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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of  
U S WEST, INC., and QWEST  
COMMUNICATIONS INTERNATIONAL, INC.  
  
For an Order Disclaiming Jurisdiction, or in the  
Alternative, Approving the U S WEST, INC., -  
QWEST COMMUNICATIONS  
INTERNATIONAL INC. Merger

DOCKET NO. UT-991358  
  
PETITION FOR MODIFICATION OF  
NINTH SUPPLEMENTAL ORDER AND  
MITIGATION OF CREDIT AMOUNT

**INTRODUCTION**

Qwest Corporation ("Qwest") files this Petition to modify certain requirements in the Commission's Ninth Supplemental Order in Docket No. UT-991358 and to mitigate a portion of the credit due. The Ninth Supplemental Order, dated June 19, 2000, granted the joint application of U S WEST, Inc. and Qwest Communications International, Inc. (collectively the "Joint Applicants") to effect the July 18, 1999 Agreement and Plan of Merger of the Joint Applicants.

In the Ninth Supplemental Order ("Order"), the Washington Utilities and Transportation Commission ("Commission") granted approval of the merger transaction subject to conditions stated in the body of the Order, including those conditions set forth in the Settlement Agreements attached to the Order as Appendices A and B. One of the settlement conditions included in Appendix A is the Service Quality Performance Program. Qwest seeks modification of the Order regarding one standard in the Service Quality Performance Program, the standard addressing Repair Intervals for Out-of -Service Conditions. This standard is found in Appendix A to the Order, Attachment B, (5) Out-of-Service

1 Conditions – Repair Intervals.

2 Qwest also seeks mitigation of the credit amount for this same service quality performance  
3 standard for eight of twelve months in 2001. The Order allows Qwest to "petition the Commission for  
4 mitigation of the credit amounts that would otherwise be paid" and to demonstrate that mitigation of such  
5 a credit "is in the public interest."<sup>1</sup> The Commission agreed it "shall consider whether the assessment of  
6 credit amounts is due to unusual or exceptional circumstances for which the Company's level of  
7 preparedness and response was reasonable."<sup>2</sup> As explained below, Qwest's level of preparedness and  
8 response was reasonable; therefore Qwest seeks mitigation of \$666,667 of the \$1,000,000 credit due  
9 for this element of the Service Quality Performance Program.

10 The Service Quality Performance Program calls for payment of annual credits to Qwest's current  
11 customers as an equal bill credit on all Qwest local exchange access lines, and that such payments shall be  
12 paid no later than ninety days after the end of the calendar year. Absent mitigation of the \$666,667 credit  
13 amount, each customer will receive a credit of approximately \$1.32. If the Commission grants Qwest's  
14 petition for mitigation, each customer will receive a credit of approximately \$1.05.

15 Qwest will credit each customer bill on March 30, 2002. Therefore, Qwest respectfully requests  
16 the Commission grant Qwest's petition no later than March 13, 2002.

### 17 DISCUSSION

18 The Service Quality Performance Program adopted in the Order established eight distinct  
19 performance measures for Qwest's provision of service to its retail customers. It established baseline  
20 levels of performance, defined performance exclusions and established the methodology for the  
21 calculation of credits. This mitigation petition is filed in conjunction with, and as part of, Qwest's first  
22 report of performance.

23 Qwest's annual performance for 2001, as reported to the Commission, was as follows:

24 Index	Benchmark	Performance	Penalty
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25 <sup>1</sup> Appendix A, II.B.5.

26 <sup>2</sup> Id.

