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August 25, 2006

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

RE: Case No. RUR-T-06-1

Dear Ms. Jewell:

Please accept for filing the Staff Report in this case.

Sincerely,

Weldon B. Stutzman  
Deputy Attorney General  
Idaho Public Utilities Commission

cc: Service List

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**STAFF REPORT**

**INVESTIGATION OF**

**RURAL TELEPHONE COMPANY'S**

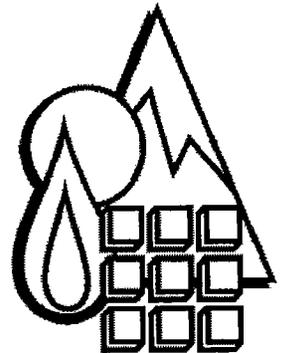
**COMPLIANCE WITH COMMISSION RULES**

**CASE NO. RUR-T-06-1**

**PREPARED BY**

**DANIEL KLEIN**

**August 25, 2006**



**INVESTIGATION OF RURAL TELEPHONE COMPANY'S  
COMPLIANCE WITH COMMISSION RULES**

**STAFF REPORT  
CASE NO. RUR-T-06-1**

**Background**

On December 13, 2005, a formal complaint was filed with the Idaho Public Utilities Commission (Commission or IPUC) by Merlin and Judith Lords regarding the telephone service provided them by Rural Telephone Company (Rural or the Company). On three occasions, toll and 911 services were not available to the residents of Atlanta, Idaho. The outages occurred from November 22, 2005 to November 30, 2005, November 30, 2005 to December 7, 2005 and December 22, 2005 to January 4, 2006.<sup>1</sup> The Lords' formal complaint alleged that Rural failed to comply with several IPUC Telephone Customer Relations Rules (TCRR), adequately respond to outages, take reasonable steps to provide reliable and adequate telephone service, and provide good customer service. On December 15, 2005, the Company sent letters (Attachment 1) to its Atlanta customers, outlining the measures the Company took to restore service. The Company apologized for the delay, but believed the situation was beyond the Company's control. The Company maintained that it made all feasible efforts to restore service in a timely manner, but weather conditions prevented it from restoring service any earlier than it did. Despite the Company's belief that it had responded appropriately, the Company waived the next month's local service fee.

Commission Staff was in frequent contact with the Company during the outages in Atlanta, and presented the Lords' formal complaint to the Commission on January 19, 2006. The Commission issued Order No. 29964 on January 26, 2006, initiating an investigation and directing the Company to respond to the issues identified by the Commission Staff and the Lords. Order No. 29964 directed the Company to specifically respond to the following questions:

- (1) Pursuant to the Commission's Telephone Customer Relations Rules 501 – 503, are customers entitled to a refund of their monthly service charges for December 2005?

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<sup>1</sup> Service was restored briefly on November 30 before going out again that same day.

- (2) Did the Company adequately respond to the reports of service outage by customers?
- (3) What steps, if any, should the Company take to mitigate the possibility of outages caused by winter snowfalls?
- (4) Does the Company experience network congestion, and if so, what remedies are available?
- (5) Are the Company's directories in compliance with the Commission's Rules?
- (6) How does the Company ensure it properly identifies customers as residential or business in compliance with the terms of its tariff?

The Company also was directed to respond to other related questions presented to it by the Staff.

On February 8, 2006, Commission Staff sent the Company a production request consisting of 48 questions. The production request gave the Company until March 1, 2006 to respond. On March 1, 2006, the Company requested a two-week extension. Commission Staff received the Company's response on March 15, 2006. Since that time, the Staff requested additional information and has continued to discuss the identified issues with the Company. Staff carefully analyzed information provided by the Company as well as the Commission's informal complaint records.

### **Provision of Service to Atlanta**

Rural Telephone Company has 39 access lines currently serving 37 customers in Atlanta. Rural provides local service, long distance service, custom calling features, payphone service, directory assistance, off-premise extension service, dial up internet service, and high-speed satellite internet service.<sup>2</sup>

Atlanta, Idaho, is in a remote location and not easily accessible. It is located in Elmore County at the base of the Sawtooth Mountains. During non-winter months, the Company accesses all facilities serving Atlanta by truck. During the winter, microwave facility access is possible only by snowmobile and helicopter due to heavy snowfall.

The facilities serving Atlanta have the following configuration. The Atlanta central office has a Redcom MDS switch that provides the local service. Long distance and 911 services are provided over a Qwest T1 circuit originating in Boise. The signals are sent via microwave

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<sup>2</sup> Dial up internet and high-speed satellite internet service are not regulated by the IPUC.

carrier from Qwest's Deer Point microwave site to Rural's Prairie central office. The microwave signals are then sent from the Prairie central office to Rural's microwave repeater on Trinity Mountain. The signal continues from Trinity Mountain to the James Creek Summit microwave repeater and on to the central office in Atlanta. The microwave repeaters at Trinity Mountain and James Creek Summit operate full time by battery power. Solar panels are the energy source for the batteries and are designed to last for six days without needing to be recharged.

