





PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: July 25, 2017

REGULAR  CONSENT  EFFECTIVE DATE Upon Approval

DATE: July 12, 2017

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck   

SUBJECT: QWEST CORPORATION: (Docket No. UM 1836) Service Quality Performance Plan, Commission Review and Determination.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve the filed performance plan of Qwest Corporation dba CenturyLink (Qwest or Company) with the performance review period to begin August 1, 2017 and end January 31, 2018, allowing the Company until March 15, 2018 to report its results for January 2018.

**DISCUSSION:**

Issue

Whether the Commission should approve Qwest'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. **Provisioning and Held Orders for Lack of Facilities** per OAR 860-023-0055(4) (At least 90 percent of commitments for service must be met; Held orders for lack of facilities must not exceed the larger of two per wire center per month or five per 1,000 inward orders; Primary held orders for lack of facilities in excess of 30 days past the initial commitment date must not exceed 10 percent of total monthly held orders due to lack of facilities within the utility's Oregon service territory).
2. **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).

On May 16, 2017 the Commission required Qwest by Order No. 17-175 to submit a service quality performance plan to meet the minimum service quality standards for held orders for lack of facilities, repair clearing times and trouble reports within 45 days.

### Analysis

#### *Background*

Qwest timely filed its Service Quality Performance Plan ("Performance Plan") on June 29, 2017.

Previously only one other performance plan has 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.

Staff notes that the Company, in its Performance Plan, states that it doesn't need service quality requirements.<sup>1</sup> This isn't helpful because the relevant statute clearly identifies specific metrics for which the Commission must create standards. In its filing, the Company takes considerable effort to criticize Commission standards. 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 Qwest 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 (110 technicians and 4 supervisors) 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; held orders for lack of facilities; repair clearing times; and trouble reports, Staff will continue to monitor all other metrics during the Performance Plan review period and take any necessary action to remedy deficiencies.

#### *Performance Plan Action Items*

In the operations management area, to meet the Commission's held order for lack of facilities standard the Company has developed a report that will assist managers to monitor delays in held orders and make adjustments prior to the 30-day deadline. The Company also identified some modifications and corrections to programs, processes, and procedures that will assist managers and create more accurate service quality results for Commission service quality reports.

Remedial work and staffing has been introduced in areas where trouble report rates are in danger of missing the Commission standard. Specific corrections and actions are detailed for the North Plains and Jacksonville wire centers.

The Company's plan to correct repair clearing time deficiencies involves active management engagement with repair centers where results indicate the standard may

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<sup>1</sup> In the Matter of Qwest Corporation dba Centurylink QC, Service Quality Performance Plan, Qwest Compliance Filing, June 29, 2017, at 2, Docket UM 1836.

be missed. All functional areas involved with clearing trouble tickets will be involved in assessment and in improving awareness.

*Performance Plan Review Period Considerations*

The Performance Plan provides a plan to meet the Commission's minimum service quality standards for held orders for lack of facilities, repair clearing times and trouble reports. 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 January 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 further notes that the trouble report rate goal will be evaluated based on Qwest'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. Assuming the starting month for the six month performance plan review period begins in August and that the Company's performance plan brings the Jacksonville wire center trouble report rate below the threshold for all six months, the Company might not technically come into full compliance with Commission rules until 12 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 Qwest 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 Qwest 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 Qwest Corporation's service quality performance plan and set the performance plan review period to begin August 1, 2017 and end January 31, 2018. The Company has until March 15, 2018 to report its results for January 2018.