Q.Please state your name and business address for the record.

A.My name is Beverly Barker.  My business address is 472 West Washington Street, Boise, Idaho.

Q.By whom are you employed and in what capacity?

A.I am employed by the Idaho Public Utilities Commission as Director of Consumer Assistance.

Q.What is your educational background and relevant employment history?

A.I received a Bachelor of Arts Degree in Political Science and Sociology from Indiana University in 1974.  I am a Certified Professional Mediator.  I have attended the NARUC Regulatory Studies Program and have taken many professional and graduate-level courses on public administration, management, conflict resolution and consumer affairs.  I have served on the faculty of the Center for Public Utilities at New Mexico State University and the NARUC Regulatory Studies Program at Michigan State University.  I served as Chair of the NARUC Staff Subcommittee on Consumer Affairs from 1990-1993 and am still a member of that subcommittee.  I have been employed by the Commission since December 1976 and have been in my present position since January 1983.

Q.What issues will you be addressing in your testimony?

A.First, I will address U S WEST Communications’ (U S WEST or Company) performance with respect to service quality, held orders, and accessibility to customers.  I will then discuss the part of the Alternative Regulation Plan that addresses service-related issues: the Service Guarantee Program.

COMPANY PERFORMANCE

Q.Please describe the method by which you gauge regulated utilities’ performance in the area of area of customer relations?

A.The primary means by which the Commission Staff (Staff) is able to assess utility customer relations is through analysis of complaints, inquiries, and comments made by regulated utilities’ customers to the Commission’s Consumer Assistance Staff.  The Staff analyzes its investigatory records to get both a statistical and substantive picture of what problems customers are having, what is causing those problems, how or whether those problems are being resolved, and what could be done to prevent similar problems from recurring in the future.  Complaints, inquiries and comments are categorized and coded to facilitate retrieval and analysis of information gathered in the course of investigating and resolving a dispute or providing a response.

Q.Have you done such an analysis for U S WEST? A.Yes.  For this particular case (USW-S-95-4), I focused on U S WEST’s performance with respect to business and repair office accessibility as well as repair, installation and held order issues.  Because this case only pertains to U S WEST’s southern Idaho service territory, records involving U S WEST’s northern Idaho customers have been excluded from the analysis.

Q.What were the results of your analysis?

A.Complaints and inquiries concerning U S WEST have reached an unprecedented level.  Year-to-date customer contacts concerning delays in installation have increased 167% over the end-of-year totals for 1994.  For corresponding time periods, contacts concerning repair problems have increased 64%.  Staff Exhibit Nos. 105 through 107 provide more detailed information on the number and type of complaints and inquiries received during the past five years.  The rapidly rising complaint levels clearly indicate that U S WEST is having difficulty meeting its customers’ needs and expectations.

Q.Do complainants who contact the Commission represent the bulk of customers who have experienced problems?

A.No.  Although complaints provide valuable insight into customers interactions with utilities, complaints filed with the Commission are only a fraction of the total universe of problems encountered by customers.

ACCESSIBILITY

Q.Please describe the Company’s performance during 1995 with respect to accessibility.

A.Customers have reported difficulty in reaching U S WEST by telephone, particularly with respect to the repair office.  More than 20% of the customers filing complaints with the Commission regarding service quality have experienced busy signals, long hold times and disconnections while working their way through

U S WEST’s automated voice response unit.

REPAIR

Q.What concerns have there been with respect to repair of service?

A.Problems include the Company’s failure to: restore service within 24 hours; fix a service problem the first time it is reported by the customer; and keep an appointment if a technician must visit a customer’s premises.  More than 40% of the service quality complaints involved repeat trips by U S WEST in order to get the problem resolved.  While many of these complaints concerned trouble that was intermittent in nature, some involved second and third lines that the Company failed to fix when primary line service was repaired.  In most of these cases involving secondary lines, U S WEST noted that the repair ticket did not mention problems with additional lines.

More than 14% of the service quality complaints included a discrepancy between information provided by the complainant and that reported by

U S WEST.  The discrepancies noted include: whether or when the customer notified the Company of the problem; the number of calls the customer made to report a problem before it was fixed; and incorrect or incomplete records of customer-provided information.