Rural maintains that it currently does not have any onsite employees in Atlanta. Previously, the Company contracted with an Atlanta resident, Norman (Randy) Nye. Mr. Nye was paid a monthly fee to visit the central office in Atlanta weekly to check its security, make sure it was clean, and verify there were no obvious problems in the building. Rural has contracted with other residents in the past for the same services. Rural's utilization of Mr. Nye did cause some Atlanta residents to believe erroneously that Mr. Nye was employed by Rural as an onsite representative. Mr. Nye moved from Atlanta in November of 2005, so the Company is currently sending an employee to Atlanta to perform the same function.

The Company performs routine maintenance on its equipment on a regular basis. The microwave towers serving Atlanta are checked during the summer and shortly before winter weather sets in. At that time, the integrity of the structure is checked as well as the components that make up the system. The Company says it inspects and tests the batteries that supply backup power for the microwave towers.

The microwave repeaters are powered by the batteries, which provide primary electric service to the facilities and are charged by the solar panels. The life expectancy of the batteries is 100% guaranteed for four years, but the Company was verbally assured by the manufacturer that Rural could expect the full battery life to be eight years. The Company states its policy is to replace the batteries every five to six years. At the time of the outages last winter, the batteries were over five years old. The Company has already replaced the batteries at James Creek and intends to replace the batteries at the Trinity location. The Company also plans to install a wind turbine backup system at both sites. The Company purchased two turbines at a total price of \$3,828. It plans to install the turbines in late summer or early fall of this year. The wind turbines will create a backup power system. The Company is also investigating the possibility of installing a system where the excess voltage from the wind turbines would provide power to heat tape attached to the solar panels to help eliminate or alleviate the accumulation of snow and ice on the solar panels.

Depending on circumstances, outages can occur in local service as well as long distance and 911 services. However, local service is provided from the central office to the customers' locations. It is possible for customers in Atlanta to have local service when the long distance is out. The long distance and 911 services are provided by the microwave system and if that is down, customers will not have access to either long distance or 911 services. Only local calling among Atlanta residents would be available in that case.

## **Response to Service Outages**

### ***Methods to Report Outages***

Customers can report outages or other trouble with service provided by Rural by calling the Company, sending an email, or filing a report on the Company's web site.<sup>3</sup> If a customer calls in a trouble report during normal business hours, the customer will speak with the dispatcher directly. If an email trouble report is sent, then Rural's email repository, Lucinda Walker, dispatcher, Chad Gregs, engineer, and Mark Martell, administrative manager will receive it. In some cases, Qwest has alerted Rural to a lack of traffic being sent or received over the network linking the two utilities.

During evenings, weekends and holidays, customers can send an email trouble report or leave a voicemail message for dispatch. The voicemail system time-stamps calls so the Company can determine exactly when a trouble report was placed. The dispatcher will also update the after-hours message with a telephone number so that a customer can contact the on-call Company representative for assistance.

### ***Company Response to Outage Reports***

When an outage notification comes in during regular business hours, the dispatcher takes the information by telephone or email. The dispatcher creates a trouble ticket, which is assigned by email or picked up by one of the technicians in Glenns Ferry. Only one trouble ticket is created for outages affecting all customers in a specific area. The technician will contact the customer if possible to have the customer check their service at the network interface device at his or her house or business. If the customer does not have a dial tone at the interface, or if the customer claims to have already checked or refuses to check, then a technician will be dispatched. The technician informs the customer that if the cause of trouble is found to be on the

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<sup>3</sup> Customers with satellite internet service are not affected by telephone service outages.

customer's side of the network interface, the customer will be billed a trouble isolation charge of \$10.

The technician starts by checking the customer's service at the central office, and then checks for problems between the central office and the customer's location until the problem is found. The technician completes the work and sends the ticket back to the dispatcher. Then the dispatcher enters the repair information into Rural's repair system. Tickets are not necessarily closed in the Company's system at the precise time that trouble is actually cleared or service is restored, which creates a recordkeeping problem described later in this report.

During evenings, weekends and holidays, the Company checks for email or voicemail trouble reports at 8 am, noon and 4 pm. The dispatcher also leaves the contact number of the person on-call on the Company's voicemail message. If there is trouble or an outage affecting only one customer, a technician will probably not be dispatched until the next morning. If it is a widespread outage or trouble, or if it's a life-threatening emergency, technicians are dispatched immediately.

Rural has seven employees that may respond to reported trouble and outages. Four of these employees do outside fieldwork. These technicians are based out of Glens Ferry and occasionally respond to technical problems occurring in Rural's other service territories outside Idaho. The Company claims that all technicians are fully trained in every aspect of its business, and are equipped to travel to remote and rugged locations via all-terrain vehicles and snowmobiles as required.

