Q.Please state your name and business address.

A.My name is Joseph W. Cusick and my business address is P.O. Box 83720, Boise, ID 83720-0074.

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

A.I am employed by the Idaho Public Utilities Commission as a Telecommunications Analyst.

Q.Please describe your work experience and educational background.

A.I am a retired employee of U S WEST Communications.  I began my career with New Jersey Bell in 1964 as a draftsman.  Following four years in the

US Navy, I worked as a Central Office Technician for New

Jersey Bell and U S WEST Communications.  As a Central Office Technician, I was responsible for repair and maintenance of central office switching equipment.

In 1978, I joined the Regulatory Affairs Department of U S WEST Communications in Idaho and worked there until my retirement in 1990.  While in Regulatory Affairs I worked on a wide range of regulatory issues including rate cases, EAS petitions, tariff filings, pricing and cost analysis, and product and service implementation.

In 1992, I joined the Idaho Public Utilities Commission in my current capacity as a Telecommunications Analyst.

I graduated from Idaho State University in 1978 with a BBA in Finance and Management.

Q.What is the purpose of your testimony in this case?

A.The purpose of my testimony is to present the service quality standards which have been stipulated to by U S WEST and the Commission Staff in their Joint Motion for Acceptance of Regulatory Plan (Joint Motion).  Specifically, I intend to explain the purpose of these standards, the rationale behind them, and to testify as to the processes for verification of these standards.

Q.In general, would you please explain these standards and how the Company's performance will be measured.

A.Yes, Exhibit No. 108 contains the categories which are being measured in the Joint Motion and the expected levels of performance in each category.  As can be seen in this exhibit, the measurements fall into three broad categories: repair services, provisioning of new services, and accessibility to the repair center and business office.  Within each category, there are specific categories which are being measured and a range of expected performance for which the Company receives points.  The sum of the points received for performance in each category is used in evaluating the level of service the Company is offering its customers.

Q.What is the basis for the various categories and the levels of achievement for each category?

A.The Commission originally proposed standards for adoption in Order No. 25826 in Case No. USW-S-94-3.  The standards resulted from comments filed by the Staff in that case.  These standards measured achievement in categories of service the Staff believed represented good customer service.  These standards were based on historical performance levels of U S WEST in Idaho as well as in other states and of other companies operating in Idaho.  This was the genesis of the standards which were originally proposed by the Staff in this case and in its June '95 report.  After extensive negotiation between Staff and the Company, we arrived at the standards to which I am now testifying.

These categories are taken from services which the Company is already measuring.  Seven of the ten categories are already reported by the Company on its Basic Service Measurement (BSM) report.  The three categories not being reported on the BSM are the percentage of out-of-service reports cleared within 24 hours and the percentage of busy signals on calls to the repair bureau and the business office.

The report on out of service over 24 hours has been reported on their monthly BSM updates since February '95 as part of the Commission's inquiry into this existing repair standard.  The information on percentage of "busies" is taken from the Company's existing mechanized force management system.

Thus, in addition to being good indicators on the quality of service the Company is providing, the use of these categories takes advantage of reporting structures which the Company already has in place.

Q.Within the repair category, please explain the components that go into the standards.

A.There are three components in this category.  The percentage of repair appointments offered within designated time frames, the percentage of out-of-service reports that are repaired within 24 hours, and the percentage of repair appointments that the Company keeps.

The percentage of appointments offered is calculated by dividing customer repair reports that are given a "today" appointment if taken before 1:00 PM or given a "today or tomorrow" appointment if taken after 1:00 PM, by the total repair reports for residence and business service.

The measurement for customers out of service over 24 hours follows the Commission's existing telephone customer Rule 503.  This rule states that 90% of all

out-of-service trouble reports must be repaired within 24 hours.  Under the Commission's rule, customers out of service for longer than 24 hours receive credit for a month of basic service.

The percentage of appointments kept measures the Company's performance in keeping the appointments which have been agreed to with customers.

