)$$

the second line numerator and denominator are divided by Δt, and defining

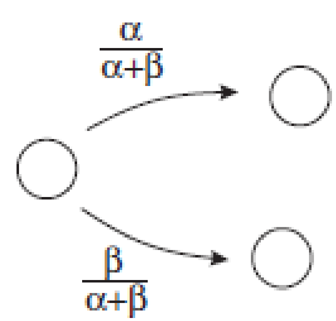
$$q_{i,j} = \lim_{\Delta t \to 0} \frac{P[X_{t+\Delta t} = j, X_{t+\Delta t} \neq i | X_{t+\Delta t} = i]}{\Delta t} \qquad i \neq j$$

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

- Markov process, transition rates $q_{i,j}$
- equilibrium probabilities $\tilde{\pi}_i$



- Embedded Markov chain(EMC), transition probabilities $p_{i,j}$
- equilibrium probabilities π_i



constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

- For this DTMC (EMC) the steady state probability vector is π, the unique probability vector satisfying the equation

$$\pi = \pi P \qquad (1)$$

- Instead of having each transition take unit time, now we assume that the time required to make a transition from state *i* has an exponential distribution with rate q_i, and thus mean $1/q_i$, independent of the history before reaching state i.

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

- Relating the steady-state (stationary) probability vector $\tilde{\pi}$ of the CTMC to steady state probability vector of DTMC (EMC) π

$$\tilde{\pi}_j = \frac{(\pi_j/q_j)}{\sum_k (\pi_k/q_k)} \qquad (2)$$ ($1/q_j$ is life time in state *i* slide 18)

- Indeed, this first modelling approach corresponds to treating the CTMC as a special case of a semi-Markov process (SMP)
- We assume that there are no one-step transitions from

any state to itself in the DTMC (no self-loop); i.e., we assume that $P_{i,i}$ = 0 for all i (we look at the chain at transitions)

- this assumption is not critical,(see the third modelling)

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

Markov processes have no self-loops and their state transitions are characterized by a *generator matrix,* which is analogous to a probability transition matrix. The classification of states have analogous statements for Markov processes where the probability transition matrix is replaced by a generator matrix.
The generator matrix of a Markov process, denoted by *Q,* has entries that are the rates at which the process jumps from state to state. These entries are defined by

$$q_{i,j} = \lim_{\tau \to 0} \frac{P[X(t+\tau)=j|X(t)=i]}{\tau} \qquad i \neq j \qquad (3')$$

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

(We assume that the Markov process is time homogeneous and thus that (3') $\{q_{i,j} = \lim_{\tau \to 0} \frac{P[X(t+\tau)=j|X(t)=i]}{\tau} \quad i \neq j\}$ is independent of *t*.)

The total rate out of state i is denoted by q_i and equals
$q_i = \sum_{j \neq i}^{\infty} q_{i,j}$ (4')
The holding time of state i is exponentially distributed with rate q_i.

By definition, we set the diagonal entries of Q equal to minus the total rate,
$q_{i,i} = -q_i$ (5')
This implies that the row sums of matrix Q equal 0.

constructing a CTMC (model 1 : DTMC with Exponential Transition Times)

- ***stationary probabilities*** in terms of the generator matrix. Using the results of EMC in SMP (i.e. $\tilde{\pi}_j = \frac{\pi^e{}_j \, E[S_j]}{\sum_{k \in S} \pi^e{}_k \, E[S_k]}$, $i \in S$,) and multiplying (2) by q_{ji} and summing yields [and using (5') $q_{i,i} = -q_i$ and $\pi_i = \sum_{j \neq i} \pi_j p_{j,i} = \sum_{j \neq i} \pi_j \frac{q_{j,i}}{q_j}$ slide 12]

$$\sum_{j=0}^{\infty} \tilde{\pi}_j q_{ji} = \frac{\sum_{j=0}^{\infty}(\pi_j q_{ji}/q_j)}{\sum_k (\pi_k/q_k)} = \frac{\sum_{j \neq i}(\pi_j q_{ji}/q_j) + \pi_i q_{ii}/q_i}{\sum_k (\pi_k/q_k)}$$

$$= \frac{\pi_i - \pi_i}{\sum_k (\pi_k/q_k)} = \mathbf{0} \quad \text{[nel (8.65)]}$$