The Company has procedures in place that are to be followed before dispatching technicians during adverse weather conditions. When technicians receive a report of outage or trouble in a remote area such as Trinity Mountain or James Creek Summit during the winter, they first check for avalanche danger using [www.avalanche.org](http://www.avalanche.org) before responding. The website contains general information about avalanche conditions throughout the United States, with more detailed information available for northern Idaho (Panhandle) as well as the Sun Valley and McCall areas. The technicians use that information to determine how safe it is to travel to and from the affected locations. Because the Company does not have employees based in Atlanta, the Company must evaluate conditions both in Atlanta and along available routes from Prairie to Atlanta. Once the technicians have been dispatched, they travel as far as conditions allow and make onsite visual assessments of travel and avalanche conditions to determine potential risks.

### ***Outage During the Winter 2005-06***

Residents of Atlanta reported, and the Company confirmed, three lengthy outages lasting several days each in the Atlanta area this past winter. The first outage was from 8:16 am November 22, 2006 to 1:50 pm November 30, 2005. The second outage was from 4:00 pm November 30, 2005 to 10:04 am December 7, 2005. The third outage was from 2:31 pm December 22, 2005 to 12:01 pm January 4, 2006.<sup>4</sup> The Company maintains that local service was available at all times, but long distance and 911 services were not available during those outages.

Customers reported reaching an “all circuits busy” recording when attempting to place calls during the outages. Rural indicated that if the microwave facilities are down, customers will receive an “all circuits busy” message when they try to make a long distance call or access 911.

Overcast skies and heavy snow, which accumulated on the solar panels, prevented the solar panels from recharging the batteries that power the microwave repeaters. The batteries did not provide the expected six days worth of power, causing service outages not long after the solar panels stopped functioning. The Company was delayed in accessing its facilities to fix the problems due to the remote location of the microwave repeaters and the poor weather conditions at or leading to those locations. Terrestrial travel was deemed not to be feasible. The Company tried to access the Trinity Mountain location by air several times during the outages, but it was too windy for the helicopter to land.

Further complicating matters, the outages occurred during the Thanksgiving, Christmas, and New Year’s holiday season. The Company also had a technician dispatched out of state on November 30, creating a shortage of available personnel during the first outage.

### ***Company’s Response and Staff Recommendations Regarding Outages***

During the winter of 2005-06, Rural’s customers in Atlanta experienced unusually long periods with no access to 911 service or the long distance network. Even though customers had access to local service, an outage of long distance and 911 services ranging from one to two weeks in a remote area with limited services is unacceptable.

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<sup>4</sup> As noted previously, the time of day given may not reflect the exact moment service was restored. Staff believes the dates to be accurate, however.

In response to the Commission question regarding what steps have been or should be taken to mitigate the possibility of outages caused by winter snowfalls, the Company reported that it is moving in the right direction to mitigate the possibility of outages caused by winter snowfalls by purchasing two backup wind turbines for the microwave repeaters. Once installed, there will be two separate power sources for charging the batteries for the repeaters, making the service more reliable. The Company also adjusted the position of the solar panels at James Creek and it plans to adjust Trinity in late summer or early fall of this year in the hopes of maximizing the direction and angle of the winter sun. The Company is also investigating the use of heat tape on the solar panels to help eliminate or alleviate the accumulation of snow and ice.

While the Company obviously cannot control the weather and should not expose its employees to dangerous conditions, Staff believes the Company should have more closely monitored the batteries' useful life and ability to hold a charge. It appears that four years (as specified in the warranty) is a more accurate estimate of battery life. Due to the remote location of its facilities and the potential for heavy snow and high winds, the Company should have anticipated this type of situation. The Company maintains it has no way of knowing the batteries for the microwave repeaters are not being recharged by the solar panels until the system goes down. Staff inquired about installing a telemetry system so the Company would know when the microwave towers are being powered by battery backup, but Rural indicated that type of system could not be set up since the repeaters operate full time by battery power. The Company maintains that the only avenues for supplying power to the microwave location are either solar or wind. Neither the Staff nor the Company is experienced with wind turbine generators to power microwave repeaters. The Company has not installed such facilities at any other repeater locations, nor has Staff found any other utilities that have installed similar equipment. Consequently it is unclear to what extent reliability will be improved or whether additional generation facilities are cost effective. Staff has identified other utilities that have alarms operating over telephone lines, which notify the Company when microwave repeaters have switched over to battery backup. Such notification provides utilities additional time to address power issues before an outage occurs, however, this does not appear feasible with the repeaters constantly being powered by the batteries.

