

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NO. UT-970766
)	
Complainant,)	TWELFTH SUPPLEMENTAL
)	ORDER
v.)	
)	COMMISSION ORDER ON
U S WEST COMMUNICATIONS, INC.,)	CLARIFICATION
)	(SERVICE GUARANTEE AND
Respondent.)	MISSED APPOINTMENT
.....)	ISSUES)

On January 16, 1998, the Commission entered the Tenth Supplemental Order (final Order) in this matter resolving the issues in this proceeding. Within the time provided by law, U S WEST Communications, Inc. (USWC or Company), and Commission Staff each petitioned for clarification or reconsideration.

BACKGROUND

Commission Staff and USWC both filed petitions for reconsideration of the Commission's final Order in this docket. They raise issues relating to three broad categories: (1) the customer service guarantee and missed appointment credit; (2) the standards by which the Commission will restore the service-based restrictions on income that the Commission imposed in Docket No. UT-950200; and (3) the opportunity to increase revenues if Directory Assistance estimates are not met. Public Counsel replied to both petitions.

This Order is limited to the first category of issues -- customer service guarantees and missed-appointment credit. The parties are now briefing the remaining matters, which have less time-sensitivity.

We summarize the issues that are raised now; parties' positions in the petitions and answers; and state the Commission's Order regarding each issue.

I. STAFF PETITION FOR RECONSIDERATION (NOTICE REQUIREMENTS)

Discussion: Commission Staff asked the Commission to adopt notification requirements for the modified service guarantee program and the \$50 credit for missed appointments. The requested notices include: (1) a verbal description of the service guarantee program and the \$50 credit program at the time the customer places the order; (2) a follow-up written notice mailed the day the order is placed; and (3) notice to all customers every six months. Public Counsel supports all of the Staff proposals.

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USWC responds that it has already sent all customers a bill insert notifying them of the guarantee and the service credit. The Company does not object to sending bill message reminders every six months. The Company does object to verbal and follow-up written notice. Instead, it urges that the Company should only have to notify customers who qualify for the customer guarantee program. USWC contends that customers eligible for the credit will automatically receive the credit on their next month's bill. The Company's principal objection is the cost and time necessary to inform all ordering customers (600,000 per year) when less than five percent qualify for the program. The Company does not explain exactly how it would assure, as the order requires, that the eligible customers would know about their options as soon as they become eligible. The Company, Commission Staff, and Public Counsel will work to agree on some detail after this Order resolves underlying issues.

Commission Decision: The Company's proposal to provide a bill notice every six months describing the availability of the customer guarantee and the credit is appropriate and will be ordered.

In addition, the Company should be required to announce both programs' availability to customers at the time a service order is placed, including how to get in touch with the Company if customers become eligible. The Commission will so order.

It appears that the Company does not now automatically send out a written confirmation of each order. Considering the costs involved, and the proportion of customers who may become eligible, oral notice should be sufficient. We do not expect that this would entail substantial costs considering the Company's overall operation. The additional mailing, however, might become necessary if the Company fails to comply with the oral notice, or if a significant number of eligible customers are discouraged from using the programs because of a lack of written confirmation. The Commission will require and order the Company to demonstrate its compliance with this program. In the event that the Commission's consumer affairs staff identifies a trend toward a failure of adequate notification to customers of the availability of this program, the Commission will order the Company to implement a requirement of automatic written confirmation of each order and the availability of the customer guarantee and missed appointment credit.

The Company's proposal not to provide any notice at all of the missed appointment/commitment credit is simply not acceptable. The Company has requested that customers have the option of how to allocate their credit, which seems to be appropriate. It is essential that customers know that they are eligible for a credit in order for customers to exercise their options and to monitor possible glitches in the system that might prevent their receiving a credit.

Public Counsel recommended that each customer be given an order number to assist Company order verification. The Commission heard anecdotes about orders being "lost." The Commission believes that the unified service ordering and out of service reporting systems adopted by the Company support an order number assignment process for handling, tracking, and verifying orders. We are confident that the Company will find that its needs and those of its customers will benefit from such a designation to keep track of its orders internally and to link questions with the pertinent service records. Therefore we will require the Company in consultation with Commission Staff and Public Counsel to immediately undertake discussions to develop such a system.

II. COMPANY PETITION FOR RECONSIDERATION

A. Missed Appointment/missed Commitment

The Company asks for clarification of the missed appointment program.

1. Basic Service Only

Discussion: First, the Company contends that the credit should apply to only appointments or commitments relating to basic local service.

Staff and Public Counsel respond that the missed appointment and commitment credit should apply to all regulated services.

Commission Decision: The missed appointment/commitment credit should apply to all regulated services. Testimony in the rate case demonstrated consumer and business problems caused by missed commitments going beyond mere basic service. Services which might be considered less critical to customers seem generally to be central office features and thus easily provided, so we expect that no hardship on the Company will result.