- Rewriting in matrix form, shows that the stationary probabilities of a Markov process satisfy $\tilde{\pi}$ Q = 0,

with the additional normalization requirement that $\|\tilde{\pi}\| = 1$.

constructing a CTMC (model 2 : Transition Rates and ODE's)

- We look at the chain at any time (so we need to define zero-time transition probabilities, $P_{i,i}(0) = 1$ since there is no instant jump from a state)
- let $P(0) = I$, where I is the identity matrix; i.e., we set $P_{i,i}(0) = 1$ for all i and we set $P_{i,j}(0) = 0$ whenever $i \neq j$.
- We define $Q \equiv \lim_{h\downarrow 0} \frac{P(h)-I}{h} = \lim_{h\downarrow 0} \frac{P(h)-P(0)}{h}$

$= P'(0+)$ (it is rate)

See Ross prob. Models 9th ed. ch 6 page 378

constructing a CTMC (model 2 : Transition Rates and ODE's)

- Thus the transition rate from state i to state j be defined in terms of the derivatives:

$$Q_{i,j} \equiv \lim_{h\downarrow 0}\frac{P_{i,j}(h)-P_{i,j}(0)}{h} = P'_{i,j}(0+) = \frac{dP_{i,j}(t)}{dt}\Big|_{t=0+} \qquad (3)$$

$$Q_{i,i} \equiv \lim_{h\downarrow 0}\frac{P_{i,i}(h)-P_{i,i}(0)}{h} = \frac{P_{i,i}(h)-1}{h} = P'_{i,i}(0+) = \frac{dP_{i,i}(t)}{dt}\Big|_{t=0+}$$

- in most treatments of CTMC's instead of above, it is common to assume that

$P_{i,j}(h) = Q_{i,j}h + o(h)$ as $h\downarrow 0$ if $j \neq i$ (4) and

$P_{i,i}(h) - 1 = Q_{i,i}h + o(h)$ as $h\downarrow 0$, (5)

constructing a CTMC (model 2 : Transition Rates and ODE's)

- For finite state space, (for infinite state spaces under extra regularity conditions),we have
- $Q_{i,i}$=$\sum_{j,j\neq i} Q_{i,j}(t)$ (6)

  Proof: since $P_{i,j}$(t) sum over j to 1

  $\sum_{j=1}^{N} P_{i,j}$(t)=*1 so* $P_{i,i}$(t) + $\sum_{j=1,j\neq i}^{N} P_{i,j}$(t)=*1*

  $\sum_{j=1,j\neq i}^{N} P_{i,j}$(t)=*1*- $P_{i,i}$(t)

  Dividing by t and let t→0 we obtain (6)

- And let

$-Q_{i,i}$= q_i (7) for all i ,

constructing a CTMC (model 2 : Transition Rates and ODE's)

- Same as DTMC model that is specified via a transition probability matrix P, we can specify a CTMC model via the transition-rate matrix Q.
- In specifying the transition-rate matrix Q, it suffices to specify the off-diagonal elements

$Q_{i,j}$ for $i \neq j$, because the diagonal elements $Q_{i,i}$ are always defined by (6).

- The off-diagonal elements are always nonnegative, whereas the diagonal elements are always negative.
- Each row sum of Q is zero.

constructing a CTMC (model 2 : Transition Rates and ODE's)

- In fact, this approach to CTMC modelling is perhaps best related to modelling with ordinary differential equations,
- We may use Chapman-Kolmogorov equations to find the transition probabilities $P_{i,j}(t)$ from the transition rates $Q_{i,j} \equiv P'_{i,j}(0+)$
- To do this we use the two systems of ordinary differential equations (ODE's) generated by the transition rates namely, Kolmogorov forward and backward ODE's (defined next).

constructing a CTMC (model 2 : Transition Rates and ODE's)

Theorem 1. (Kolmogorov forward and backward ODE's) The transition probabilities satisfy both the Kolmogorov forward differential equations

$P'_{i,j}(t + h) = \sum_k P_{i,k}(t)Q_{k,j}(h) \quad for\ all\ i, j \quad (9)$

in matrix notation is the matrix ODE

$P'(t) = P(t)Q \quad (10)$

and the Kolmogorov backward differential equations

$P'_{i,j}(h + t) = \sum_k Q_{i,k}(h)P_{k,j}(t) \quad for\ all\ i, j \quad (11)$

in matrix notation is the matrix ODE

$P'(t) = QP(t) \quad (12)$

constructing a CTMC (model 2 : Transition Rates and ODE's)

- ***Proof:*** We apply the Chapman-Kolmogorov equations to write

P(t + h) = P(t)P(h) ,

and then do an asymptotic analysis as h ↓ 0.