In response to the Commission question regarding whether the Company had adequately responded to the customers' reports of service outages, the Company points to the significant challenges posed by both the weather and terrain in the Atlanta area, particularly in winter. The

Company believes it made reasonable efforts to respond to the outages, but was unable to reach its facilities due to weather conditions. The Company believes it worked diligently to keep those customers with satellite internet access up to date on its activities to fix the problem via email and to notify the Commission via phone and email. Staff recognizes the difficulties posed by winter weather and does not believe Company employees should be exposed to dangerous conditions in an attempt to restore service. However, the Company should provide a local message on outage status and possible time frame for repair.

The Commission inquired whether the Company has experienced network congestion, and if so, if there are remedies available. The “all circuits busy” message that plays when long distance and 911 services are down obviously has caused customer confusion. Staff recommends the Company change the message to something that better describes the current situation. The current message has caused customers to believe there is local traffic congestion, when Rural maintains it has never had such a problem. The message should be changed to reflect the part of the system that is not currently available. For example, possible replacements would be: “long distance service is currently not available,” “your call cannot be completed at this time,” and/or “the calling network you are trying to use is currently not available.” During extended outages, perhaps the message could be updated to provide information on the specific outage and estimates for restoration of service.

### **Monthly Service Charge Refunds**

The Commission questioned whether pursuant to the Commission’s Telephone Customer Relations Rules 501 – 503, customers in Atlanta were entitled to a refund of their monthly service charges for December of 2005. The Commission’s Telephone Customer Relations Rules (TCRR) 501, 502, and 503 govern repair service standards. Rules 501 and 503 indicate that the telephone company must restore local telephone service within sixteen hours after the report of an outage if the customer notifies the telephone company that the service outage creates an emergency for the customer, or must restore service within twenty-four hours if no emergency is made known to the company. Outages reported between 12:00 pm on Saturday and 6:00 pm on the following Sunday must be restored within forty-eight hours or by 6:00 pm on the following Monday, whichever is sooner. If the telephone company does not restore service within the specified times, the telephone company must provide credit to the customer’s account for an amount equal to the monthly rate for one month of basic local exchange service.

Rural maintains that Atlanta customers were never without local service during the three periods in question. However, it elected to provide each Atlanta customer a credit in January equal to one month of basic local exchange service: \$21.63 for residential customers and \$40.68 for business customers. Staff does not recommend any further billing credits for customers even though the lengthy outages of long distance and 911 access occurred during three separate months. Since local service was available, no credit is required under TCRR Rule 502.02. The rule doesn't require local exchange companies to provide a billing credit in the event that either long distance or 911 service is out. This is not to say that these services are not important or that Rural acted inappropriately in providing one month's billing credit to its customers in Atlanta. Staff simply recognizes that the Commission's rules require credit only in the event that local service is out.

During Staff's investigation, it has become apparent that Rural has not been keeping precise records of when trouble tickets are actually closed. Rural's dispatcher will close tickets at the end of the day or when she has time. Not closing trouble tickets when the trouble is actually cleared or service is restored makes the Company's repair records inaccurate and makes it difficult to determine with any degree of certainty whether the Company is in compliance with TCRR Rule 502 and 503. The Company's practice of only creating one trouble ticket for outages affecting multiple customers also creates a recordkeeping problem.

Given the remote location of Atlanta and the difficulty of timely reporting outages to the Company, Staff believes it is appropriate for Rural to consider a local service outage affecting multiple customers as having been reported individually by those customers for purposes of giving billing credits, if necessary. The Company's policy of creating only one trouble ticket for an outage affecting multiple customers is reasonable if the Company also tracks the number of customers affected by each outage event.

The Company needs to be more diligent in keeping the Commission apprised of extended outages and monitoring compliance with Commission rules. Staff recommends that the Company provide outage reports to the Commission for any local or long distance service outage affecting customers in Atlanta for a period of 24 hours or more. Follow-up notice should be provided indicating how many customers were affected and when the trouble was cleared. Requiring the Company to report extended outages will allow the Commission to verify that the Company is issuing billing credits appropriately.

## **Classification of Service**

At the time of application for service, customers are required by Rural to designate the class of service for which they are signing up. On the Company's application form, the customer must select either residential or business class of service. The Company indicated that when customers sign up for residential service, the Company advises its customers that if it is discovered that the line is being utilized for business purposes, the customer will be notified via letter and billing will be switched to business rates. When the Company becomes aware that a residential line is being used for business purposes, the Company pursues proof of a business use. Typically, the Company's first indication of business use of a residential phone line is when the customer answers the phone using a business name. After this initial discovery, the Company follows up with internet searches to determine if the customer's phone number is being advertised as a business. The Company also performs a direct name and phone number query using internet search engines. If the Company finds what it considers proof of business activity, it changes the customer to a business class of service and sends a letter notifying the customer.

The Company's tariff defines residential and business service as follows:

### **Residence Rates Apply:**

In private residence where business listings are not provided and telephone service is not used for the conduct of business.

In the place of residence of a clergyman, physician, or other medical practitioner provided the subscriber does not maintain an office in the residence.

