

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION)	
REGARDING THE DISRUPTION OF)	CASE NO. VZN-T-07-03
VERIZON NORTHWEST INC.'S LOCAL)	
EXCHANGE SERVICE)	ORDER NO. 30483
)	

On June 27, 2007, Clearwater Valley Hospital and Clinics in Orofino filed a "formal" complaint against Verizon Northwest Inc. The hospital alleged that its local phone service from Verizon was "either intermittent or non-existent from June 12-14, 2007." The service disruptions also affected other customers in the Orofino, Peck, Pierce and Weippe exchanges. Verizon provides telecommunications services to more than 118,000 wireline customers in 34 exchanges in northern Idaho.

On August 13, 2007, the Commission issued Order No. 30408 initiating an investigation into the hospital's complaint. The Commission directed Verizon to file a report explaining the cause(s) of the service interruptions. The Commission also ordered Verizon to address the extent of the service disruptions, the immediate solutions to the outages, and the long-term plans for addressing the capacity of the microwave system serving the Orofino area. Finally, the Commission directed Verizon to address whether customers are due a credit for the disruption of their local exchange service pursuant to Telephone Customer Relations Rule 503, IDAPA 31.41.01.503.01 and .02.

BACKGROUND

A. Configuration of the Local Network

Since 1993, Verizon's predecessor (GTE Northwest) has offered its northern Idaho customers a choice of four local calling plans (LCPs). The LCPs converted what were once long-distance (toll) calls on routes of 23 or fewer miles to local exchange calls. Order No. 26330 at 1. In essence, the LCPs enabled customers "to utilize toll-free extended area service calling options to [call] certain nearby communities." Application at 1 (Case No. GTE-T-95-3).

In 1996, the LCP program was expanded to the exchanges of Orofino, Peck, Pierce and Weippe. Customers in these four exchanges were offered three LCP options called Basic

Calling, Community Calling, and Community Plus Calling.¹ With Basic Calling, a customer pays a monthly flat-rate amount, and all calling within the home exchange is billed at rates based on distance and duration of the call (i.e., measured service). With the Community Calling option, there is unlimited calling for a flat monthly charge within the originating local exchange and measured rates to nearby exchanges. Community Plus Calling is flat monthly rates for calls within and to nearby exchanges, and measured rates to farther exchanges. Order No. 26330 at 1; Verizon Local Service Price List No. 1, § 4.

B. The Hospital's Complaint

When its telephone service was interrupted, the hospital complained that it was unable to perform several essential functions. These functions included: Calling for air ambulance transportation; arranging for a patient transport; transmitting radiology images; and providing electronic medical record information to physicians. During the service interruptions, the hospital explained that it had to rely on a backup communications system by routing calls through Boise.

VERIZON'S REPORT

The Company filed its initial report on September 11, 2007. Verizon asserted there were no local exchange "outages" in the four exchanges (Orofino, Peck, Weippe and Pierce). The Company explained there was a "degradation of service on part of the microwave radio path that feeds these four communities that affected interexchange calls to and from these four exchanges." Verizon Report at 1. Calling within each local exchange was unaffected. The Company explained that a component failure in the microwave system caused "half of the service capacity to be interrupted for several hours" on three different days: June 12 (approximately four hours), June 13 (approximately five hours), and June 14 (approximately seven hours). *Id.*

Verizon explained that the Orofino central office is served by digital microwave facilities located at Teaken Butte. At about noon on June 12, one of the two microwave radios between Teaken Butte and Orofino "experienced a service degradation for approximately four hours." Report at 2. The "degradation" affected three of the six radio paths from Teaken Butte to Orofino. *Id.* During these four hours, calls to and from Pierce and Weippe could not be completed. Despite the service interruption, the Company stated that local calls within each of

¹ The fourth LCP option, Premium Service, was not available to these four exchanges.

the four exchanges, as well as calls between Orofino and Peck, were unaffected by the service degradation. *Id.* at 3.

At about noon on June 13, the microwave radio paths again experienced trouble. Verizon stated that it dispatched additional personnel to inspect and replace various electronic components in both the Orofino and Teaken Butte microwave facilities. Verizon monitored the microwave paths throughout the night, “and there were no errors or service interruptions.” *Id.* On the following day (June 14), the same radio system experienced trouble for approximately seven hours. Verizon and its equipment supplier (Alcatel) were able to isolate and resolve “a number of problems.” *Id.*

Verizon maintained that it has continued to monitor these radio paths in addition to performing diagnostics, recalibrating and replacing many of the component parts. As a result of these actions, Verizon stated the radio systems have been running error free since June 14, 2007. Nevertheless, Verizon is working with Alcatel to change more component parts in an attempt to keep the microwave disruptions from recurring. Verizon received and installed the additional replacement components in September 2007. *Id.* at 4.

In a Supplemental Report received September 18, 2007, Verizon stated its long-term plan for addressing the microwave problem is to add additional high-capacity circuits. The Company indicated that engineering and planning for this construction project will begin in early 2008 with construction “expected to start in the second quarter” of 2008. At such time as the completion date is known, the Company will advise the Commission. Supplemental Report at 1.

