

Date Mailed June 28, 2001
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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 2001 and 2002 Price Regulation Filings

05-TI-348

**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 Appendix B shall be used in calculating the adjustment to the productivity offset on the price-regulated telecommunications utility's anniversary date in the year 2001 and 2002.

**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

Docket 05-TI-348

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

The Commission issued a Notice of Investigation on August 4, 2000, for the purpose of establishing industry-wide service quality standards for the year 2001 and 2002 anniversary dates of each price-regulated telecommunications utility. A draft order was circulated to all parties 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 industry-wide standards as set forth in Appendix B are reasonable for use in calculating any increase in the productivity offset for inadequate service quality for price-regulated telecommunications utilities on the year 2001 and 2002 anniversary dates.

### **Conclusion of Law**

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.

### **Standards for 2001 Anniversary Dates**

The standards for 2001 anniversary dates will be measured against 2000 performance. Due to the fact that the year 2000 is over, price regulated telecommunications utilities will have no opportunity to react to these standards. The industry-wide standards for 2000 anniversary dates established in the Commission's order in docket 05-TI-248 (248 Order) will therefore be extended to apply to 2001 anniversary dates.

The 248 Order established two new standards to be effective starting with anniversary dates in the year 2001. Those components are trunk blockage and answer speed for business office calls. In that order, the Commission found that a reasonable industry-wide standard for average answer time for business office calls is 60 seconds on a company-wide annual basis. The Commission also found that 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. The trunk blockage standard for

2001 anniversary dates will therefore be based on the most recent three-year average of 1997-1999 nationwide means, 99.791 percent.

### **Standards for 2002 Anniversary Dates**

Wis. Admin. Code § PSC 163.04(2)(c)(1) provides that, in setting initial industry-wide service quality standards for price-regulated utilities, the Commission shall consider national standards. Wis. Admin. Code § 163.04(2)(c)(10) provides that, on each anniversary date, the Commission shall compute new industry-wide standards based on prior-year benchmarks, service quality information filed by each price-regulated utility on their anniversary dates, and rules or orders regarding quality of service. Therefore, as the Commission concluded in docket 05-TI-157,<sup>1</sup> it is not limited to the use of national standards in setting the service quality standards for subsequent anniversary dates.

The Commission set a standard for 1999 anniversary dates of 20 annual company-wide initial trouble reports per 100 lines, based on a combination of the nationwide ARMIS median and a statewide service quality survey measuring 1996 performance.<sup>2</sup> At that time, greater weight was given to the ARMIS median. This standard was maintained at 20 trouble reports per 100 lines for 2000 anniversary dates.

For the components of average installation interval, average annual time out of service, and percent repeat trouble reports, the Commission set standards for 1999 and 2000 anniversary dates based on the most recent average of nationwide medians. These nationwide medians were

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<sup>1</sup> Findings of Fact, Conclusions of Law, and Second Final Order, docket 05-TI-157, issued May 7, 1999, p.5.

<sup>2</sup> Ibid, p.7.

computed using data reported to the Federal Communications Commission (FCC) in ARMIS reports.

The Commission has now compiled the results of a second statewide service quality survey, depicting 1999 results. This survey includes data on average installation interval, annual initial trouble reports per 100 lines, percent repeat trouble reports, average employee answer time for repair calls, and average employee answer time for business office calls. For annual initial trouble reports per 100 lines, the 1999 Wisconsin median reflected worse service quality than the average of nationwide medians for 1997-1999. For average installation interval, annual initial trouble reports per 100 lines, and percent repeat trouble reports, the 1999 Wisconsin median was better than the 1997-1999 nationwide medians. Wisconsin performance for average employee answer time for repair calls, and average employee answer time for business office calls could not be compared to the nationwide median, since ARMIS does not collect this data.

The previous survey of 1996 results had shown that the Wisconsin median was better than the nationwide median for average installation interval, annual initial trouble reports per 100 lines, and percent repeat trouble reports. None of the measurements showed worse results in Wisconsin than nationwide.

The Commission's goal in setting industry-wide standards is to provide realistic incentives for utilities to provide adequate levels of service quality. In making this determination, the Commission considers what expectations of service quality a reasonable customer should expect. The Commission also realizes, however, that if the standard is set too stringently, price regulated telecommunications utilities may perceive the standards as

unrealistic, and unattainable. The Commission believes that the following standards achieve a balance between these objectives.