### **Business Rates Apply:**

At any location where activities are of a business, trade, or professional nature.

At any location where the listing of service at that location indicates a business, trade or profession.

Where only one network access line is provided at a location which is both a residence and a business.

At schools, hospitals, libraries, churches, and other similar institutions.

2<sup>nd</sup> Revised Sheet No. 27

*Idaho Code* Section 62-603 (9), defines residential customers as: "persons to whom telecommunications services are furnished at a dwelling and which are used for personal or domestic purposes and not for business, professional or institutional purposes." *Idaho Code* Section 62-603 (11), defines small business customers as "a business entity, whether an

individual, partnership, corporation or any other business form, to whom telecommunications services are furnished for occupational, professional or institutional purposes, and which business entity does not subscribe to more than five access lines which are billed to a single billing location.”<sup>5</sup>

The IPUC’s Telephone Customer Relations Rules defines residential telephone service as “telecommunications service furnished and maintained at a dwelling *primarily* for personal or domestic purposes and not for business, professional or institutional purposes, i.e., service provided to residential customers as defined in Section 62-603(9), Idaho Code” (emphasis added). Small business telephone service is defined as “telecommunications service furnished to a business or institutional entity, whether an individual, partnership, corporation, association or other business or institutional form, for occupational, professional, or institutional purposes, to customers who do not subscribe to more than five local access lines within a building, i.e., service provided to small business customers as defined in Section 62-603 (11), Idaho Code.”

***Staff findings and recommendations regarding classification of service***

The proper classification of service is an important issue. The Company views improper classification of a business customer as a residential customer as lost revenue. Business lines are used to generate income, and, from a network usage perspective, business lines also tend to have more minutes of use than residential lines. A business classification also gives the customer a listing in the business section of the telephone company’s directory. Customers with business service have the option of purchasing additional advertisement in the telephone company’s directory. The higher value of business service is reflected in higher rates. The difference in cost of residential and business service is what drives some home-based small businesses that do not need a business listing or directory advertising to attempt to operate under residential rates. This desire to economize is certainly understandable.

The Company’s tariff, Idaho statutes and the IPUC’s Telephone Customer Relations Rules all present subtle differences in definitions for residential and small business service. The Company’s tariff, which was approved by the Commission, requires little judgment in its

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<sup>5</sup> If a customer has more than five access lines, then his or her service is regulated under Title 62 of the Idaho Code, rather than Title 61. Title 62 prescribes different regulatory requirements than Title 61, including the ability of telephone companies offering services covered under Title 62 to establish rates without Commission oversight or approval.

application. If the service is used for business purposes, it is deemed a business service, with limited exceptions.

According to the IPUC's rules, classification is dependent upon the *primary* nature of use. In today's world, it is not uncommon for incidental business use to take place at residences. In fact, some local exchange carriers offer home office packages to customers at residential rates. In its tariff, Rural recognizes the need to allow for incidental business use at residences in some instances: "In the place of residence of a clergyman, physician, or other medical practitioner provided the subscriber does not maintain an office in the residence."

Under the definition in IPUC rules, the use of residential telephone service for business purposes does not automatically trigger a change in the classification to business service. It is the degree to which a residential telephone is used for business purposes that dictates the classification of the service. If a question arises about classification, the Company must determine the primary use of the service. It should employ reasonable investigatory methods and apply criteria designed to distinguish whether a customer is operating a business and is in fact using residential telephone service primarily for other than personal or domestic purposes.

The Commission has asked how the Company ensures that it properly identifies customers as residential or business in compliance with the terms of its tariff. Based on Staff's investigation, the Company does appear to follow its tariff by applying a business rate if the line is determined to be used for business purposes. However, the tariff does not comply fully with the requirements of the Commission's rules, which requires that the line be used primarily for business purposes before a business rate is charged. Staff recommends the Company revise its tariff to better align it with the Commission's rules requiring a determination of primary use. Once the tariff is modified, Staff believes it is the Company's responsibility to use reasonable judgment consistently in deciding whether to change a customer's service class from residential to business. If a customer who is reclassified disagrees with the Company's determination, the customer is entitled to file a complaint with the Commission.

The Commission has been called upon in the past to settle disputes that have arisen over service classification. In one such case (Case No. U-1038-9), the Commission determined that a customer who was conducting door-to-door sales and using a residential telephone number on promotional material did not justify reclassification as a business. (Attachment 2)

## **Review of Company Directory**

The Commission has asked if the Company's directory is in compliance with the Commission's Rules. Staff has reviewed the Company's directory to determine whether that document is in compliance with Commission's Telephone Customer Relations Rules (TCRR) and Telephone Customer Information Rules (TCIR). Staff found the directory in Compliance with one exception. The Company failed to include the Commission's address and the required statement that if a dispute cannot be resolved directly with the telephone company, a complaint may be filed with the Commission as required by TCRR Rule 601. The Company worked with Commission Staff to make the necessary addition, which will be included in this year's directory. The Company has also provided a copy of a summary of the Commission's rules that will be included in the directory (Attachment 3). While Staff appreciates the Company's willingness to include the summary, we recommend that the Company be directed to work with the Staff in modifying the summary prior to publication and distribution of the directory to improve clarity and enhance the information provided.