- We subtract P(t) from both sides and divide by *h*, to get

$$\frac{P(t+h) - P(t)}{h} = P(t)\frac{P(h) - I}{h}$$

where *I* is the identity matrix

constructing a CTMC (model 2 : Transition Rates and ODE's)

- Recalling that $I = P(0)$, we can let $h \downarrow 0$ to get the desired result (10).
- To get the backward equation (12), we start with

$$P(t + h) = P(h + t) = P(h)P(t)$$

and reason in the same way ▪

constructing a CTMC (model 2 : Transition Rates and ODE’s)M/M/1 Queue

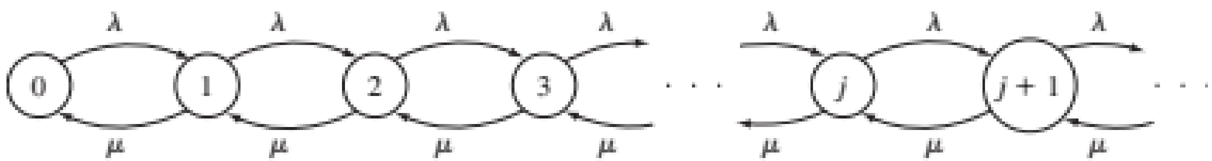
- ***Example*** (Transient Probabilities for the *M/M/1* Queue)
- Note that given that the initial state at time 0 was state i,

$$P(X(t+h)=j+1 \mid X(t)=j)=\lambda h+o(h)$$

$$P(X(t+h)=j-1 \mid X(t)=j)=\mu h+o(h)$$

$$P(X(t+h)=j \mid X(t)=j)=1-[\lambda h+\mu h]+o(h)$$

$$q(j,k)=\begin{cases} \lambda & k=j+1 \\ \mu & k=j-1, j>0 \\ -[\lambda+\mu] & k=j, j>0 \\ -\lambda & k=j, j=0 \end{cases}$$



constructing a CTMC (model 2 : Transition Rates and ODE's)M/M/1 Queue

$$
\begin{aligned}
P_{i,j}(t+\Delta t) &= \sum_{k=0}^{\infty} P_{i,k}(\Delta t) P_{k,j}(t) \\
&= \sum_{k \neq i} P_{i,k}(\Delta t) P_{k,j}(t) + P_{i,i}(\Delta t) P_{i,j}(t). \quad (8.118)
\end{aligned}
$$

$$
\frac{P_{i,j}(t+\Delta t) - P_{i,j}(t)}{\Delta t} = \sum_{k \neq i} \frac{P_{i,k}(\Delta t)}{\Delta t} P_{k,j}(t) - \frac{1 - P_{i,i}(\Delta t)}{\Delta t} P_{i,j}(t).
$$

Thus we find chapman-Kolmogorov backward equation.
Nel page 379

$$
\frac{dP_{i,j}(t)}{dt} = \sum_{k \neq i} q_{i,k} P_{k,j}(t) - q_i P_{i,j}(t).
$$

constructing a CTMC (model 2 : Transition Rates and ODE's)M/M/1 Queue

- ***Example*** (Transient Probabilities for the *M/M/1* Queue)
- Note that given that the initial state at time 0 was state i,
- Writing the forward equation for the *MIMl1* queue yields
- $\frac{dP_{i,0}(t)}{dt} = \mu P_{i,1}(t) - \lambda P_{i,0}(t),$
- $\frac{dP_{i,j}(t)}{dt} = \mu P_{i,j+1}(t) + \lambda P_{i,j-l}(t) - (\lambda + \mu)P_{i,j}(t).$

constructing a CTMC (model 2 : Transition Rates and ODE's) M/M/1 Queue

- ***Example (Cntd.)*** The solution to these equations for this case is then given by

$$P_{i,j}(t) = e^{-(\lambda+\mu)} \begin{bmatrix} \rho^{(j-i)/2} I_{j\,-\,i}(\alpha t) + \rho^{(j-i-1)/2} I_{j\,+\,i\,+\,1}(\alpha t) \\ + (1-\rho)\rho^{j} \sum_{k=j+i+2} \rho^{-k/2} I_k(\alpha t) \end{bmatrix}$$