1	Processing of Orders within 5 business Days	90% in each exchange for each month	97% annual average; missed from 0 to 9 exchanges in a single month	\$190,470
2				
3	Processing of Orders within 90 Days	99% in each exchange for each month	99% annual average; missed from 1 to 8 exchanges in a single month	\$233,333
4	Trouble Reports	No more than 4 per 100 lines for three consecutive months or 4 of 12 months in each exchange	1.2 reports per 100 lines annual average	\$0
5	No Dial Tone	Dial tone within 3 seconds on 90% of calls placed in each central office switch for each month	99.9% annual average	\$0
6				
7	Out-of Service Conditions – Repair Intervals	All reported interruptions shall be restored within two business days - less exceptions – for each month	99.4% annual average	\$1,000,000
8				
9	Answer Time Performance – Repair Calls	Except during periods of emergency operation - 80% within 30 seconds for each month	90% annual average	\$0
10				
11	Answer Time Performance – Customer Service	Except during periods of emergency operation - 80% within 30 seconds for each month	60% annual average- missed 9 of 12 months. Last four months of 2001 avg. was 83.4%.	\$749,997
12				
13	Complaint Response	Complete and detailed response within two business days for each month	Missed all 12 months	\$1,000,000
14				
15			TOTAL	\$3,173,792
16				

17 A comparison of U S WEST 's performance prior to the merger with Qwest's performance post  
18 merger is set forth below:

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21 // // // //

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<b>Index</b>	<b>Standard</b>	<b>Pre Merger (1999)</b>	<b>Post Merger (2001)</b>
Processing of Orders within 5 business Days	90% in each exchange for each month	93% annual average; missed up to 36 exchanges in a single month	97% annual average; missed from 0 to 9 exchanges in a single month
Processing of Orders within 90 Days	99% in each exchange for each month	99% annual average; missed up to 14 exchanges in a single month	99% annual average; missed from 1 to 8 exchanges in a single month
Trouble Reports	No more than 4 per 100 lines for three consecutive months or 4 of 12 months in each exchange	2.02 reports per 100 lines annual average	1.2 reports per 100 lines annual average
No Dial Tone	Dial tone within 3 seconds on 90% of calls placed in each central office switch for each month	No data was tracked at this time	99.9% annual average
Out-of-Service Conditions - Repair Intervals	All reported interruptions shall be restored within two business days - less exceptions - for each month	85.3% annual average	99.4% annual average
Answer Time Performance - Repair Calls	Except during periods of emergency operation - 80% within 30 seconds for each month	73% annual average	90% annual average
Answer Time Performance - Customer Service	Except during periods of emergency operation - 80% within 30 seconds for each month	52% annual average-missed 11 of 12 months	60% annual average-missed 9 of 12 months. Last four months of 2001 avg. was 83.4%.
Complaint Response	Complete and detailed response within two business days for each month	missed all 12 months	missed all 12 months

At the end of 2001, Qwest had 49 orders over 30 days old that were held due to a lack of facilities. All orders were for additional lines. At the end of 1999, U S WEST had 879 orders over 30 days old that were held due to a lack of facilities.

Post-merger, Qwest emphasized service quality as a priority, set objectives for strong, sustainable service improvement and invested over \$579 million in Washington in the first eleven months of 2001. These efforts proved fruitful, as demonstrated above. These accomplishments are remarkable considering the earthquake in Washington in February and the difficult national and economic challenges faced by all telecommunications companies. Qwest expects to sustain its performance in 2002.

1 **1. Standard of Review for Mitigation**

2 The standard of review for this petition for mitigation is the one approved by the Commission in  
3 the Ninth Supplemental Order in Docket No. UT-991358, Appendix A, II.B.5. Section II.B.5 states:

4 Mitigation of Credit Amounts. The Company may petition the  
5 Commission for mitigation of the credit amounts that would otherwise be  
6 paid pursuant to Section II.B.4 above. The Company shall have the  
7 burden of demonstrating that mitigation of any service quality credit  
8 amount is in the public interest. In considering whether mitigation is in the  
9 public interest, the commission shall consider whether the assessment of  
10 credit amounts is due to unusual or exceptional circumstances for which  
11 the Company's level of preparedness and response was reasonable. Any  
12 such petition shall be filed no later than thirty (30) days after the end of  
13 the calendar year for which such credits are payable.