INSTALLATION OF SERVICE & HELD ORDERS

Q.What problems have occurred with respect to installation of service?

A.Problems include the Company’s failure to: promptly provide service; promptly advise the customer of potential delays in getting new service in areas where no facilities are available; advise the customer of the status of a held order; and keep an appointment if a premises visit is required.  Growth is playing a significant role in the installation backlogs, with two-thirds of the complaints about delayed service installation involving new construction.  Roughly one-third of the delays in both existing neighborhoods and new developments were due to lack of available facilities; another third were caused by defective outside plant that required repair before service could be provided.  Other significant factors contributing to delay were engineering backlogs and central office problems.  Five percent of the complaints regarding delays in installation would not have been considered held orders by U S WEST because the reason for the delay was lack of available outside plant technicians rather than lack of facilities.  Affected customers experienced delays of up to two weeks even though facilities were available.  U S WEST’s target interval for installation of service is two days.

Thirteen percent of the complaints involved a situation where the Company did not keep a scheduled repair appointment.  Missed appointments are particularly irksome to residential customers who must take time off work to wait for a repair technician that fails to appear.

U S WEST is improving in the area of notifying customers of delays prior to the promised installation date.  Nearly a third of the complaints specifically indicated that the customer had been informed of the problems at the time of placing the service order or in advance of the original installation due date.  The majority of complainants, however, had not been so informed.

Q.What other source of information have you used to assess U S WEST’s performance?

A.U S WEST now files monthly reports with the Commission regarding its performance with respect to its internal Basic Service Measurements (BSM) and service restoral within 24 hours.  The BSM report has eight indicators covering missed commitments, installation and repair intervals, held orders, and business and repair office access.

Q.What have the BSM reports shown?

A.In general, the BSM reports show the Company has been unable to meet many of its targets.  Recently, there has been improvement in accessibility, but a decline in performance with respect to missed commitments for both repair and installations.  During the past year, the percentage of out-of-service conditions restored within 24 hours has fluctuated, bouncing from a low of 63% in August to a high of 87% in September.  September’s high was followed by a decline to 80% in October, the last available month for which we have data.  These measurements are calculated using the method agreed upon in the Alternative Regulatory Plan.

SERVICE GUARANTEE PROGRAM

Q.Please describe U S WEST’s Service Guarantee Program.

A.This program offers customers service alternatives, billing credits, or cash payments as atonement for failing to meet certain Company-imposed time lines or goals.  Although the Service Guarantee Program is part of the Alternative Regulatory Plan,

U S WEST has already proceeded with implementation.  In a letter to Commissioner Nelson dated October 16, 1995, Barbara Wilson, Idaho Vice President of U S WEST, indicated,

As a part of our plan for improving customer service in Idaho, I am pleased to inform you of the results of my effort to gain approval for an early implementation of a “service guarantee” program.... As a gesture of our commitment to service improvement, I have agreement to implement the service guarantee plan on a voluntary basis effective November 1, 1995.

She went on to state,

The guarantee is designed to benefit those individual customers who are inconvenienced as a result of the Company’s inability to satisfy its service commitments.  I believe this approach, as opposed to general sanctions levied against the Company, provides incentives for improving performance while, at the same time, provides some relief to dissatisfied customers.

Q.Do you concur with Ms. Wilson’s statements?

A.Although I believe that Commission-imposed sanctions also can provide incentive for the Company to improve its performance, I agree that offering alternatives or restitution directly to affected customers in situations where the Company fails to meet its service commitments is a better way of linking Company performance to actual customer experience.  In our negotiations, the Company and Staff shared the goal of establishing customer-focused performance standards.  Similarly, the consequences for both achievement and non-achievement must be linked to customers’ needs and expectations.  Establishing the Service Guarantee Program is a step in the right direction towards making U S WEST directly accountable to its customers.

Q.Will implementation of the Service Guarantee Program result in improved service quality?

A.Although the plan is designed primarily as a method of compensating dissatisfied customers, it does provide the Company with financial incentive to improve.  Each instance of failure to perform as expected will result in either foregone revenue or cash payout.  Presumably, the Company will attempt to limit its exposure to either situation.  I see the Service Guarantee Program as an essential element of the Alternative Regulation Plan.

