

Date Mailed February 21, 2000
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BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation to Determine Industry-Wide Service Quality  
Standards for Price-Regulated Telecommunications Utilities  
For Year 2000 Price Regulation Filings

05-TI-248

**ORDER**

**INTRODUCTION**

This order establishes updated industry-wide quality of service standards for price-regulated telecommunications utilities. The quality of service industry-wide standards shown in the Findings of Fact shall be used in calculating the adjustment to the productivity offset on the price-regulated telecommunications utility's anniversary date in the year 2000.

**Background**

Wis. Stat. § 196.196(1) allows telecommunications utilities to elect to be price-regulated. Wis. Admin. Code ch. PSC 163 determines the procedures for electing price regulation, establishes the mechanics of price regulation, sets reporting requirements, and creates miscellaneous provisions to make more specific the requirements of Wis. Stat. § 196.196(1).

According to Wis. Admin. Code § PSC 163.04(2)(c)10., on each anniversary date and following an opportunity for hearing, the Commission shall compute new industry-wide quality of service standards. These service quality standards are used in calculating any increase in the

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productivity offset for inadequate service quality on the next anniversary date of each price-regulated telecommunications utility pursuant to Wis. Stat. § 196.196.

In the Findings of Fact, Conclusions of Law and Second Final Order (Second 157 Order) in docket 05-TI-157 dated May 7, 1999, as amended by letter dated June 22, 1999, the Commission approved the methodology to be used to establish new industry-wide standards for the quality-of-service components applicable to measurement of service quality for price-regulated telecommunications utilities. This methodology is to be used starting for the year 2000 anniversary dates of price-regulated telecommunications utilities. The quality of service components include: (1) average time interval for installation, (2) annual initial trouble reports per 100 lines, (3) average time out of service, (4) percent of repeat trouble reports, and (5) average employee answer time for repair calls. In the order in docket 05-TI-174, *Investigation of Telecommunications Utility Price Regulation Pursuant to §196.196(1)(g), Stats.*, the Commission approved two additional components. Those components are trunk blockage and answer speed for business office calls.

The Commission issued a Notice of Investigation in the present docket on August 24, 1999, for the purpose of establishing industry-wide service quality standards for the year 2000 anniversary dates of each price-regulated telecommunications utility. Commission staff circulated a draft order for comment. Comments received have been considered in this order. No hearing was held in this docket and none was requested.

## **FINDINGS OF FACT**

### **THE COMMISSION FINDS:**

For purposes of computing the increase in the productivity offset for inadequate service quality for price-regulated telecommunications utilities on the year 2000 anniversary dates:

1. A reasonable industry-wide standard for average time interval for installation is 2.42 days.
2. A reasonable industry-wide standard for trouble reports per 100 lines is:
  - a. 20 annual initial trouble reports per 100 lines company-wide; and
  - b. An average rate of all customer trouble reports in an exchange no greater than five per 100 access lines per month for at least 10 months in any calendar-year period.
3. A reasonable industry-wide standard for average time out of service is:
  - a. 14.56 hours on an average annual company level performance; and
  - b. 95 percent of all routine out-of-service troubles cleared within 24 hours for at least 10 months in any calendar-year period.
4. A reasonable industry-wide standard for repeat trouble reports, as a percent of initial trouble reports, is 15.10 percent.
5. A reasonable industry-wide standard for average employee answer time for repair calls is 20 seconds.
6. A reasonable industry-wide standard for trunk blockage is for at least 97 percent of calls offered during the group busy hour to not encounter an all-trunks-busy condition in three or more consecutive months for a specified percent of all measured trunk groups based on the average of nationwide means as reported in the Automated Reporting Mechanized Information

System (ARMIS) 43-05 report. It is reasonable to defer the effective date of the application of this standard to the year 2001 anniversary dates.

7. A reasonable industry-wide standard for average employee answer time for business office calls is 60 seconds on a company-wide annual basis. It is reasonable to defer the effective date of the application of this standard to the year 2001 anniversary dates.

### **CONCLUSION OF LAW**

#### **THE COMMISSION CONCLUDES:**

It has jurisdiction and authority under the provisions of Wis. Stat. § 196.196(1)(c) and Wis. Admin. Code § PSC 163.04(2)(c) to issue an order that establishes updated industry-wide standards for the quality of service components applicable to measurement of an increase in the productivity offset for inadequate service quality for price-regulated telecommunications utilities.

### **OPINION**

According to Wis. Admin. Code § PSC 163.04(2)(c)10., on each anniversary date and following an opportunity for hearing, the Commission shall compute new industry-wide quality of service standards. These service quality standards are used in calculating any increase in the productivity offset for inadequate service quality on the next anniversary date of each price-regulated telecommunications utility pursuant to Wis. Stat. § 196.196.