## **Customer Service Training**

Because the quality of interaction with customers by the Company during the outages is at issue, Staff investigated the Company's customer service training procedures. The Company's Customer Service Training Manual is a reference guide provided by the Foundation for Rural Service (FRS). Its stated use is to provide a template for companies to use in providing guidance to customer service representatives and company employees to answer customer questions. FRS strongly recommended that the companies using the template customize it to be company-specific. Apparently Rural has not customized the template and does not have any company-specific customer service training materials for its employees.

### ***Staff Findings and Recommendations Regarding Training***

The Company does not appear to provide any company-specific customer service training or training materials for its employees. Given the unique characteristics of Rural's service areas, particularly those in Atlanta, Staff recommends that the Company prepare training materials to help its employees, especially those who work directly with customers, understand Company policies and practices, particularly with respect to extended outages.

## Summary

During its investigation, the Commission Staff looked into the issues raised in the Lords' formal complaint against Rural Telephone Company as directed by the Commission in Order No. 29964. The Company willingly worked with Staff to understand the service configuration and the outage situation that occurred in 2005. The Company has adjusted its solar panels to improve reliability and has committed to install two wind turbines to provide redundancy in power supply for its microwave repeaters. While the Company has not proposed any specific changes in the way it handles outage situations, it did provide a full month of service credit to its customers in Atlanta, which that exceeds the requirements of the rule. The Company appears to have complied with its tariff as written, but needs to revise its tariff to be consistent with Commission rules and use reasonable judgment in determining business service. Finally, the Company has worked closely with Staff to bring its directory into compliance with Commission Rule 601 and to provide a summary of all Commission rules. To help minimize problems in the future, Staff recommends that Rural be directed to take the following actions to address the identified problems:

- (1) Monitor batteries at microwave tower sites and replace as necessary at least once every four years;
- (2) Further investigate the possibility of identifying as soon as possible when batteries provide power supply without recharge for extended periods.
- (3) Evaluate the need and cost-effectiveness of additional backup power sources for microwave tower sites;
- (4) Change the "all circuits busy" message to one that accurately informs customers of an outage situation;
- (5) Correct deficiencies in its repair recordkeeping, including closing trouble tickets when repairs are completed and/or trouble cleared and documenting outages affecting multiple customers to comply with Rule 503;
- (6) Provide reports to the Commission regarding any extended outage affecting multiple customers in its Atlanta service territory and lasting 24 hours or more;
- (7) Provide follow-up notice to the Commission indicating how many customers were affected and when the trouble was cleared and/or service restored;

- (8) For purposes of giving bill credits, if necessary, consider a local service outage in Atlanta that affects multiple customers as having been reported individually by those customers regardless of the number of customers actually reporting;
- (9) Revise its tariff regarding reclassification of residential customers as business customers to be consistent with the Commission's rules;
- (10) Provide employees with company-specific customer service training and training materials, and
- (11) Work with Staff to revise the summary of rules prior to this year's publication and distribution of the Company's telephone directories.



December 15, 2005

RE: Service Outage  
Atlanta Subscribers

Dear Rural Telephone Company Subscriber:

The purpose of this letter is to inform you regarding the resolution measures Rural Telephone Company undertook to restore service to the Atlanta area during the recent outage. First, we apologize for the inconvenience. We understand how important phone service is, especially to remote locations.

The phone service went down on November 30<sup>th</sup>. Due to heavy snows and the threat of avalanche we were unable to reach the area until Monday December 5<sup>th</sup>. Although attempts were made, the area was simply impassable even by snowmobile.

On December 5<sup>th</sup>, engineers and technicians went to James Creek and cleared off the solar panels and checked the battery. Service came up briefly then went down again. There were no open trails so the technicians had to blaze their own trails; which was an all-day process.

On Tuesday, December 6<sup>th</sup>, arrangements were made to fly to Trinity to clear the solar panels there, however for safety reasons, the pilot refused to fly to due heavy fog.

On Wednesday, December 7<sup>th</sup>, our technicians flew by helicopter to Trinity and cleared the solar panels. Service was up before noon on this date and has been up since.

We earnestly apologize for the delay in restoring service, however the severe weather conditions made the situation beyond our control. Rural Telephone Company will be waiving your next month's local service exchange fee (Residential \$21.63 / Business \$40.68) as an extension of our sincere regrets.

We appreciate and value your business.

