DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

GARY RICHARDSON

WORKING FILE

FROM:DON HOWELL

DATE:OCTOBER 7, 1996

RE:U S WEST’S RESPONSE TO COMMISSION’S ORDER TO SHOW CAUSE, CASE NO.  USW-N-95-2

On September 13, 1996, the Commission issued Order No. 26610 directing U S WEST  to show cause why the Commission should not seek an increase in the civil penalty from U S WEST  Communications regarding the Company’s failure to meet Telephone Customer Relations Rule 503. Rule 503 requires that telephone companies generally restore local service within 24 hours from the time the service outage is reported.  This rule further provides that companies “clear” 90% of the out-of-service trouble reports within 24 hours each month.

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.  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 months or in approximately six months, whichever occurred first.  Order No. 26303 at 6.

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 Show Cause 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.  The Company filed a timely response, attached for your review.

U S WEST’S RESPONSE

1.  The 5% improvement incentive.  In its Response, the Company stated that it shared 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% improvement incentive.  The Company acknowledged that the incentive 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 that the performance chart contained in its Response (attached) shows that from January 1995, the Company’s service restoration efforts in northern Idaho have improved.  “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.   Attachment A to the response outlines the Company’s actions for improving its service restoration performance in northern Idaho.  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 clock.  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

1.  Does the Commission wish to remove the 5% performance incentive?

2.  What does the Commission desire to do with the civil penalty?

3.  Does the Commission find the Company’s action adequate in addressing the need to restore service on a timely basis.

4.  Anything else?

Don Howell

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