2. Canceled Appointments/Commitments

Discussion: The Company contends that it should be able to cancel the commitment (and escape the credit) if, prior to the date of the appointment,

or commitment, it informs the customer of its inability to provide service based on the lack of facilities. Commission Staff and Public Counsel opposed the proposal. Staff conceded that a missed commitment or appointment should be forgiven in the case of an act of God such as an earthquake or severe storm that prevents compliance.

Commission Decision: The Company should not be allowed to cancel a commitment or an appointment at any time based upon lack of facilities. However, it does make sense to give the Company until the next business day following the initial scheduling of the appointment/commitment to contact the customer and provide a revised appointment or commitment if it discovers that facilities are not available. This would give the Company the opportunity to verify its facilities to ensure that the appointment/commitment could be fulfilled as committed and would also allow customers enough warning to adjust their planning.

Other than this exception, there should be only two excuses for canceling an appointment or commitment or avoiding the credit. The Company should not be required to maintain its obligation despite a major earthquake, blizzard, ice storm, wind storm, etc. Neither should it be required to pay if the customer reschedules the appointment or is not available at the time of the appointment, and that unavailability prevents completion of the scheduled work. Technically, as Commission Staff points out, rescheduling for customer convenience or failure to meet an appointment are not a Company failure and fall outside the Company's requirements to provide a credit.

B. Customer Guarantee Program

The Company also asked clarification about the Commission's intention regarding the new aspects of its customer guarantee program.

1. Waiver of Installation/Recurring Charges

Discussion: First, the Company believes it should no longer have to waive the installation charge and first month's charges for those held order customers who select a cellular phone package. The Company's argument is that the waiver made sense if a customer had to wait 30 days for service, but now customers will only wait the five days to which the Company is entitled under the rule.

Public Counsel and Staff argue that the waiver of the first month and installation charges should be maintained. The two measures are not exclusive and provide recompense to the consumer, according to Staff. Public Counsel argues that cellular service does not offer the advantages of wire-based service, including ready access to Internet services.

Commission Decision: Customers who select a customer guarantee option other than cellular (voice messaging or no option, for example) should receive a waiver of both the first month's bill and the installation charges. Customers who elect cellular service should pay the normal monthly charge for wire-based basic service, consistent with the requirement of the prior rate case. If a held order customer selects the cellular service, instead of the other options, the customer would thus pay \$12.50 a month for the cellular service.

Public Counsel argues that there should be no charge because cellular service is not adaptable to some uses, such as Internet access. We disagree. Each service offers its own advantages and disadvantages; the customer with cellular service is receiving telecommunications service; and the first month's charge should not be waived.

The installation charge should still be waived, however, both as a recognition for the inconvenience imposed upon the customer and as an incentive for the Company to meet its timeliness requirements under the rule.

2. Limitation of Guarantee

The Company asks the Commission to clarify that the customer guarantee applies only to the first residential line and the first two business lines to a single premises.

Commission Staff agrees with USWC regarding the application of the guarantee to primary lines. Public Counsel did not, contending that any person's first line should be eligible, even members of groups or families that already receive service at that address. On reply, USWC said it would offer the service guarantees to multiple customers at the same address if formally separated by structure or rental agreement.

Commission Decision: The Commission accepts the Company's proposed compromise. The purpose of the program is to provide assurance that essential primary service is available; if it is a child's line, or to serve a community that is already served, the service is not an essential primary line and the Company's expense should be limited.

3. Recovery of Expenses

Discussion: The Company asked for the opportunity to recover in rates as a "stand-alone" element the additional expense associated with the customer service guarantee programs.

Commission Staff responds that the Company should seek any additional expense for the customer guarantee in the next rate case.

Commission Decision: The Commission will not provide the assurance that the Company asks. The issue of potential costs was raised during the rate case, but the exact amount of the expense and the proper accounting treatment were not explored adequately on the record. We believe that the Company has the opportunity to minimize this expense and do not wish to prejudge any aspect of the issue. We defer the entire issue for consideration in the Company's next general rate case.

CONCLUSION

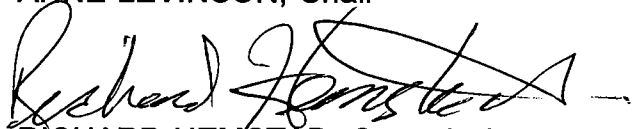
This order expresses the Commission's decision on reconsideration of the elements discussed. Other matters remain for decision, which the Commission will address in an ensuing order.

DATED at Olympia, Washington and effective this *26th* day of February 1998.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



ANNE LEVINSON, Chair



RICHARD HEMSTAD, Commissioner