Sincerely,



Mark R. Martell  
Administrative Manager

MRM/sec

Decision Memorandum  
Attachment 3  
1/19/06 Page 2 of 2

Attachment 1  
Case No. RUR-T-06-1  
Staff Report

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMMISSION'S )  
INVESTIGATION ON ITS OWN MOTION OF )  
THE CONSTRUCTION OF SILVER STAR )  
TELEPHONE COMPANY'S TARIFFS ON )  
RESIDENTIAL AND BUSINESS SERVICE )

CASE NO. U-1038-9

ORDER NO. 18102

The Commission initiates this formal proceeding on its own motion in response to an informal complaint received from a customer of Silver Star Telephone Company. The gist of the complaint was that Roberta Chugg, a customer of Silver Star who is a door-to-door saleswoman of Avon Products, objected to Silver Star summarily changing her home telephone number or forcing her to pay a business rate for her home telephone rather than a residential rate simply because her home telephone number appeared on the pamphlets or cards that she distributed to her customers in her door-to-door sales. Silver Star contended that it was entitled to charge her a business rate for her home telephone because her pamphlets or cards constituted advertising her home telephone for business purposes.

We disagree. Silver Star's own tariffs define business and residential service in terms of actual or obvious predominant uses or primary uses. See pages 4, 12, 101. No reasonable interpretation of those tariffs permits Silver Star to require a customer whose business is primarily conducted by door-to-door sales, but who gives her home telephone number to customers, to insist that the customer's home telephone has an "actual or obvious predominant [business] use" and insist that the customer change her telephone number or pay for her home telephone at the business rate. This being the case, we therefore direct Silver Star Telephone Company to restore Chugg's telephone number, to

charge her for service at the residential rate, and to refund the excess of any service charges above the residential rate for any period during which they were collected during 1983.

Finally, Silver Star apparently questions the authority of the Consumer Assistance Division to mediate informal complaints and disputes. We emphasize that mediation of these disputes is one reason why the Division was created, and we expect regulated utilities to give the Division its full cooperation in resolving such disputes. The Consumer Assistance Division is the Commission's agent for handling informal complaints. See Rules of Practice and Procedure, §§6.5 and 6.6(b).

O R D E R

IT IS THEREFORE ORDERED that Silver Star Telephone Company restore Roberta Chugg's telephone number to the number that she had at the beginning of this year, unless Silver Star Telephone Company receives her written permission to the contrary.

IT IS FURTHER ORDERED that Silver Star Telephone Company refund to Roberta Chugg any charges during 1983 for basic exchange service at a rate exceeding the residential rate.

IT IS FURTHER ORDERED that Silver Star Telephone Company charge Roberta Chugg for basic exchange service at the residential rate rather than the business rate.

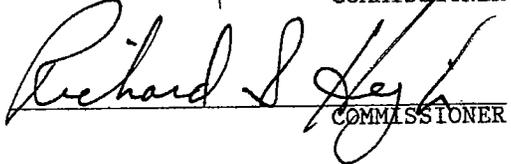
IT IS FURTHER ORDERED that Silver Star Telephone Company file with this Commission on or before Friday, June 17, 1983, a written statement showing that it has complied with the three previous Ordering paragraphs.

ANYONE having an interest in this Order shall have the right within twenty (20) days from the service date of this Order to apply for a rehearing in regard to any matter determined herein.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this ~~27<sup>th</sup>~~ day of May, 1983.

  
\_\_\_\_\_  
PRESIDENT

  
\_\_\_\_\_  
COMMISSIONER

  
\_\_\_\_\_  
COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
SECRETARY

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## INTEREXCHANGE CARRIER TARIFF/PRICE LIST FILINGS - IDAHO

### Rules

The following lists pertinent Rules promulgated by the Idaho PUC and briefly highlights some of them. This is done solely to guide readers to the appropriate rules and should not be relied on as a complete analysis. Reader should refer directly to the rules for completeness and accuracy.

#### IDAPA 31.41.01 - The Telephone Customer Relations Rules

Rules 101 through 110 - **Deposit Requirements.** Interexchange carriers may ask for a reasonable security deposit. The Company must pay simple interest at the rate determined by the Commission. Company must refund deposit and interest upon termination of service or when customer demonstrates good credit and may refund the deposit at any time. Deposits are not transferable between customers except at customer's request.

Note that there are no provisions for "advance payments" in the rules. Advance payments may be required to pay for extraordinary costs that will be incurred to provide service and must be credited to the first billing where the service is provided. Billing for one month's rate for flat rate services in advance of usage is allowed. Renewable advance payments that act like deposits ARE NOT ALLOWED. The deposit requirements described above are the maximum amount of "security" that may be held over time, and the company must pay interest on these amounts.

Rules 200 through 299 - **Billing.** Written requests for payment must itemize recurring charges and governmentally imposed taxes and surcharges as specified in the rules. MTS bills must also itemize the number called, the date, time, duration, destination and charge for each call and any additional surcharges. This section also discusses bill due dates and periods when adjustments for erroneous billing are required. Company shall not bill for unanswered or unaccepted calls or for services not ordered or authorized. Charges for disputed items shall be removed within two billing cycles from when the customer notified the company.

