

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of U S WEST, Inc.)
and QWEST COMMUNICATIONS)
INTERNATIONAL, INC.)
) Docket No. UT-991358
For an Order Disclaiming Jurisdiction, or)
In the Alternative, Approving the U S WEST, INC. --)
QWEST COMMUNICATIONS INTERNATIONAL)
INC. Merger)
_____)

TESTIMONY OF
THERESA JENSEN
On behalf of
QWEST CORPORATION
February 27, 2002

1 Q. PLEASE STATE YOUR NAME.

2 A. My name is Theresa Jensen. I am the Senior Staff Advocate for the Policy and
3 Law Department for Qwest Corporation in Washington. I previously filed direct
4 and rebuttal testimony in this proceeding.

5

6 Q. PLEASE DESCRIBE YOUR BACKGROUND AND WORK EXPERIENCE.

7 A. I have been employed by Qwest Corporation or its predecessors since 1972 and in
8 my current assignment since 1991. I began my career in telecommunications in
9 1972 as a directory assistance operator. I also worked as a customer service
10 representative for about six years. I then spent several years in Marketing holding
11 various job responsibilities, including market administrator, account executive,
12 sales manager, instructor, market manager, data systems manager and product
13 manager. From 1987 until 1991 I worked in Strategic Planning and was
14 responsible for developing and implementing U S WEST's Open Network
15 Architecture Plan. In my current assignment, I am responsible for regulatory
16 issues, including rulemakings, service quality, product and service offerings,
17 depreciation, petitions for competitive classifications and the Washington
18 financial results of operation.

19

20 Q. HAVE YOU EVER APPEARED BEFORE THIS COMMISSION ON BEHALF OF
21 QWEST OR ITS PREDECESSORS?

22 A. Yes. I have testified as a company policy witness in a number of proceedings
23 before this Commission.

24

25 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

1 **A.** The purpose of this testimony is to respond to various statements included in the
2 Testimony of Glenn Blackmon submitted in this matter on February 22, 2002, and
3 in the verified comments submitted by Public Counsel submitted the same day.

4
5 **Q. DR. BLACKMON STATES THAT THERE IS NOTHING IN QWEST'S PETITION**
6 **FOR MITIGATION THAT SUGGESTS THAT QWEST EXECUTIVES**
7 **"MISAPPREHENDED THE CHALLENGE THAT THEY SET FOR**
8 **THEMSELVES" WHEN THEY AGREED TO THE MERGER CONDITIONS (P. 3,**
9 **LINE 17). COULD YOU COMMENT?**

10 **A.** Yes. Qwest has not claimed that its executives "misapprehended the challenge
11 that they set for themselves". Qwest's petition for mitigation and modification is
12 not premised on any such claim, and it is therefore unclear why Mr. Blackmon
13 raises this issue. Qwest understood the objective of the Service Quality
14 Performance Program was to drive performance improvement under Qwest
15 management. Clearly, improvement has been significant. Qwest performed at
16 99.5% or better during 8 of the 12 months in 2001. Thus, I believe that Qwest
17 both understood and rose to meet the challenge of service improvement. I am
18 disappointed that Mr. Blackmon and Public Counsel fail to recognize this
19 incredible improvement over prior year performance.

20
21 **Q. IS IT IN THE PUBLIC INTEREST FOR THE COMMISSION TO ADHERE TO**
22 **AN OBJECTIVE THAT MAY BE UNACHIEVABLE AND THAT HAS A**
23 **\$1,000,000 CREDIT AS SOCIATED WITH IT?**

24 **A.** Absolutely not. A \$1,000,000 credit to customers on this performance metric
25 amounts to a credit of approximately \$0.27 per customer. This provides no

1 measurable value to customers. I believe that the public interest would be better
2 served if Qwest were to invest the \$1,000,000 in Washington to prevent future
3 service outages.

4

5 **Q. QWEST HAS REQUESTED TWO NEW EXCLUSIONS IN THE CALCULATION**
6 **OF ITS PERFORMANCE UNDER THE OUT-OF -SERVICE RESTORATION**
7 **STANDARD. CAN YOU EXPLAIN THOSE EXCLUSIONS?**

8 **A.** Yes. The first is to exclude trouble reports caused by major cable outages and the
9 second is to exclude those reports that could not be completed within two
10 business days due to customer reasons.

11

12 **Q. DR. BLACKMON SUGGESTS THE NEW EXCLUSIONS SUGGESTED BY**
13 **QWEST ARE "ILL-DEFINED AND OPEN-ENDED," DO YOU AGREE?**

14 **A.** No. However, Qwest is willing to work with the parties on the definitions of
15 these exclusions and Qwest had hoped that the parties to the agreement could
16 flesh out the specifics of the proposed exclusions prior to the hearing. Qwest
17 intended its exclusion related to trouble reports caused by major cable outages to
18 include all trouble tickets associated with a major cable outages where Qwest has
19 worked 24 hours a day, each day, including holidays and Sundays, to restore
20 service and has been unable to clear the source of the problem within two working
21 days (or where Qwest has restored service within two working days but has been
22 unable to contact all customer who reported trouble to confirm their trouble
23 condition no longer exists). Qwest agrees to report the specifics of each major
24 cable outages it would exclude as part of its monthly reports.