Q.Are there any other components in the repair category that are not being measured that you would like to have seen included?

A.Yes, trouble reports per hundred lines is a category that I believe would be useful.  I believe this category provides a good indication of the overall condition of the telephone network.  In particular, it is useful for identifying trends that show long-term changes in the condition of the telephone plant.  Although this measurement can show wide deviation on a wire center level by month, I believe that, when looked at over longer periods of time, it is a valuable indicator.  The Company would not agree to the use of trouble reports as a standard because it believes this component does not accurately reflect good customer service and is subject to extraneous factors such as the weather.  The Staff will continue to monitor trouble report data included in ARMIS Reports which measures this component.

Q.For the category of customers out of service over 24 hours, you are granting the Company "points" for achieving a level of performance below that which is called for in the Commission's rules.  Would you please explain the rationale behind that?

A.The reason for these service standards is to encourage the Company to improve on its current level of performance and to provide a better grade of service for customers.  Currently, U S WEST is operating at a level below the 90% threshold.  Awarding points that increase as performance moves toward 90% target rewards the Company for improvement in this category.  To the extent that the Company continues to operate below the 90% level as spelled out in the Commission's rules, that should be handled as a separate matter.

The Company has agreed to measure the percentage of service outages restored in 24 hours in the manner the Staff considers appropriate, which is to not filter out (exclude) situations that were not the Company’s fault.

Q.What do you mean by “not the Company’s fault”?

A.Sometimes a customer or other party will damage the Company’s facilities and cause their line or another customer’s line to go out of service.  Natural disasters or accidents, explosions, etc. could also cause damage and interrupt service.  Finally, there are times when conditions make it unsafe for a technician to begin repairing damaged facilities.  The loss of service or inability to restore service in 24 hours in these and similar cases would not be the Company’s fault.

Q.Why does the Staff consider it inappropriate to remove those outages falling in this category when the Company calculates the percentage of outages not restored in 24 hours?

A.Rule 503 specifically exempts companies from having to issue credits to customers whose service is not restored in 24 hours if the outage was caused by circumstances such as those I just listed.  However, Staff contends the Rule does not allow companies to exclude these situations for purposes of measuring the level of achievement in restoring outages.  U S WEST has disagreed with the Staff, contending that the exclusions should apply to the calculations as well.  During 1995, the difference in methodology has produced scoring differences of between 4 and 16 percentage points on the monthly reports.  For purposes of this regulatory plan,

U S WEST has agreed to measure their performance using the Staff’s calculation method.

Q.Please explain those components which go into the provisioning category of the service quality measurements.

A.There are three components to this category: the number of held orders, the percentage of installation appointments offered within a two-day interval, and the percentage of appointments kept.

The held order count is the average number of primary-line held orders by month for a 12-month period.  A held order is defined as any order for an access line cannot be completed due to a lack of Company facilities.  Conditions where a customer cannot get service because of a workload delay or where the customer is located in an area where a technician is not scheduled on a daily basis are not included in the held order totals.  For purposes of this standard, only held orders for the primary, or first line, are counted.  If a customer orders a second, third, fourth, etc. line into a premises, and the Company cannot provide it, it is not counted in this standard.

The percentage of appointments offered is the number of new, transfer, or change orders where a two-day interval was offered, divided by the total number of new, transfer, or change orders.  The difference between this measurement and held orders is the reason for the delay.  In this case, the delay may be due to reasons other than lack of facilities.

The percentage of appointments kept is the number of appointments kept, minus "I" reports, divided by the total number of new, transfer, or change orders.  An "I" report is created whenever a customer calls in with a problem within seven days after service is installed.

Q.Finally, what are the components that go into the measurements for accessibility?

A.There are four components in this category, two for repair and two for the business office.  These categories measure the percentage of calls to the repair bureau or the business office that get busy signals and the percentage of calls to the repair bureau or the business office that are answered within twenty seconds.

These percentages are derived by taking the number of calls that get either a busy signal or are answered in twenty seconds divided by the total number of calls.

