

ENTERED DEC 30 1996

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 825

In the Matter of an Investigation into Service
Quality of U S WEST Communications, Inc.

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ORDER

DISPOSITION: INVESTIGATION OPENED; U S WEST COMMUNICATIONS, INC., ORDERED TO CONTINUE TO FOLLOW STIPULATION ADOPTED BY THE COMMISSION IN ORDER NO. 96-107.

This order is entered under ORS 756.515(4), for the purpose of requiring U S WEST Communications, Inc. (USWC), to address its continuing problems with held orders for primary and additional access lines, and delays in restoring access line service to customers, by continuing to provide alternative service and remedies as set forth in the stipulation appended to Order No. 96-107 through March 31, 1997. The stipulation is set to expire on December 31, 1996. This order extends those remedies in the stipulation for 90 days.

This order also modifies those remedies in the stipulation in two ways. The first of the two modifications is that USWC, in lieu of loaning a cellular phone to residential and business consumers whose request for primary access lines (first line) are not processed by the installation due date provided in section IV of the stipulation, may offer an alternative form of telecommunications service that is comparable to the service ordered by the customer.

The second modification is that USWC shall waive non-recurring charges and provide monthly credits equal to recurring charges for new and existing customers whose orders for additional access lines are not processed and completed within 30 days after the installation due dates set forth in the stipulation. This remedy will apply to all orders for multiple access lines, whether business or residential, except orders from business customers who select the Documentation of Service Delivery Date option in the stipulation.

FINDINGS OF FACT

Order No. 96-104 terminated USWC's alternative form of regulation (AFOR) plan, and the order also adopted a stipulation that addresses USWC's service quality problems regarding held orders for primary and additional access lines, and delays in restoring access line service to customers.

There has been no substantial improvement in USWC's service quality in these regards since the date Order No. 96-104 was entered (April 24, 1996), based upon customer complaint information received by the Commission. Complaints from USWC customers continue to come to the Commission's Consumer Services Division at an alarming rate. Commission records show that USWC customers are as dissatisfied with the company's service now as they were in April 1996, that customers are less happy with USWC service now than they were during calendar year 1994, and that USWC service is perceived to be significantly worse than that provided by other utilities regulated by the Commission.

USWC has entirely too many held orders. In April 1996, the company had 283 primary held orders. In October, the primary held order figure rose to 366.

For the second and third quarters of 1996, USWC was clearing approximately 80 percent of its out-of-service reports within 48 hours. In recent weeks, the figure has been 50 to 70 percent. Historically, the percentage of reports cleared has dropped when Oregon's rainy season begins because of lead cable cracking, which may explain the most recent drop. Commission Staff believes that the service restoral standard should be that at least 95 percent of all reports are to be cleared within 48 hours. Because of the lead cable problem described above, USWC is unlikely to be close to compliance with that standard for at least several months. The standards set forth in the stipulation give USWC incentive to respond to out-of-service reports as quickly as possible.

OPINION

Many of USWC's business and residential customers have experienced delays of several weeks or months before their telecommunications service orders are processed by the utility. These held orders are for initial access line service, or for additional access lines, for business or household uses.

In addition, many of USWC's customers have had their access line service interrupted and experienced long delays before their service is restored by USWC.

USWC's failure to timely process orders for telecommunications service, and to promptly restore access line service to customers who have had their service interrupted, continues to have serious adverse economic and non-economic impacts on Oregon businesses (e.g., disruption of their business operations), residential telephone subscribers (e.g., serious hindrance to their safety and welfare), and the public interest (e.g., substantial and serious impediments to the flow of commerce, economic activities, public safety and welfare).

The Commission has authority to regulate the quality of telecommunications service provided by USWC. ORS 759.035 provides:

Every telecommunications utility is required to furnish adequate and safe service, equipment and facilities, and the charges made by any public utility for any service rendered or to be rendered in connection therewith shall be reasonable and just, and every unjust or unreasonable charge for such service is prohibited.

Moreover, ORS 756.040, as well as ORS 759.035, grant the Commission authority to adopt remedies to address utility service problems. See Garrison v. Pacific Northwest Bell, 45 Or App 523, 527-531, 608 P2d 1206 (1980).

The stipulation adopted by Order 96-107 is set to expire on December 31, 1996. On December 17, 1996, the Commission adopted a new version of OAR 860-023-0055 to deal with service quality standards. The new rule will not take effect until January 1, 1997, and staff will not know for several months whether USWC is complying with the rule. Therefore, it is necessary to protect the customers of USWC by extending the alternative service and remedy provisions of the stipulation for up to an additional 90 days, or until March 31, 1997. By then, with the rule in place, staff can determine whether USWC is in compliance. If the company is not, staff can then recommend that the Commission take appropriate action.

Extending the stipulation for 90 days will not cause hardship for USWC inasmuch as the company will be required to continue to do what it has been doing since the end of April 1996. It will also protect USWC's customers by making certain that there is no gap in this Commission's efforts to obtain good service for them.

Although the Commission is requiring USWC to continue to provide the service remedies described in the stipulation for up to an additional 90 days, it does believe it is necessary to make two modifications to the service remedies described in the stipulation. The first modification relates to the cellular phone loan program. Under this program, residential and business customers who have not timely received their first lines can be given a cellular phone or, in the alternative, receive a basic exchange credit of \$100 per month, or a prorated amount for a portion of a month, to cover the period of time in which the order is a held order. The Commission modifies the stipulation by allowing USWC the option to provide a cellular phone upon demand from a customer, or to provide some alternative form of telecommunications service that is comparable to the service ordered by the customer. This modification will not eliminate the \$100 credit option.

The second modification relates to remedies for held orders for additional access lines. The stipulation dealt only with business customers' orders for additional access lines. The Commission modifies the stipulation so that it now covers all customers, except business customers who have received documentation of service delivery dates from USWC. The Commission concludes there is no good reason to restrict this remedy to business customers.

By way of clarification, when USWC extends its cellular loan program, or begins offering an alternative form of service, separate primary held orders at the same address should be eligible for their own alternative service, if they will receive separate bills once the requested service is installed. This clarification is needed because USWC has been interpreting the stipulation to read that only one cellular telephone per address is required to be provided. This interpretation is not reasonable, and is not consistent with our intent when we approved the stipulation.

Because of USWC's continuing service quality problems, USWC should continue to file with the Commission staff all technical service quality reports that it has been required to file under its alternative form of regulation (AFOR) and Order Nos. 96-107 and 96-240.

ORDER

IT IS ORDERED that:

Except as provided in items 2 and 3 below and clarified above, USWC shall continue to provide alternative service and remedies as described in the stipulation adopted by Order No. 96-107 until March 31, 1997, unless the Commission decides to take action under OAR 860-023-0055 before that date.

With respect to the remedies for held orders set forth in Section IV of the stipulation, USWC may, in lieu of providing a cellular loaner, offer to the customer some alternative form of telecommunications service that is comparable to the service ordered by the customer.

The remedies for additional access lines held orders set forth in Section V of the stipulation shall apply to all customers--not just business customers--except those business customers who receive documentation of service delivery dates from USWC.

USWC shall continue to file with the Commission all technical service quality reports that it has been required to file under the AFOR plan and Order Nos. 96-107 and 96-240.

Made, entered, and effective _____.

Roger Hamilton

Chairman

Ron Eachus

Commissioner

Joan H. Smith

Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR

860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2)(a). A party may appeal this order to a court pursuant to ORS 756.580.