





PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 8, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE December 1, 2016

DATE: October 26, 2016

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH:  Jason Eisdorfer,  Bryan Conway, and  Bruce Hellebuyck

SUBJECT: CENTURYTEL OF OREGON, INC. and CENTURYTEL OF EASTERN OREGON, INC.: (Docket No. ADV 384/Advice Letter No. 353) Price Plan compliance Advice Letter filing establishing service guarantee plan.

**STAFF RECOMMENDATION:**

Staff recommends that the filed tariff be allowed to go into effect.

**DISCUSSION:**

Issue

Whether the Commission should allow the CenturyTel of Oregon, Inc. and CenturyTel of Eastern Oregon, Inc. (CenturyTel or Company) Advice No. 16-04, which establishes CenturyTel's Service Guarantee Plan, to go into effect.

Applicable Law

The Commission approved CenturyTel's Price Plan Application in Order No. 14-347 pursuant to ORS 759.255 on October 7, 2014. Consistent with the requirement found in ORS 759.255(2), the Commission applied a public interest standard in granting that approval. ORS 759.255(2)(b) establishes one of the three criteria the Commission shall consider in approving an ORS 759.255 Price Plan.

(b) Ensures high quality of existing telecommunications services and makes new services available.

The provision in the Price Plan for establishing a Service Guarantee Plan effectively meets the first part of the statutory review criteria.

The service guarantee provision is found in CenturyTel's Price Plan, Exhibit A, Section T.a. Service Performance Guarantees, which provides that CenturyTel will implement a Service Guarantee Plan if its service quality metrics reach a specified threshold. The service quality standards are established in OAR 860-023-0055 and the Price Plan provision is specific to the service quality standards described in sub-sections (4) and (6); provisioning and held orders for lack of facilities and repair clearing time, respectively. Specifically, the Price Plan requires CenturyTel to implement a Service Performance Guarantee Plan if the standard in either sub-section (4) or (6) is missed for 3 months out of a twelve month rolling period, for any repair center.

#### Discussion and Analysis

CenturyTel of Oregon and CenturyTel of Eastern Oregon missed the 90 percent standard for repair clearing times for the Northwest repair center in the months of April 2016 (87.2 percent), June 2016 (86.0 percent) and August 2016 (89.4 percent). As a result, per the commitment from the Price Plan, CenturyTel is required to implement a service guarantee plan equivalent to the plan in place for Qwest within 90 days. CenturyTel intends to implement the service guarantee plan effective December 1, 2016. The standard for this metric was reduced from 95 percent to 90 percent beginning January 2014 in Docket AR 575. In addition to other reporting relief the standard was lowered to encourage companies to spend adequate time on difficult repairs. Staff's goal was to shift concentration on quick repairs to meet the standard to concentration on facility improvement.

As required in the Price Plan, the filed Tariff Sheets establish the terms of a Service Guarantee Plan which are consistent with the terms of the existing Qwest service guarantee plan. Qwest's service guarantee plan was established in Order No. 08-408. As laid out in the Price Plan, the Service Guarantee Plan may be removed if the Company meets the previously missed standard or standards for a 12-month period.

#### Public Interest Compliance

The Service Guarantee Plan requirement was one of many components of the Price Plan the Commission found to be in the public interest in Order No. 14-037. Implementing the Service Guarantee Plan, as proposed by the Company, is consistent with that finding.

#### Conclusion

Staff recommends the CenturyTel tariff filing be allowed to go into effect.

Docket No. ADV 384  
October 26, 2016  
Page 3

**PROPOSED COMMISSION MOTION:**

Allow CenturyTel's Advice 353, establishing the Company's Service Guarantee Plan, to go into effect.

CenturyTel.384.ServiceGuaranteePlan