(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE INVESTIGATION CONCERNING U S WEST COMMUNICA­TIONS’ COMPLIANCE WITH TELECOMMU­NI­CA­TION SERVICE RULE 503, IDAPA 31.41.01.503. | ))))))) | CASE NOS.USW-N-95-2ORDER NO.  26650 |
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On September 13, 1996, the Commission issued Order No. 26610 directing U S WEST Communications to show cause why the Commission should not seek an increase in the monthly civil penalty U S WEST pays if it fails to meet the requirements of Telephone Customer Relations Rule 503.  Rule 503 requires that telephone companies generally restore local service within 24 hours from the time a customer reports a service outage.  This rule further provides that companies restore 90% of service outages within 24 hours each month.  At the time the Show Cause Order was issued, U S WEST had only met the monthly 90% standard once in 1996.(footnote: 1)  The Company filed a timely response on September 27, 1996.

BACKGROUND

In January 1996, the Commission adopted a Consent Agreement providing that U S WEST would voluntarily pay a civil penalty of $2,500 for each month that the Company failed to meet the 90% standard in northern Idaho.  The Order also contained a “performance incentive” that if the Company demonstrated a service quality improvement of at least 5%, then the civil penalty would be waived for that month.  Once the Company met the 90% standard for three months, then it would no longer be obligated to pay the civil penalty.  The Order also stated that U S WEST’s performance would be reviewed after the Company met the 90% standard for three consecutive months or in approximately six months, whichever occurred first.  Order No. 26303 at 6.  The Company has not met the 90% standard for three consecutive months.

In the Show Cause Order, the Commission noted that except for the month of May 1996, U S WEST had not met the 90% standard in northern Idaho since August 1994.  See Order No. 26303 at 4.  The Order continued that

given the inability of the Company to meet the 90% standard for nearly two years, we shall direct the Company to file a response within 14 days from the date of this Order to show cause why the Commission should not seek to increase the civil penalty for northern Idaho.  More specifically, the Company should show cause why the civil penalty should not be increased to $5,000 per month and why the 5% performance improvement incentive should not be removed.  Although we are pleased that the restoration of local service has improved in southern Idaho, we cannot disregard the Company’s inability to correct this matter in northern Idaho.

Order No. 26601 at 2.  The Company was further ordered to outline the actions it intends to initiate in northern Idaho to ensure that the 90% standard is met.  On October 16, 1996, the Company reported that it had restored 93% of the out-of-service reports for the month of September 1996.

U S WEST’S RESPONSE

1.  The 5% improvement incentive.  In its Response, the Company stated that it shares the Commission’s concern with its failure to meet the service restoration standard in northern Idaho.  U S WEST recognized that the “convenience and well-being of our customers is at stake.”  Response at 3.  “U S WEST is dissatisfied when its customers are dissatisfied.”  Id.  Consequently, the Company did not oppose the deletion of the 5% penalty waiver.  The Company acknowledged that the incentive or penalty waiver provision was appropriate when it was making progress toward meeting the standard, however, it is no longer appropriate when the Company has failed to maintain the 90% standard on a consistent basis.

2.  Increasing the Civil Penalty.  U S WEST does not believe it is necessary for the civil penalty to be increased.  The Company asserted its service restoration efforts in northern Idaho have improved since January 1995.  “In fact, the reported levels demonstrate that U S WEST has actually achieved the 90% standard in two of the last four months.  Under these circumstances, therefore, U S WEST does not believe that it is necessary to create an additional incentive in the form of an increased fine.”  Response at 3.

3.  Intended Actions to Meet the 90% Standard.   U S WEST stated that it had implemented several new actions in July and August to improve its ability to meet the 90% standard.  More specifically, the management of out-of-service trouble tickets was moved from Yakima to the Seattle repair center.  The Seattle center is now responsible for coordinating and managing the daily work loads of trouble tickets and dispatching field technicians to accomplish outside repairs.  The Seattle center’s larger team size will provide better coverage for monitoring repair tickets and advising field technicians regarding the status of out-of-service tickets.  To improve weekend repair service, a single manager was designated and assigned responsibility for monitoring repair tickets for northern Idaho.

To focus on the importance of restoring service, supervisors and field personnel will be provided daily workload reports and the hours remaining for the 24-hour repair standard.  This will allow the Company to more efficiently utilize technicians to “beat the clock.”  The Company will publish the daily results of its restoration performance in the Seattle repair center.  Upper management will review the repair standards on a weekly basis.  Finally, to reemphasize the need for improving the Company’s performance in this area, a full review of the Commission’s rules and the Company’s service obligations was conducted for all employees.

COMMISSION DECISION

Following our review of U S WEST’s Response to our Show Cause Order, we find it is appropriate to eliminate the 5% penalty waiver.  When implemented in January 1996, the 5% waiver was designed to provide an incentive to the Company for improving its repair service in northern Idaho.  After eight months, we find that the effectiveness of the incentive has dimished.  Moreover, we note that the Company did not oppose the deletion of the 5% waiver.  Consequently, beginning with the monthly report for October 1996, the penalty waiver shall be removed.

We further find that it is reasonable to continue the existing monthly $2,500 civil penalty if the Company does not meet the 90% standard.  As outlined in its Response, U S WEST has initiated several actions designed to bring its repair operations in northern Idaho in compliance with the requirements of Rule 503.  We also observe that the Company actually exceeded the 90% standard for three of the last four months (May through August).  Given the marked improvement in the Company’s performance, we believe it is reasonable to retain the monthly civil penalty at its current level.  The Company shall continue its monthly reporting and we intend to review this matter following the Company’s November report.

O R D E R

IT IS THEREFORE ORDERED that the 5% penalty waiver for northern Idaho initially instituted in Order No. 26303 is terminated.  The monthly civil penalty of $2,500 shall be continued.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of October 1996.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

bls/O:USW-N-95-2.dh2

**FOOTNOTES**

1:

Following the issuance of the Show Cause Order, U S WEST reported that it had restored 92% of the out-of-service reports for the month of August 1996 in northern Idaho.

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

October 25, 1996