Q.What are the elements of the Service Guarantee Program?

A.The program addresses certain situations in which a customer’s request for service is not fulfilled (commonly referred to as “held orders”) or a Company commitment to install a primary line or repair service is not met.

Q.What are the differences between the Service Guarantee Program now in place and the one proposed under the alternative regulatory plan?

A.With some exceptions, the Service Guarantee Program now in place mirrors the one proposed under the Alternative Regulatory Plan.  I will discuss those differences as I address the elements of the plan as proposed in the Staff and Company’s Joint Motion for Acceptance of Regulatory Plan.  I will refer to the program already implemented by U S WEST as the “current” program and the program as proposed under the Alternative Regulatory Plan as the “proposed” program.

INSTALLATION OF SERVICE & HELD ORDERS

Q.The proposed Service Guarantee Program addresses service installation problems experienced by customers, particularly with respect to held orders for service.  Under what circumstances would a customer be offered compensation?

A.The Service Guarantee Program provides three discreet compensation packages for problems related to installation of primary lines.  The targeted problem areas are missed commitment dates, short-term held orders, and long-term held orders.

If the Company fails to install a primary line by the commitment date, the customer automatically will receive a credit of $10.00 for residential service or $40.00 for business service.  The commitment date is the date by which U S WEST promises to install service.  That date may be days or weeks from the date of the customer’s request, either because the customer wants service at a later date or the Company is unable to work the order.

If the reason for the delay in installation is lack of facilities and the order is held for more than five business days, the customer will be offered: (1) a telephone number; (2) a directory listing; (3) a choice of free voice messaging or remote call forwarding to any local number until primary line service is installed; (4) a toll calling card; and (5) a billing credit equal to the installation charge ($30.00 for residential service; $52.00 for business service) for the primary line.  The toll calling card is available on a stand-alone basis or in conjunction with remote call forwarding.  The customer is responsible for paying all charges billed to the

U S WEST toll calling card.  Free voice messaging service is an option only under the Alternative Regulation Plan’s proposal.  Eligible customers may choose between voice messaging and remote call forwarding under the proposal, but have only the option of remote call forwarding under the current program.

The customer would qualify for additional credits or vouchers if installation was delayed further.  If the order is held more than 30 days due to a lack of facilities, the customer is offered a choice of: (a) a credit towards future bills for the monthly basic service charge for each month thereafter that the order for service remains unfulfilled; or (b) a cash subsidy towards the cost of cellular or mobile radio service.  A customer who chooses the subsidy option must sign a four page agreement which provides advice on how to select a provider and clarifies that the customer will be responsible for paying the provider for the services used.  Customers will receive a check in the amount of $105.00 for the first month and $75.00 for each month or partial month thereafter until service is installed.  Amounts owed in excess of the subsidy amount will be the responsibility of the customer; if the amount owed is less than the amount billed, the customer may keep the difference.  Although it is not a substantive difference, I should note that the proposal uses the term “voucher” in connection with the cellular or mobile radio service option; the current plan uses the term “subsidy.”

Q.Under what circumstances could a customer experience a delay in installation and not receive compensation?

A.Customers whose orders for primary line service are delayed due to lack of available field technicians or for any reason other than lack of facilities are not eligible for any compensation, regardless of the duration, unless the Company has missed its commitment date to install service.  Five percent of the delayed installation complaints filed with the Commission would fall into this category.

Customers ordering additional lines are also ineligible.  The Staff’s best estimate is that approximately one third of facilities-based held orders are for secondary lines.

Limiting eligibility for customer credit only to orders for primary lines that are delayed due to lack of facilities may confuse customers who expect all ordered lines, primary or secondary, to be installed in a timely fashion.  In fact, the Company continues to encourage customers to add lines through its promotional advertising.  The Staff would have preferred to extend the credit to additional lines, but U S WEST was unwilling to do so.

REPAIR

Q.Under what circumstances will U S WEST offer credit towards future bills for problems encountered involving repair of primary or secondary lines?

