

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of:

Rulemaking to consider adopting a rule in WAC 480-120, Telephone Companies, relating to standards for restoring regulated telecommunications services following an outage and customer notification of planned service interruptions.

DOCKET NO. UT-170031

**CENTURYLINK'S COMMENTS
ON PROPOSED RULEMAKING**

1 CenturyLink appreciates the opportunity to respond to the Commission's questions in this matter. CenturyLink believes that after consideration of the relevant information, the Commission will decide that the appropriate course is to continue to monitor service quality in a way that informs the Commission as to whether there are issues with service restoral intervals. However, the Commission should determine that specific benchmarks are unnecessary in the current competitive environment, and might in fact be counterproductive.

CenturyLink hereby responds to the five questions posed in the Commission's notice:

1) What is a reasonable amount of time within which a company should be able to restore service following an outage in the absence of circumstances beyond the company's control?

2 This question asks for information on what constitutes a reasonable repair interval in the absence of circumstances beyond the company's control. However, almost every outage has elements that are beyond the company's control, either in the cause of the outage, the large number of variables associated with what it takes to fix the outage, or both. Service outages vary widely in type and severity. Thus, a reasonable interval for a service restoral following an outage is variable, depending on a number of circumstances.

- 3 Perhaps the fastest restoration scenario results from the common occurrence of a telephone, fax machine, or other device being left “off hook.” In that instance, the company can usually resolve the trouble in minutes over the phone. Another example of a relatively short duration restoral scenario would be the failure of a monitored electronic device in a central office with 24/7 coverage and a readily available spare part. In that scenario, it would be reasonable to expect restoral times within a few hours. On the other hand, if a very large, paper insulated cable were to fail in a utility vault filled with water (very common) it could take several full days of round the clock effort before all the customers were restored. In this case, the restoral process requires two technicians to send an electronic tone identifying each of the wires that need to be spliced back together – possibly in a cable with 600 or more pairs of wires.

- 4 If the reason for the service outage is beyond the company’s control – a third-party cable cut, a storm, a car-pole accident – the restoral interval will still depend on the severity of the outage, the types of facilities that were damaged, the physical location of the facilities and ease of access, the availability of spare parts and equipment if those are necessary, etc. A reasonable interval to replace a single customer’s drop will be much different from a reasonable interval to repair a 600 pair cable that has been damaged or stolen. When outages are widespread rather than isolated, the demand on resources is significant, and intervals become longer.

- 5 Additionally, between 40% and 60% percent of outages occur when customer equipment or wiring fails. This failure is beyond the company’s control, but restoration times are still highly dependent on external factors such as the length of time it takes to gain access to the residence or business, or common equipment room for multi-tenant businesses

where the fault or demarcation points may be located.

- 6 Even if the outage is caused by the company's equipment, say, for example, a piece of electronic equipment that failed, the restoral interval still depends on a number of the same factors. What might be a reasonable interval for restoral of service in one of the downtown Seattle central offices might be unreasonable in Packwood or Kettle Falls, given the potential need to dispatch specialized technicians, the possibility that weather might hamper access even if weather did not cause the outage, etc.
- 2) *Does your company have service quality measures or standards for the time it takes to restore service after an outage? If so, what are those measures or standards and what has been the company's performance with respect to those measures or standards?*
- 7 CenturyLink measures many aspects of the service restoration experience it delivers to its customers. The business is very competitive and customers have many service providers to choose from so it is very important to balance speed of service and cost. CenturyLink strives to give each customer a realistic commitment for restoral time. To that end, CenturyLink monitors various aspects of its performance, including whether the customer's issue was resolved during the first contact, whether commitments and appointments were met, repair intervals, and overall customer satisfaction.
- 8 CenturyLink does not have specific internal measures or standards for service restoral in terms of hard benchmarks or goals. However, as noted above, CenturyLink does track the mean-time-to-repair for local service, and tries to maintain that repair interval within an overall acceptable interval based on past performance, customer feedback, and tempered by knowledge of individual circumstances that might affect service restoral intervals, including weather.

9 The data collected does not distinguish between types of outages and it does not exclude force majeure events. This is a pure tracking mechanism. For the past year, CenturyLink's average mean-time-to-restore in Washington has been less than 48 hours. However, that does not mean that each service restoral is less than 48 hours, nor does it mean that such a standard is necessarily attainable all the time.