- where $\rho = \frac{\lambda}{\mu}$ and α=2 $\mu\sqrt{\rho}$ and

- $I_k(x) = \sum_{m=0}^{\infty} \frac{\left(\frac{x}{2}\right)^{k+2m}}{(k+m)!m!} \qquad k \geq -1$

is the series expansion for the modified Bessel function of the first kind.

constructing a CTMC (model 2 : Transition Rates and ODE's) M/M/1 Queue

- ***Example (Cntd.)*** It is difficult to have any intuition regarding the solution except for its limiting, and thus stationary, values.
- (no need for normalization eq. since initial condition P(0) =(0,…0, 1,0,,…) being in state i at t=0 ($p_{ii}(0)=1$) is an extra equation)
- In the third term (i.e. coefficient $(1-\rho)\rho^j$) we see factors corresponding to the stationary distribution.
- it must be $\lim_{t\to\infty} P_{i,j}(t) = (1-\rho)\rho^j$ independent of i.
- The solution of transient probabilities suggests that :
- $lim_{t\to\infty} e^{-(\lambda+\mu)} \rho^{(j-i)/2} I_{j\,-\,i}(\alpha t) = 0$
- $lim_{t\to\infty} e^{-(\lambda+\mu)} \rho^{(j-i-1)/2} I_{j\,+\,i\,+\,1}(\alpha t) = 0$
- $lim_{t\to\infty} e^{-(\lambda+\mu)} \sum_{k=j+i+2} \rho^{-k/2} I_k(\alpha t) = 1$

constructing a CTMC (model 2 : Transition Rates and ODE's)

- Equations (10 &12) are matrix ODE's in *t* that can be similarly solved as the scalar ODE f'(t)=qf(t) and have matrix exponential solution.
- (P(0) = I, the initial condition plays no role) In particular, as a consequence of Theorem 1, and If all entries of ***Q*** are bounded,(***Q*** is said to be **uniform:** the name comes from uniformization of CTMC in model 4) we have the following Theorem2.
- $Q_{i,j}=\infty$ means instantaneous jump from state I upon entering this state

constructing a CTMC (model 2 : Transition Rates and ODE's)

- ***Theorem 2***. (matrix exponential representation) The transition function can be expressed as a matrix-exponential function of the rate matrix Q, i.e.,

$$P(t) = e^{Qt} = \sum_{n=0}^{\infty} \frac{Q^n t^n}{n!} \quad (13)$$

This matrix exponential is the unique solution to the two ODE's with initial condition $P(0) = I$.

constructing a CTMC (model 2 : Transition Rates and ODE's)

- Proof: If we verify or assume that we can interchange summation and differentiation in (13), we can check that the displayed matrix exponential satisfies the two ODE's

$$P'(t)=\frac{d}{dt}\sum_{n=0}^{\infty}\frac{Q^n t^n}{n!}=\sum_{n=0}^{\infty}\frac{d}{dt}\frac{Q^n t^n}{n!}$$

$$=\sum_{n=0}^{\infty}\frac{nQ^n t^{n-1}}{n!}=\mathrm{Q}\sum_{n=0}^{\infty}\frac{Q^n t^n}{n!}=Qe^{Qt} \qquad \blacksquare$$

Note: limiting prob of ctmc(ross, 9th, page 384)

Summary of some Models of Markov Processes

Type of Process		Self-Loops	Holding Time
Semi-Markov Processes		No	Arbitrary
Markov chains	Model 1	Yes	$H_i = 1$
	Model 2	No	Geometric, $E[H_i] = (1 - p_{i,i})^{-1}$
Markov processes	Continuous time	No	Exponential, $E[H_i] = q_i^{-1}$
	Uniformized–Model 1	Yes	$H_i = 1$
	Uniformized–Model 2	No	Geometric, $E[H_i] = q_{\max}/q_i$