


**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: October 24, 2017**

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE Upon Approval

DATE: October 10, 2017

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: FRONTIER COMMUNICATIONS NORTHWEST, INC.: (Docket No. UM 1855) Service Quality Performance Plan, Commission Review and Determination.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve the filed performance plan of Frontier Communications Northwest, Inc. (Frontier or Company) with the performance review period to begin November 1, 2017 and end April 30, 2018, allowing the Company until June 15, 2018 to report its results for April 2018.

**DISCUSSION:**

Issue

Whether the Commission should approve Frontier's performance plan laying out how the Company will bring its performance under specific retail service quality metrics into compliance within six months.

Applicable Rule or Law

The Commission establishes minimum service quality standards to ensure safe and adequate services for all telecommunications carriers pursuant to Oregon Revised Statute (ORS) 759.450. Under Section (5) of this statute, the Commission is required to direct a telecommunications carrier, utility or competitive provider that is not meeting the minimum service quality standards to submit a plan for improving performance to meet the standards. The Commission is further required to review and approve or disapprove the plan.

Oregon Administrative Rule (OAR) 860-023-0055 provides the statutorily required retail service quality standards for large telecommunications utilities and also mirrors much of the relevant statute ORS 759.450. The relevant standards are:

1. **Trouble Reports** per OAR 860-023-0055(5) (Monthly trouble report rate may not exceed two or three per 100 working access lines per wire center more than three times during a sliding 12-month period, depending on number of access lines per wire center).
2. **Repair Clearing Time** per OAR 860-023-0055(6) (90 percent of all trouble reports within 48 hours of report for each repair center, with a weekend exception; use best efforts to complete out-of-service restorations for business customers; use best efforts to complete out-of-service restorations for residential customers who either have a medical necessity or no access to an alternative means of voice or E-911 communications).
3. **Access to Utility Representatives** per 860-023-0055(8) 80 percent of calls must be answered within 20 seconds or measure an average speed of answer time of 50 seconds or less. Frontier has opted to measure the average speed of answer time.

On August 24, 2017, the Commission required Frontier by Order No. 17-328 to submit a service quality performance plan to meet the minimum service quality standards for repair clearing times, trouble reports, and access to utility representatives within 45 days.

### Analysis

#### *Background*

Frontier timely filed its Service Quality Performance Plan ("Performance Plan") on October 9, 2017.

Previously only two other performance plans have been required. On June 19, 2001, Qwest was required to file a plan to improve its business office access performance. This resulted in the Commission adopting an MOU between Staff and Qwest on July 24, 2001 and approval of Qwest's Performance Plan. And, on July 22, 2017, the Commission approved Qwest's Performance Plan for service quality metrics, which is currently in the implementation phase.

Staff notes that the Company, in its Performance Plan, makes comments regarding the Commission's service quality requirements.<sup>1</sup> Staff does not respond directly to Company claims here because they are not germane to the matter before the Commission, which is whether to approve or disapprove the Performance Plan, given the current standards.

*The Required Commission Performance Plan Review*

Staff finds that Frontier has submitted a Performance Plan that may result in remedying the retail service quality standard deficiencies. The Company provides enough information to indicate that it has taken steps and has plans that have the potential to return its service quality metric results to meeting Commission established standards. Staff's opinion is not unqualified in major part because the Company does not make clear how it will allocate the additional resources it identifies in its plan (20 additional technicians) between regulated and unregulated customers and facilities to correct problems. The Performance Plan does not correct or identify how the Company will address the resource allocation dilemma that the Company faces, and that may prevent it from being successfully implemented.

While the Performance Plan is intended to remedy compliance with three specific metrics: repair clearing times, trouble reports and access to utility representatives, Staff will continue to monitor all other metrics during the Performance Plan review period and take any necessary action to remedy deficiencies. As an example, the Company's plan appears to imply that in regards to trouble reports only the Scholls wire center needs to meet standard within six months. Staff clarifies that poor performance in other wire centers may result in a negative determination at the conclusion of the performance plan review period. Consequently Staff suggests that the remedies identified for Scholls be applied liberally.

*Performance Plan Action Items*

Remedial work related to batteries and power have been identified to potentially improve results in the Scholls area where trouble report rates have been missing the Commission standard.

The Company's plan to correct repair clearing time deficiencies involves hiring an additional 20 technicians, implementing a resource response enhancement technique and continue enhancing its service impacted response prioritizing system.

Frontier's plan for improving access to utility representatives involves working with its vendors who supply a portion of its customer service resource. By augmenting its work

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<sup>1</sup> In the Matter of Frontier Communications Northwest, Inc., Service Quality Performance Plan, Frontier Compliance Filing, October 9, 2017, at 1-2, Docket UM 1855.

with vendor training, staff levels, and reducing attrition the Company believes it can improve its performance.

*Performance Plan Review Period Considerations*

The Performance Plan provides a plan to meet the Commission's minimum service quality standards for repair clearing times, trouble reports and access to utility representatives. The success or failure of the plan will be evaluated with compliance as the goal.

Because the service quality performance results have a significant consequence the timeframe for measurement of the Company's results should be established. All companies are allowed to report monthly service quality results up to forty-five days after the end of each data-month. For example, the April data month is due on June 15<sup>th</sup>. In part as a result of the data month reporting delay the statutorily required six-month performance plan time frame for the company to remediate its service quality to meet standards may need to be defined or otherwise set by the Commission to allow for the normal course of reporting to reflect the success or failure of the Company's performance plan.

Staff proposes that the six month statutory performance plan review period begin the next full month after the Commission approves the Performance Plan. If successfully implemented, the Company's Performance Plan should allow for the Company's reported results for April 2018 to be consistent with the relevant service quality standards. This provides a standard timeframe for measuring whether or not the Company has met the goals of its Performance Plan.

Staff notes that the trouble report rate goal will be evaluated based on Frontier's performance during the six month review period. Normally the trouble report standard is reached only when three or fewer months out of the sliding 12-month period have exceeded the threshold. It is possible that a wire center trouble report rate missing the threshold for four months out of the sliding 12-month period, might not technically come into full compliance with Commission rules until several months have passed after the start of the Performance Plan period. Staff will review performance based on the assumption that if the Company has three or fewer months within the performance plan review period that are out of compliance, the Company will be considered to be on track to meet the Commission's trouble report rate standard for the full twelve month period.

Staff proposes allowing the Company up to forty-five days to report its results for the sixth month of the Performance Plan review period. Staff plans to set up regular calls with Frontier representatives to obtain information on the Company's progress toward meeting the Performance Plan goals. Alternatively, the Commission could include in its

order a requirement for additional reporting pursuant to OAR 860-023-0055(3), "The Commission may require a large telecommunications utility to submit additional reports on any item covered by this rule."

### Conclusion

Staff concludes that Frontier has submitted a plan that may result in remedying the retail service quality standard deficiencies.

Staff further concludes that it would be beneficial for the Commission to establish the objective measurement of Company progress by setting the beginning and ending month of the six-month performance plan review period, and the due date for final reporting.

### **PROPOSED COMMISSION MOTION:**

Approve Frontier Communications Northwest Inc.'s service quality performance plan and set the performance plan review period to begin November 1, 2017 and end April 30, 2018. The Company has until June 15, 2018 to report its results for April 2018.