14 The adopted standard within the Service Quality Performance Program, at Appendix A, that is  
15 the subject of this Petition is the following:

16 Out-of-Service Conditions--Repair Intervals. All reported interruptions  
17 of telecommunications service shall be restored within two business days,  
18 excluding Sundays and holidays, except interruptions caused by  
19 emergency situations, unavoidable catastrophes, force majeure, work  
20 stoppage, or failure of inside wiring or customer premises equipment.  
21 These credits shall not apply to trouble reports relating to operation of  
22 customer premises equipment, nor shall it apply to extraordinary or  
23 abnormal conditions of operation, such as those resulting from emergency  
24 or catastrophe or disruptions of service caused by persons or entities  
25 other than the local exchange company.

26 Qwest reports to the Commission each month as to its compliance with each performance  
standard on an exchange, central office, statewide or company-wide basis. This particular measure is  
reported by exchange; however, the credit amount is calculated based on the monthly statewide  
performance result. There is a monetary penalty of \$83,333 for this specific standard for each month in  
which the Company's performance is not in compliance, regardless of how well Qwest performed overall.  
In other words, as the standard now reads, Qwest is penalized \$83,333 per month regardless of whether  
its performance on this metric was 99.5% or 59.5%.

24 **2. Qwest Performance**

25 The Company's performance in 2001 for this standard was as follows:

Measurement	Total # of Out Of	Number of Tickets	% Less Than	# Missed	% Missed
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Period 2001	Service Tickets	Out of Services Less Than Two Working Days	Two Working Days	(Less Than Two Working Days)	(Less Than Two Working Days)
January	23,505	23,295	99.11%	210	0.89%
February	19,483	19,041	97.73%	442	2.27%
March	20,754	20,692	99.70%	62	0.30%
April	20,372	20,328	99.78%	44	0.22%
May	19,953	19,908	99.77%	45	0.23%
June	20,334	20,232	99.50%	102	0.50%
July	18,873	18,759	99.40%	114	0.60%
August	21,006	20,917	99.58%	89	0.42%
September	16,343	16,277	99.60%	66	0.40%
October	17,931	17,875	99.69%	56	0.31%
November	17,748	17,697	99.71%	51	0.29%
December	16,934	16,780	99.09%	154	0.91%
<b>YTD Total</b>	<b>233,236</b>	<b>231,801</b>	<b>99.38%</b>	<b>1435</b>	<b>0.62%</b>

Qwest manually analyzed 1,381 (96.2%) of the 1,435 trouble reports not closed within two business days. Qwest was able to review all but 54 of the trouble reports not closed within two business days. Those 54 reports could not be located.

Qwest's manual analysis revealed 211 (15.3%) reports were completed in two business days, however the technician did not close the trouble report ticket because additional paper work needed to be completed. These reports were inaccurately reported and should have reflected that the trouble was cleared in two working days. The matrix below restates 2001 performance and excludes those reports where trouble was actually cleared within two business days:

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Measurement Period 2001	Total # of Out Of Service Tickets	Number of Tickets Out of Services Less Than Two Working Days	% Less Than Two Working Days	# Missed (Less Than Two Working Days)	% Missed (Less Than Two Working Days)
January	23,505	23,382	99.48%	123	0.52%
February	19,111	19,057	97.72%	426	2.28%
March	20,754	20,696	99.72%	58	0.28%
April	20,372	20,333	99.81%	39	0.19%
May	19,953	19,911	99.79%	42	0.21%
June	20,307	20,249	99.71%	85	0.29%
July	18,873	18,768	99.44%	105	0.56%
August	21,006	20,948	99.72%	58	0.23%
September	16,335	16,291	99.73%	52	0.27%
October	17,922	17,887	99.80%	44	0.20%
November	17,747	17,701	99.74%	47	0.26%
December	16,924	16,789	99.20%	145	0.80%
<b>YTD Total</b>	<b>232,750</b>	<b>232,012</b>	<b>99.68%</b>	<b>1,224</b>	<b>0.32%</b>