The Second 157 Order as amended, provided that, for purposes of computing the increase in the productivity offset for inadequate service quality for price-regulated telecommunications

utilities for anniversary dates starting in the year 2000, the industry-wide standards for the quality of service components shall be:

- a. The average of nationwide medians for the most recent three years, for average time interval for installation and percent repeat trouble reports;
- b. (i) 20 annual initial trouble reports per 100 lines company-wide; and (ii) service shall be maintained so that the average rate of all customer trouble reports in an exchange is no greater than five per 100 access lines per month for at least 10 months in any calendar-year period;
- c. (i) 14.24 hours average time out of service on an average annual company level performance; and (ii) 95 percent of all routine out-of-service troubles shall be cleared within 24 hours for at least 10 months in any calendar-year period; and
- d. 20 seconds for average employee answer time for repair calls.

For average time interval for installation and percent repeat trouble reports, information is reported in the ARMIS 43-05 service quality report. The Federal Communications Commission (FCC) requires all local exchange companies under price cap regulation to file an ARMIS 43-05 service quality report.

In setting the industry-wide standards for the quality of service penalty mechanism for the year 2000 anniversary dates, the Commission used a 3-year average of the nationwide medians for 1996 through 1998, as reported in the ARMIS 43-05 report. For average time interval for installation and percent repeat trouble reports, the Commission finds that the resulting revised industry-wide benchmarks of 2.42 days for installation interval and 15.10 percent of repeat to initial troubles are reasonable.

The Second 157 Order as amended established two industry-wide standards for average time out of service for the year 2000 anniversary dates. One of those standards was 14.24 hours

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average time out of service on an average annual company level performance. This amount was erroneously based on data for the period 1995 through 1997. The corrected standard based on 1996 through 1998 ARMIS data is 14.56 hours.

In docket 05-TI-174, the Commission approved two additional service quality components for price-regulated telecommunications utilities, trunk blockage and answer time for business office calls. While the Commission has not yet promulgated rules to add these components, Wis. Admin. Code § PSC 163.04(2)(c)10. allows the Commission to issue an order revising these components.

Nationwide performance data is available for the new component, trunk blockage. The Commission determines that the industry-wide standard for trunk blockage be based on the average of nationwide means as reported in the ARMIS 43-05 report. If applicable for the year 2000 anniversary dates, the industry-wide standard for trunk blockage would be for 99.8 percent or more of all trunk groups to have at least 97 percent of calls offered to the group not encounter an all-trunks-busy condition in three or more consecutive months. Price-regulated companies will report trunk blockage results based on these parameters: (1) measured trunk groups totally under the company's control; and (2) percentages will be calculated using cumulative monthly opportunities for the measured groups.

Nationwide actual data for answer time for business office calls, is not available from ARMIS reports. For this component, the Commission finds that it is appropriate to base the industry-wide standard on a consideration of standards established in other states. The standard for this component in the state of Ohio is 60 seconds on a monthly basis. For price-regulated

telecommunications utilities, the Commission finds that it would be reasonable to set the industry-wide standard for this component at 60 seconds on a company-wide annual basis.

Industry-wide standards for the year 2000 anniversary dates are compared to 1999 actual performance data for each service quality component. Since the 1999 service results were achieved before the standards for the two new components were set, the companies are unable to adjust their actual performance to meet those new standards. It is, therefore, reasonable to defer the effective dates of the two new components, trunk blockage and answer time for business office calls, to year 2001 anniversary dates.

## **ORDER**

### **THE COMMISSION ORDERS:**

1. This order shall be effective upon mailing.
2. For purposes of computing the increase in the productivity offset for inadequate service quality for price-regulated telecommunications utilities for the 2000 anniversary dates, the industry-wide standards for the quality of service components shall be:
  - a. 2.42 days for average time interval for installation;
  - b. (i) 20 annual initial trouble reports per 100 lines company-wide; and (ii) an average rate of all customer trouble reports in an exchange no greater than five per 100 access lines per month for at least 10 months in any calendar-year period;
  - c. (i) 14.56 hours for average time out of service on an average annual company level performance; and (ii) 95 percent of all routine out-of-service troubles cleared within 24 hours for at least 10 months in any calendar-year period;

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- d. 15.10 percent repeat trouble reports;
- e. 20 seconds for average employee answer time for repair calls;

3. The industry-wide standards for trunk blockage and answer time for business office calls shall be calculated as discussed in the Opinion section of this order, but the effective dates are deferred until year 2001 anniversary dates.

4. Jurisdiction is retained.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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See attached Notice of Appeal Rights

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in Wis. Stat. § 227.01(3), a person aggrieved by the order has the further right to file one petition for rehearing as provided in Wis. Stat. § 227.49. The petition must be filed within 20 days of the date of mailing of this decision.

If this decision is an order after rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not an option.

This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

Revised 9/28/98

APPENDIX A

This proceeding is not a contested case under Wis. Stat. ch. 227, therefore there are no parties to be listed or certified under Wis. Stat. § 227.47. However, an investigation was conducted, and the persons listed below participated.

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