For initial troubles per 100 access lines, the Commission finds that the standard should continue to have two parts. The first part of the standard is based on the standard used for 1999-2001 anniversary dates, equal to 20.00. The second part of this standard, based on Wis. Admin. Code § PSC 165.089(8) requires that a company maintain service so that the average rate of all customer trouble reports in an exchange is no greater than five per 100 access lines per month. To meet this part of the standard, a company shall incur no more than five trouble reports per 100 access lines in every exchange for at least 10 months in any calendar-year period. If a company fails to achieve either part of this standard, it will not be considered to have met the industry-wide standard for this component.

For repeat trouble reports, the standard is stated as a percent of initial trouble reports. The Commission finds that the standard of 14.86 percent is reasonable, based on the 1997-1999 average of nationwide medians. This is consistent with the method used in the 248 Order.

For average time out of service, the Commission finds that the standard for this component should continue to have two parts, with one part based on the nationwide ARMIS median and the other part based on Wis. Admin. Code § PSC 165.089(2). The first part of the standard based on the nationwide ARMIS median is 14.05 hours. The statewide survey did not gather information on this component.

The second part, based on Wis. Admin. Code § PSC 165.089(2) will require the clearing of 95 percent of all routine out-of-service troubles within 24 hours. To meet this part of the standard, a company shall achieve the 95 percent level for at least 10 months in any

calendar-year period. If a company fails to achieve either part of this standard, it will not be considered to have met the industry-wide standard for this component.

The Commission finds that the standard for trunk blockage should be based on an average of 1997-1999 nationwide ARMIS medians, resulting in the same standard of 99.791 percent as the standard for 2001 anniversary dates for this component. The statewide survey did not gather comparable information on trunk blockage in this format.

For average employee answer time for repair calls and answer time for business office calls, the Commission finds that the standards of 20 and 60 seconds, respectively, are reasonable, based on a consideration of standards in other states. This is consistent with the method used in the 248 Order. Nationwide actual data for these components is not available from ARMIS reports.

For average installation interval, the Commission finds that the standard of 2.27 days is reasonable, based on the 1997-1999 average of nationwide medians. This is consistent with the method used in the 248 Order.

### **Order**

1. This order shall be effective upon mailing.
2. The industry-wide standards set forth in Appendix B shall be used in computing the increase in the productivity offset for inadequate service quality for price-regulated telecommunications utilities for the 2001 and 2002 anniversary dates.
3. Jurisdiction is retained.

**Dissent**

Commissioner Garvin dissents from the majority's decision regarding standards for 2002 anniversary dates for repeat trouble reports, average time out of service, and average installation interval. The standards for 2002 anniversary dates will be measured against performance in 2001. Since approximately one-half of 2001 is already over, Commissioner Garvin would have preferred to extend the standards from 2001 anniversary dates to 2002 anniversary dates. In addition, a pending rulemaking docket, 1-AC-189, may impact the process of establishing service quality standards for price regulated telecommunications utilities.

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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*(Not a party but must be served)*  
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Industry-Wide Standards for Price Regulated Telecommunications Utilities  
Docket 05-TI-348

<b>Component</b>		<b>Industry-Wide Standard for 2001 Anniversary Dates</b>	<b>Industry-Wide Standard for 2002 Anniversary Dates</b>
Troubles per 100 Lines	Annual Initial Trouble Reports per 100 lines Company- wide	20.00	20.00
Initial Trouble Reports no Greater Than Five per 100 Lines		At least 10 months in each exchange	At least 10 months in each exchange
Repeat Trouble Reports, as a Percent of Initial Trouble Reports		15.10%	14.86%
Average Time Out of Service	Average Annual Company Level Performance	14.56 hours	14.05 hours
	95 Percent of all Routine Out-of- Service Troubles Cleared Within 24 hours	At least 10 months	At least 10 months
Trunk Blockage-Percent of all Measured Trunk Groups in Which at Least 97 Percent of Calls Offered During the Group Busy Hour do not Encounter an all-Trunks-Busy Condition		99.791%	99.791%
Average Employee Answer Time for Repair Calls		20 seconds	20 seconds
Average Employee Answer Time for Business Office Calls		60 seconds	60 seconds
Average Installation Interval		2.42 days	2.27 days