Correction of these reports does change the overall statewide average result from 99.38% to 99.68% and now accurately states Qwest's performance in 2001. Qwest still has not met the required standard to clear "all" reports and therefore seeks mitigation of this credit payment for eight of the twelve months where it achieved performance at 99.5% or better. The mitigation requested by Qwest will serve the public interest by continuing Qwest's incentive to sustain its high level of performance. Mitigation of the 2001 penalty to penalize only performance below a 99.5% standard will not lead Qwest to alter its commitment to perfect performance. A standard of 99.5% provides no cushion for Qwest to step down its maintenance and repair efforts; thus, it will continue to pursue 100% performance. Also, if the Commission decides to strictly impose (and continue imposing) a black-and-white, 100% standard without mitigation in circumstances such as these where Qwest performed extremely well but fell just short, it will create a disincentive for Qwest to continue pursuing perfect performance, which is a virtual impossibility (as discussed below). If Qwest is penalized identically irrespective of whether it restores service within 2 days to 60% or 99.5% of out-of-service customers, it may have no choice but to dedicate its resources to other, attainable initiatives and standards. Conversely, providing the mitigation and modification requested herein will motivate Qwest to continue its pursuit of perfect performance.

1                   **Qwest Analysis**

2                   The remaining analysis of the 1,224 trouble reports not closed within two business days can be  
3 summarized as follows:

- 4                   •       243 (19.8%) reports were not closed due to customer reasons.
- 5                   •       486 (39.7%) reports were delayed due to major cable outages.
- 6                   •       368 (30.1%) reports were delayed due to Qwest process issues.
- 7                   •       127 (10.4%) reports were delayed due to a variety of other reasons.

8                   As stated above, 243 (19.8%) reports were not closed due to customer reasons. The most  
9 frequent delay due to a customer reason is where the installer arrived at the location within two business  
10 days but required access to the premises and no one was available to provide such access. Therefore,  
11 the trouble ticket cannot be closed and needs to be re-dispatched once arrangements are made with the  
12 customer. Qwest records these trouble tickets as closed beyond two business days since this scenario is  
13 not an exception provided for in the specific provision of the Service Quality Performance Program.  
14 Qwest respectfully requests the Commission modify the Repair Intervals for Out-of-Service Conditions  
15 standard to include this exception on a going forward basis.

16                   486 reports were delayed due to major cable outages. 363 (74.7%) of these reports were for a  
17 cable failure that occurred in Renton on Saturday, February 3, 2001 that affected 363 customers. While  
18 Qwest was repairing the 900 pair cable section over 1,000 feet long, the cable duct collapsed.  
19 Therefore, Qwest had to excavate the cable section, replace the duct and splice in new cable along a new  
20 cable path. This effort took almost five calendar days to complete since it required road permits, heavy  
21 equipment, contract flaggers and other utility locate procedures ("call before you dig"). Crews worked  
22 24 hours a day, including Sunday, to restore service and still were unable to complete the work until  
23 Thursday, February 8, 2001. 17.5% or 85 of the remaining 123 major cable outage reports were  
24 cleared within three business days and were delayed due to similar circumstances. 37 of the remaining  
25 38 reports were cleared within four business days and all but one report was cleared within one week.  
26 Qwest respectfully requests the Commission modify the Repair Intervals for Out-of-Service Conditions



1 standard to exclude trouble reports due to major cable outages.