Q.The plan does not contain any measurements for network performance.  Why is that?

A.I believe that a higher priority was given to address customer service issues.  This is the area where the most complaints were being received.  Quite simply, network performance in Idaho has not been an area of customer dissatisfaction.  Such categories as dial tone speed, call completion rates, and transmission levels have not been identified in customers’ complaints as significant problem areas.

Q.What is the purpose of these service standards?

A.As has been stated by Ms. Barker in her testimony, there has been a precipitous decline in the quality of service which U S WEST has offered over the past five years.  The major factors in this decline appear to be the Company's desire to cut costs and the failure of its reengineering program.  The implementation of these standards will encourage the Company to reverse this trend and begin to offer its customers the type of service that the Company has offered in the past.

These measurements provide a valuable benchmark against which to judge the service level that the Company is providing and to track improvement or decline on a monthly and annual basis.  I also believe these standards represent those categories of service which are important to customers.

Q.How will customers benefit from the standards which have been agreed to by the Company and the Staff?

A.As I have stated, I believe that these standards will help halt the decline of service quality in the Company's serving area.  To the extent this decline is stopped, then all customers will benefit.  These standards will also encourage the Company to improve its response to customers' requests for new service as well as repair.

In addition, the service guarantee program, as discussed by Beverly Barker, will provide some of those customers who have experienced a missed appointment or out-of-service conditions with some compensation for their inconvenience.

Q.The Regional Oversight Committee (ROC), which is comprised of commissioners and staff from the 14 states in which U S WEST operates, adopted service quality standards for the Company in October 1995.  How do the standards in this case compare with those?

A.Exhibit No. 109 is a comparison of the standards adopted by the ROC and those presented in this case.  As can be seen, the ROC standards are more stringent than the standards agreed to by the Company and Staff.  However, the stipulated standards in this case were agreed to before the ROC adopted their standards.  There are a number of states which have open dockets on service quality.  Some states have already established standards which may include more categories or may have higher targets for the same categories.  In the months since the standards were adopted, none of the state commissions have reached an agreement with U S WEST to adopt the ROC standards.

Q.Wouldn't Idaho customers be better served by the ROC standards?

A.Yes, customers would be better off if the Company were achieving the ROC standards.  However, the Company is unwilling to accept the ROC standards.  Although I would like higher standards, these are standards the Company has accepted, and if they are met, will halt the decline in service quality which U S WEST customers have experienced over the past five years.  As indicated in Stephanie Miller's testimony, this settlement represents compromise on behalf of both parties.

Q.How do Idaho's standards compare with those implemented in other states?

A.Colorado has had standards in place for some time and Arizona and Oregon have recently adopted new standards.  Other states such as Utah, Montana, and Nebraska are currently working to get more extensive service standards in place.  It isn't possible to do a straight comparison with Idaho standards because the elements of each plan are different or are measured differently.  This is another advantage of the ROC standards in that they would provide a broad comparison of U S WEST's service throughout its territory.

In examining service standards in other states, however, there are elements which can be compared with those presented in this case.  Accessibility to the repair bureau and the business office, for example, is common in states that have standards.  The target for this category ranges from 80% in Arizona to 90% for Nebraska.

For customers out of service over 24 hours, Arizona requires that the Company repair 85% of these customers while Montana requires 90% compliance.  For appointments offered, Montana requires that 90% of customers be offered a three-day interval where facilities are available, while for appointments kept, Arizona requires a compliance rate of 90%.

Most states also have held order standards although the requirements vary due to the size of the states.

Q.How has the Company done in complying with the standards in other states?

A.In Colorado, U S WEST has agreed to pay a fine for non-compliance with the commission's service quality standards.  In Montana, the commission found the Company "has flagrantly and consistently violated certain service standards."  Utah has also found that the Company was not meeting the Commission's requirements on held orders.

Q.What is the Company's current performance on the proposed standards?