A.Compensation is available under three circumstances: failure to fix the problem the first time; missed repair appointments; and trouble occurring within a specific period of time after installation of service.  The customer will be eligible for credit in circumstances where the Company misses a commitment to fix a primary or secondary line or fails to repair a service problem the first time it is reported, thus requiring another repair visit.  In each instance where a customer requests repair within 30 days of an unsuccessful attempt by the Company to fix the same problem, the customer is eligible for a credit.  Over 40% of the service quality complaints received by the Commission involved repeat repair requests.  If the Company misses a repair commitment or if a repeat repair visit is necessary, a residential customer will receive a $10.00 billing credit.  Business customers will receive a $40.00 credit.  Credit is issued on a “per occurrence” basis rather than “per line.”  In order to receive the credit, the customer must report the problem.  A customer who experiences a problem but does not report it will not receive a credit.

Under the Company’s current program, customers will be eligible for credit ($10.00 for residential customers; $40.00 for business customers) if they report service trouble within a certain interval after installation of service.  For residential customers, the interval is seven days and for business customers, 30 days.  My understanding is that the Company has no objection to incorporating this additional element into the proposed Service Guarantee Program, and the Staff supports this enhancement.

Q.Under what circumstances would a customer not be eligible for compensation?

A.Missed repair appointments attributable to a customer’s action or inaction, such as not keeping a premise visit appointment, are not covered under the program, nor are service problems caused by a customer’s equipment or inside wiring.  A customer who has the misfortune to experience multiple service-affecting problems in succession caused by unrelated events also will not be covered.

Q.Is compliance with IDAPA 31.41.01503.01(b) also a part of both the current and proposed program?

A.Yes, it is.  Although USW is already required to comply with this part of Commission Rule 503, it has been unable to do so.  Therefore, the standards and associated customer credits contained in this rule were incorporated into the Service Guarantee Program.  In his testimony, Staff witness Cusick discusses how this rule relates to the proposed Service Quality Standards in the Alternative Regulatory Plan.

Q.Please explain what is required under this rule?

A.Rule 503 prescribes repair service standards for local exchange companies.  The relevant subsection requires that a customer-reported, non-emergency service outage must be restored within 24 hours after the report.  Outages reported between noon on Saturday and 6:00 p.m. on the following Sunday must be restored within 48 hours or by 6:00 p.m. on the following Monday, whichever is sooner.  Failure to restore service within the appropriate time frame results in an automatic billing credit in an amount equal to the customer’s monthly rate for basic local exchange service.

Q.Are the credit amounts provided under the Service Guarantee Program reasonable?

A.The amounts are within the range of reasonableness, with the $10.00 residential customer credit for missed installation and repair commitments, repeat repair problems, or repair problems shortly after installation being at the low end of that range.  The Staff would have preferred a higher residential credit or a uniform credit amount for both business and residential customers.

Q.Please describe the difference between the proposal and the current plan with respect to the process used to issue credit to an eligible customer.

A.Under the proposed plan, customers who are eligible for installation-related credits will be automatically credited the appropriate amount.  Customers eligible for a repair-related credit will be automatically credited if they contact the Company to report the problem.  The previously-mentioned letter from U S WEST announcing the early implementation of the plan contains the same wording as the proposed plan.  However, the Staff has subsequently learned that the process of issuing credit has been changed from being automatic to being issued only upon customer request.  In other words, a customer who is eligible for a credit must contact

U S WEST to ask that a credit be issued.  These are not the terms to which the Staff agreed.  An eligible customer who is unaware that compensation is available or who knows but fails to insist upon receiving a credit will not receive one.  If the Commission approves the Alternative Regulatory Plan, I recommend that the Company be required to issue credit automatically to eligible customers as specified in the proposed program.

Q.If the Commission accepts the Alternative Regulatory Plan, how should the Service Guarantee Program be memorialized?

A.I recommend that the Company include the Service Guarantee Program provisions in its Basic Local Exchange Tariff and Exchange and Network Services Catalog.  The credit for service outages as required by Rule 503 of the Commission’s Telephone Customer Relations Rules and a “60 Day Product Guarantee”, which allows residential customers to receive credit if they are not satisfied with a product within 60 days of installation, are already included.  Including the Service Guarantee Program is consistent with past Commission practice and will provide a logical reference point for the Commission, Company, and other interested parties.

Q.Does this conclude your testimony in this proceeding?

A.Yes, it does.