3) *What costs does a company incur to restore service within this amount of time? What additional costs would a company incur to restore service within a shorter period of time?*

10 Most of CenturyLink's operational costs are employee related—salaries, wages, benefits, trucks, tools, operating locations. Thus, the costs to restore service are primarily labor-driven. Shorter intervals would drive additional costs in the form of mandatory overtime, the possibility of using contractors hired to assist, and the possibility of hiring additional technicians. Additional labor costs without additional revenue would negatively impact the company's overall financial health. Mandatory service intervals might also drive customer dissatisfaction with the company overall if the service restoral intervals for basic telephone service are met at the expense of say, for example, longer installation intervals for high-speed Internet service.

4) *Should the Commission establish a benchmark for service restoral (e.g., a certain percentage of outages restored within a specified period of time)? If so, what costs would a company incur to track and report on its performance using this benchmark?*

11 No, it is CenturyLink's position that the Commission should not establish a benchmark for service restoral, for both policy reasons and practical reasons. From a policy perspective, CenturyLink believes that the market should regulate this type of performance. Driving a specific benchmark for voice restoral could actually be a

disservice to customers. The periods with the longest restoration times are typically those where demand exceeds capacity. Our customers tell us that the service they are most concerned about at that time is Internet repair, so the market would drive that as a priority for repair. This is not surprising since most customers also have cellular voice service. If a specific benchmark were established for voice, it might force an allocation of resources that would be less satisfactory to customers.

12 The practical reasons why a rule should not be adopted are generally contained in the responses to questions 1-3. In sum, it is difficult to establish a reasonable benchmark given the variability of the factors that drive service restoral intervals. Furthermore, a benchmark that is attainable by one company or in certain geographic areas may not be attainable statewide. Setting the benchmark too high creates a meaningless standard. Setting it too low creates a situation where companies incur unreasonable and unnecessary costs to meet the benchmark without increased revenues or customer satisfaction.

13 Furthermore, CenturyLink believes that its track record with regard to service restoral has been good, and that competition is regulating this market in a very effective way. Market forces drive CenturyLink to monitor and regulate its own behaviors to promote customer satisfaction, as every customer is extremely valuable, and the market punishes failures because customers have choices about where to obtain local service.

14 CenturyLink's record with consumer complaints at the Commission is also good - service restoral intervals are not a significant subject of customer complaints. CenturyLink believes that the small number of increased complaints in 2016 can be traced to weather events. The Commission did not adopt a new service standard based on that data when it

looked at the issue in Docket No. UT-140680 when it considered the issue last year. Now that additional time has elapsed, it is clear that this is not an issue seeking a regulatory solution.

15 Finally, the Commission already has a rule requiring prompt service restoration. WAC 480-120-411 contains this standard. It is superior to a rigid "X number of hours" standard because it allows consideration of the circumstances of the outage and what was necessary for a repair on a case by case basis.

5) How and when do companies currently notify customers of a planned service outage?

WAC 480-120-412 (6) requires the company to provide notices of planned or intentional outages.

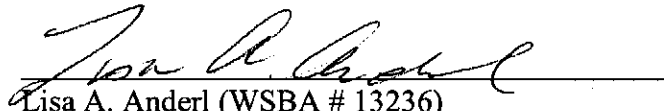
WAC 480-120-412 (6) Notice of intentional outage. When a company intends to interrupt service to such an extent that it will cause a major outage, it must make a reasonable effort to notify all customers who will have their telephone service affected and the state emergency management authorities not less than seven days in advance if circumstances permit or as soon as it plans to interrupt service if circumstances do not permit seven days' advance notice. A notice is not required for planned service interruptions that have a duration of less than five minutes and occur between the hours of 12:00 a.m. and 5:00 a.m.

16 CenturyLink works to avoid service interruptions. Under some circumstances, planned maintenance work may necessitate a short interruption of service. Notification to CenturyLink's customers, as well as internal organizations, is critical to sustaining our business and credibility with our customers. Prior to performing the maintenance task, impacted customers are identified and notified three to fourteen business days in advance by way of a telephone call, as well as e-mail or USPS mail.

17 In conclusion, and for the reasons stated herein, CenturyLink encourages the Commission to decline to adopt a new rule at this time.

Submitted this 6th day of March, 2017.

CENTURYLINK



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