A.Exhibit No. 110 shows the Company's performance year-to-date as of November 1995.  As can be seen in this exhibit, the Company has achieved a score of 68.  This score is 15 points below the level at which the Company would receive a $1.00 increase in its basic rates.  The Company's current problems are in the areas of repair and held orders.  A consequence of this is that the Company is earning no points for repairing out-of-service conditions in less than twenty-four hours.

Q.What will the consequence be if U S WEST service falls below the minimum range in one or more categories?

A.This settlement provides no consequence to

U S WEST other than costs associated with the service guarantee program and not being allowed the rate increases which come with achieving certain point scores.

Q. What have you done to verify the results of U S WEST's reporting?

A.Three members of the Commission Staff have performed a detailed audit of the Company's reporting on these standards.  Over the past three months, Syd Lansing from our accounting department, Wayne Hart from our consumer division, and I traveled to Denver, Salt Lake, and Caldwell to investigate the reporting procedures.  We have also visited the Home and Personal Services center and the Assignment Center in Boise in order to achieve a better understanding of the Company's processes and of how the information in these reports is generated.

A complete report of the audit will be forthcoming soon, however, I will provide an overview of our audit.

Q.What types of inquiries did the Staff perform?

A.Staff's inquiries centered upon how the information flowed into the various categories and what screening or manipulation of data took place in the process.  For example, Staff traced the flow of information in the Accessibility category from the placement of a customer call to the report contained in the Company's reports.  This meant tracking the calls from the initial automatic call distribution (ACD) system, through the voice response units (VRU), into the ACDs in the business office, and how the call is answered by the service consultants.

Q.Did you find any problem areas in your investigation?

A.Yes, although most of the areas we looked into were as expected, there were some areas where data is not being included in the calculation of the percentages and further investigation is currently taking place.  In the accessibility category, for instance, many of the calls going into the VRU do not go to the business office and those calls have not been included in the Company's totals.  Some of the calls are going to the Company's Credit Management Center, others go to a center for Spanish speaking calls, some go the Repair Call Handling Center, while others go to outside vendors which the Company uses to answer billing inquiries.

Although these unreported calls seem to be small in number, I believe that all of these calls, and in particular those to vendors, should be included in evaluating the Company's performance.  However, at this point, many of these calls are not being included in the Company figures for Accessibility.  This is an area we are currently working to resolve to ensure that all calls are being measured.  In addition, the counting of abandoned calls needs some additional investigation.

Also, from the standpoint of timing of these calls, the audit pointed out that the timing of calls does not start until a customer makes a selection in the VRU and is passed on to the business office.  Depending on a customer's familiarity with the options in the VRU and the reasons for the customer's call, a customer might not be transferred to the business office for a minute after placing a call.

Q.Did you find any areas of concern in the repair category?

A.At this point there are some differences between raw numbers coming out of the ACD serving the repair call handling center and the data supplied on the Company's reports.  The Company's does adjust this data and at this point we are investigating to better understand how this data evolves.  A specific area of concern is the Company's method of counting abandoned calls.

Q.Is adjustment of this data unusual?

A.No, not really.  You must understand that the data used in these measurements is data which the Company has historically used for internal purposes.  This is the first time it has been held up to the light, so to speak.  We may find that manipulation of the data is perfectly logical for internal purposes but does not fit our criteria for the purposes of the service quality plan.

Q.Do you have any concerns in the held order category?

A.The totals for held orders is generated from the Company's Red Hots report.  My concern is that the information on held orders is manually input into this report.  Any time you are relying on such manual input, there is the possibility of human error, although at this point we have found no egregious errors.  There is a large difference between the total number of held orders in the Red Hots report and the number reported to the Commission.  This is because the Service Quality Plan uses only the number of primary lines and Red Hots includes all lines, both primary and additional.  The purification of this report is an area where we are also spending additional time.  It is also an area where periodic audit of the system will be necessary.

Q.Does this conclude your testimony in this proceeding?

A.Yes, it does.