2 Of the 368 reports delayed due to Qwest process issues, 186 (50.5%) were cable related, 99  
3 (26.9%) reports were dispatched-in (explained below), 18 (4.9%) reports were delayed due to buried  
4 service wire requirements and 22 (6%) reports were delayed once dispatched for other reasons. The  
5 remaining 43 (11.9%) reports were delayed due to a variety of administrative issues. Reports delayed  
6 due to cable issues concern those trouble reports that require Qwest to replace the customer's existing  
7 local loop with another facility. These types of repair may exceed two business days because the  
8 technician must locate another facility that is not readily available. This scenario may require "locate"  
9 services with other utilities, which includes "call before you dig" requirements and may also require  
10 permits. Qwest is unable to meet the two-business-day obligation when factors of this nature arise.  
11 Reports delayed due to dispatch-in conditions typically include those trouble reports that were thought to  
12 be due to conditions at the Company's premises and later found to require dispatch. Reports delayed  
13 due to buried service wire requirements typically require additional equipment not available when the  
14 technician is originally dispatched and therefore require a second visit.

15 The above conditions will generally always impede Qwest's ability to restore "all" reported  
16 interruptions of telecommunications service within two business days; therefore, 100% performance is a  
17 virtually unattainable standard given the number of lines in service in Washington. Therefore, Qwest  
18 requests modification of the Repair Intervals for Out-of-Service Conditions standard from "all" or 100%  
19 to 99.5%.

20 **4. Relief Requested and Reasons for Seeking Modification**

21 In this request for modification, Qwest seeks to modify the standard that "all" eligible reported  
22 interruptions of telecommunications service be restored within two business days. Qwest respectfully  
23 requests the Commission modify the standard as follows:

24 Out-of-Service Conditions--Repair Intervals. 99.5% of all reported  
25 interruptions of telecommunications service shall be restored within two  
26 business days, excluding Sundays and holidays, except interruptions  
caused by emergency situations, unavoidable catastrophes, force  
majeure, work stoppage, major cable outages, failure of inside wiring or  
customer premises equipment or where customer access is required and  
the customer is not available. These credits shall not apply to trouble

1 reports relating to operation of customer premises equipment, nor shall it  
2 apply to extraordinary or abnormal conditions of operation, such as those  
3 resulting from emergency or catastrophe of disruptions of service caused  
4 by persons or entities other than the local exchange company.

5 The analysis of those trouble reports that were not cleared in two business days indicates that  
6 there will always be a small number of reports, less than 1%, that cannot be cleared within the standard  
7 established by the Commission in WAC 480-120-520(8) and agreed to by the parties in this proceeding.

8 Qwest believes modification of the standard and mitigation of a partial amount of the credit owed  
9 is in the public interest for the reasons discussed above. This is clearly not what the Commission or  
10 parties intended by adoption of the existing rule standard in the Ninth Supplemental Order in Docket No.  
11 UT-991358. Qwest's results clearly demonstrate a commitment to meet the Commission standard.  
12 Modification of the 100% standard to a 99.5% standard will continue to require Qwest to strive for  
13 100% performance. Qwest will continue to make process improvements to further its success for all  
14 service quality measures. Furthermore, customers who do not have service restored within two business  
15 days will continue to receive the \$50.00 missed commitment credit offered under the existing Qwest  
16 Service Quality Guarantee Program. Therefore, the public interest will continue to be served should the  
17 Commission modify the standard as proposed by Qwest.

18 **5. Conclusion**

19 Qwest believes that the service received by customers as a result of implementing the  
20 Performance Standard (5) Out-of-Service Conditions--Repair Intervals standard has significantly and  
21 measurably improved. For the reasons set forth above, Qwest respectfully petitions the Commission to  
22 modify the Ninth Supplemental Order in Docket No. UT- 991358 to revise the Out-of-Service  
23 Conditions--Repair Interval standard from "All" to 99.5% and to exclude trouble reports due to major  
24 cable outages or where service restoration is delayed due to customer reasons. Qwest also respectfully  
25 requests the Commission mitigate \$666,667 of the \$1 million credit obligation for this same standard.

26 Respectfully submitted this 30th day of January, 2002.

QWEST

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