Rules 300 through 399 - **Denial, Restriction and Termination of Service.** These rules list the requirements for notice to customers prior to denying, restricting or terminating service. The Company may agree to payment arrangements enabling the Company to serve a customer with an outstanding bill. A customer failing to pay undisputed charges may lose 0+, 0- and 1+ service.

Rules 400 through 500 - **Complaint Procedure.** Upon receiving a complaint, a telephone company shall promptly and thoroughly investigate it and notify the customer of its findings. If the customer is dissatisfied with the Company's response or resolution, the customer may request the Commission to review the complaint. The telephone company shall not terminate service while a complaint is pending.

#### IDAPA 31.42.01 - Telephone Corporation Rules

All telephone corporations (except mutual nonprofit or cooperative corporations) that did not provide service on January 1, 1988 are required to file a notice with this Commission before offering telecommunications services in Idaho. The data required in this notice are enumerated in Rule 202.02. This notice must be updated at least annually, between December 1 and December 31 and whenever there is a change.

Each long distance company is required to pay annual regulatory fees not to exceed 0.3% of the company's Idaho gross operating revenue, but not less than \$50. The Commission may audit Title 62 companies to verify information, and failure to pay will result in interest assessments, possible legal action and penalties. Title 62 Idaho Code

#### IDAPA 31.46.01 - Universal Service Fund (USF) Rules

Providers of intrastate MTS and WATS services shall pay an assessment determined by the Commission for all intrastate long distance minutes. The amount will be remitted monthly to the USF administrator (and a summary report must be filed annually) unless other arrangements are made. These funds are distributed to high cost local exchange companies to provide reasonably low rates for telephone services. The amounts may be recovered through billings to customers. Resellers who may qualify for exemptions, must apply according to this rule.

#### IDAPA 31.46.02 - Telecommunication Relay Services (TRS)

Providers of intrastate MTS and WATS services shall pay an assessment determined by the Commission for all intrastate long distance minutes. The amount will be remitted monthly to the TRS administrator unless other arrangements are made. These funds are used to provide telephone services for the hearing impaired. The amounts may NOT be recovered through billings to customers and should be considered part of the cost of providing services. Resellers who may qualify for exemptions, must apply according to this rule.

#### IDAPA 31.51.01 - Operator Services/Pay Telephone Rules

**Operator Service Providers** - must post on or near their telephones specified contact information, no-cost procedures for getting rates and charges, dialing instructions, and other pertinent information. All 0- access to emergency service must be passed to the underlying carrier unless the OSP secures an exemption from the PUC. Instructions are included in these rules. OSPs are prohibited from blocking access to other OSP's and MTS companies and must accurately transmit dialed numbers of calls using 950, 800 and 1010xxx numbers. OSP calls must be double branded.

**Pay Telephones** - owners and/or customers of record of pay telephones must use instruments that comply with federal requirements. Pay telephones must ring when calls are placed to them (unless waived by the PUC), must accurately transmit dialed numbers of calls using 950, 800 and 1010xxx numbers, and must have a keypad or dial that remains engaged during the call. Pay telephones must allow coin-free and emergency 911 access, ensure privacy, be well-lit and properly labeled. Privately-owned pay telephones must be connected only to public access lines.

In addition to many of the previous requirements, pay telephones used at institutions of confinement must display pricing and PUC information and make the name and address of the payphone owner/OSP available to telephone customers accepting calls from pay telephone instruments. Some of the restrictions pay telephones may not apply to service provided at institutions of confinement.

#### IDAPA 31.51.02 - Automatic Dialing and Announcement Devices (ADADs)

ADADs may not make unsolicited calls between 9:00 a.m. and 9:00 p.m., may not call public safety numbers, nonpublished or unlisted numbers, and must automatically disengage when the called party hangs up

**Idaho Code § 28-22-105 - Dishonored Checks**

Whenever a check has been dishonored by nonacceptance or nonpayment and has not been paid within fifteen (15) days, the holder may assess a collection cost not to exceed \$20.00 or the face amount of the check, whichever is the lesser. The holder of such check must send a notice of dishonor as provided in § 28-22-106, Idaho Code, to the drawer at his last known address.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25<sup>TH</sup> DAY OF AUGUST 2006, SERVED THE FOREGOING **STAFF REPORT**, IN CASE NO. RUR-T-06-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

MARK MARTELL  
OFFICE MANAGER  
RURAL TELEPHONE COMPANY  
892 W MADISON AVE  
GLENN'S FERRY ID 83623

MERLIN & JUDITH LORDS  
PO BOX 37  
ATLANTA ID 83601

  
\_\_\_\_\_  
SECRETARY