25

1 Repair reports excluded due to customer reasons would be those trouble reports
2 where Qwest did attempt to restore service within two working days, and where a
3 technician was dispatched to the premises within those two days, completed all
4 available restoration procedures and could not restore service. This exclusion
5 would only apply to those circumstances where the technician was unable to
6 obtain access to the customer's premises. Qwest agrees to report the specifics of
7 each trouble report Qwest would exclude due to customer reasons as part of its
8 monthly reports.

9
10 **Q. DR. BLACKMON ALLEGES THAT AN INCENTIVE WOULD BE CREATED**
11 **FOR QWEST TO "MAKE UNREASONABLE DEMANDS FOR ACCESS" IF**
12 **QWEST IS ALLOWED TO EXCLUDE TROUBLE REPORTS MISSED DUE TO**
13 **CUSTOMER REASONS. HE FURTHER STATES THAT THIS EXCEPTION**
14 **ALSO WOULD CREATE "THE POTENTIAL FOR THE COMPANY TO**
15 **RECORD CUSTOMER PROBLEMS THAT DID NOT ACTUALLY CAUSE THE**
16 **DELAY." DO YOU AGREE?**

17 **A.** Absolutely not. Mr. Blackmon is suggesting that Qwest's repair dispatch would
18 radically change its practices to drive performance under this metric and make
19 "unreasonable demands" for access. He is also suggesting that Qwest would
20 falsify its trouble reports. There is no basis for either allegation. As previously
21 stated, Qwest would only exclude those trouble reports where it did attempt to
22 restore service within two working days, where a technician was dispatched to the
23 premises within those two days, and where the technician completed all available
24 restoration procedures and failed to restore service. This exclusion would only
25 apply to those circumstances where the technician was unable to obtain access to

1 the customer's premises after completing all available restoration procedures.
2 Qwest's goal is to restore the customer's service; its focus is not on manipulating
3 results reported to the Commission.
4

5 **Q. DR. BLACKMON STATES THAT "MERELY MOVING THE TRIGGER POINT"**
6 **TO 99.5% WOULD NOT ALTER THE WEAKNESS HE PERCEIVES WITH THE**
7 **CURRENT THRESHOLD. HE BELIEVES TO DO SO WOULD RESULT IN**
8 **TOLERANCE OF "BELOW-STANDARD PERFORMANCE." DO YOU AGREE?**

9 **A.** Absolutely not. Qwest's request to modify the standard to 99.5%, with the
10 inclusion of those exceptions addressed above, continues to establish a difficult
11 threshold of performance. However, Qwest has proven that it can meet this
12 threshold, as it has with its current performance. Qwest has also proven it is
13 unlikely to ever meet the "all reports" threshold due to human error. Qwest does
14 not view 99.5% or better as "below-standard" performance.
15

16 **Q. WHY DID QWEST AGREE TO THE CURRENT STANDARD?**

17 **A.** Qwest believed it had captured those exceptions that would prevent restoration
18 within two business days in the exceptions previously agreed to as part of the
19 settlement agreement. Our experience in 2001 indicates there are additional
20 exceptions that are appropriate considerations. This information was not readily
21 available when the exceptions were previously addressed.
22

23 The modification to the standard, from "all" to "99.5%" is sought due to the
24 results of Qwest's analysis of the trouble tickets and the specific conditions that
25 prevented restoration within two working days. Qwest had not previously

1 undertaken this manual effort and did not have time to do a comparable analysis
2 when it agreed to the approved provisions. As the Commission is well aware, the
3 merger settlement was a negotiated agreement, and the provisions in that
4 agreement were the result of the give and take inherent in the negotiating process.
5 As stated in the petition, the data available at the time this provision was
6 negotiated indicated that Qwest failed to repair almost 15% of its trouble reports
7 within two working days. A manual analysis of this nature, at that time, would
8 have been extremely difficult based on the number of reports involved. The
9 ability to analyze 0.5% of our total out-of-service repair reports was a much more
10 feasible task.

11
12 Qwest further believed that if it attained significantly improved performance and
13 could prove to the Commission that it had done everything it could possibly do to
14 meet the objective under unusual or exceptional circumstances, that the
15 Commission would seriously consider mitigation of the credit owed under the
16 terms of the agreement, which is what Qwest is asking for as part of the relief in
17 this proceeding.

18
19 **Q. WHY SHOULD THE COMMISSION GRANT QWEST'S PETITION?**

20 **A.** It is important to not lose sight of why the program was originally adopted. The
21 public expressed concern about the level of service quality performance delivered
22 under U S WEST management and wanted some assurance from Qwest, Public
23 Counsel and the Commission that service would improve under Qwest
24 management. The Service Quality Performance Program has resulted in

1 significantly improved performance in a relatively short period of time - eighteen
2 months. This is largely due to the focused efforts of Qwest management.

3

4 Furthermore, customers who do not have service restored within two business
5 days receive a credit of \$5.00 and if their out-of-service condition lasts longer
6 than seven calendar days they receive a credit of their monthly recurring charges
7 for local exchange service and associated regulated features. In addition, if Qwest
8 fails to meet the restoration of service commitment made to the customer, another
9 \$50.00 is credited to the customer's account. These individual remedies are
10 appropriate for the customers who are directly impacted by the service outage or
11 missed commitment.

12

13 It is for this reason that Qwest believes the Commission can determine that 99.5%
14 or better is the appropriate benchmark for this Service Quality Performance
15 Program standard.

16

17 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

18 **A.** Yes, it does.

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