SUBSEQUENT COMPLAINTS

While the hospital’s complaint was pending, the Commission Staff received two other local service complaints from Verizon customers. In the first complaint, an assistant fire chief for the Upper Fords Creek Rural Fire Department complained that his phone service was lost on September 1, 2007. The assistant chief also reported that his 911 service was disabled. When he reported the outage to Verizon, he said the Verizon service representative stated that repairs could not be made until after the three-day Labor Day weekend. In response to this complaint, Verizon explained that a telephone cable shorted out affecting seven customers in the Upper Fords Creek area. The Company reported that it restored service on September 4, 2007, and the Company “issued credits equal to one month of basic local exchange service to those customers who informed us of the service outage.”

The second customer complaint concerned customers in the Konkolville and Grangemont areas of the Orofino exchange. At around noon on November 9, 2007, local service was disrupted due to a defective SONET² card that may have affected approximately 250 to 300 customers. Verizon reported that service was restored the following day (25 hours later) and the Konkolville/Grangemont outage was not related to the Orofino microwave system. Verizon indicated that it will be "issuing local service credits as appropriate."

DISCUSSION AND FINDINGS

We first take up the hospital's complaint. We agree with the hospital that the disruption of its telephone service is a serious matter. Indeed, our Telephone Customer Relations Rule 503.01.a requires that "a service outage that creates an emergency for the customer" be restored within 16 hours after the Company is notified. IDAPA 31.41.01.503.01.a. In this case the hospital had a backup communications system that mitigated some of the disruption.

Based upon our review of the Company's report, it appears the Company reasonably responded to the complaints of service outage. Unfortunately, the repairs were not entirely successful and it did take Verizon three days to finally "fix" the microwave problem. To address the underlying problem, Verizon plans to improve in 2008 the capacity of the digital microwave serving the Orofino and neighboring exchanges. While upgrading the software and hardware of the digital microwave system apparently resulted in a more stable network, we agree with the Company that additional capacity appears necessary to serve this area.

Until the capacity additions are installed, we find it is reasonable for the Company to provide monthly trouble reports detailing the quality of local telecommunications services in the exchanges of Orofino, Peck, Pierce, and Weippe. Beginning February 11, 2008, and each month thereafter, the Company shall provide the Commission with a report of service outages for the prior calendar month. For outages that affect more than 10 customers, the report shall detail the location, cause and corrective action. The report shall also indicate the percentage of out-of-service trouble reports cleared in accordance with Rule 503.01 and 503.02. *See also* Rules 502.01 and 503.03. The monthly report shall continue until the additional microwave capacity is installed.

² SONET means "Synchronous Optical Network Standard" and is a uniform high-speed fiber optic transmission standard.

We are also troubled by the Company's response to the two other customer complaints discussed above. We find that waiting to restore telephone service until the conclusion of the three-day Labor Day weekend is unreasonable in light of the minimum repair standard set out in our Telephone Customer Relations Rule 503.01. This rule generally requires that local service be restored within 24 hours after the report of an outage during the week and within 48 hours when the outage is reported between noon on Saturday and 6 p.m. on the following Sunday. IDAPA 31.41.01.503.01. The Company has not indicated that there were any extenuating circumstances that would preclude it from making the necessary repairs to the cable. Telephone Customer Relations Rule 503.02. While we recognize that the shorted-out cable affected only seven customers, this outage lasted at least three days and affected 911 service, as well as local landline service to the assistant fire chief. The Commission requires at least 90% of customer out-of-service reports be cleared within the time limits set out above. Rule 503.03, IDAPA 31.41.01.503.03.

We next address Verizon's compliance with our rules about crediting a customer's account when local exchange service is not restored within the time limits set out above. Customers who report a service outage to the local exchange company are to be "automatically credited" with at least one month of local exchange service if their service is not restored in a timely manner. Rules 501.02 and 503.01.b. Our rules establish the minimum repair standards and recognize the possibility of extenuating circumstances. *See* Rule 503.02.

Verizon has a responsibility to credit a customer's account when local exchange service is not restored within the time limits set out above. Although Verizon is no longer subject to the Commission's rate-setting authority found in Title 61, the Commission has adopted the Telephone Customer Relations Rules for companies providing local service under Title 62. Rule 103, IDAPA 31.42.01.103. When Title 61 or 62 telecommunications companies have not restored local service in accordance with the Commission's rules or demonstrated that there were extenuating circumstances, then Rule 501 requires that "[c]ustomer's bills must be appropriately and automatically credited" . . . "for an amount equal to the monthly rate for one (1) month of basic local exchange service." Rule 501.02 and 503.01.b. Consequently, Verizon shall "automatically" credit the accounts of affected customers whose service was not restored in a manner consistent with Rule 503. Verizon shall advise us of the total number of customer credits it has provided in the report due no later than February 11, 2008.

ORDER

IT IS HEREBY ORDERED that Verizon Northwest provide monthly reports to the Commission Secretary regarding local service outages in the northern Idaho exchanges identified above. These reports shall be due by the 11th of each month beginning February 11, 2008, and continue until such time as the Company reports it has installed the new facilities to improve the capacity of the Orofino microwave system.

IT IS FURTHER ORDERED that Verizon properly credit customer bills for monthly local service credits in compliance with Telephone Customer Relations Rules 501 through 503, IDAPA 31.41.01.501-503. The Company shall identify the total number of local service credits provided pursuant to Rules 501 through 503 in the first report due no later than February 11, 2008.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7th
day of January 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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