

ORIGINAL

Decision 82 03 015 MAR 2 - 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DONNA LECHMAN, et al.,
)
 Complainants,
)
 v.
)
 THE PONDEROSA TELEPHONE CO.,
)
 Defendant.

Case 10976
(Filed April 9, 1981)

Donna Lechman, for herself, complainant.
Pelavin, Norberg, Harlick & Beck, by Alvin
H. Pelavin and William R. Haerle,
 Attorneys at Law, for The Ponderosa
 Telephone Company, defendant.
Harry Strahl, for the Commission staff.

O P I N I O N

This is a complaint by Donna Lechman and 72 other named persons in the Bonadelle Rancho Community (complainants) against The Ponderosa Telephone Company (Ponderosa). The complaint alleges that Ponderosa has provided unsatisfactory telephone service for a long period of time and seeks rectification of the situation. Complainants also request an order directing Ponderosa to provide Optional Calling Measured Service (OCMS) from Friant to Fresno.

A duly noticed public hearing was held in this proceeding before Administrative Law Judge Donald B. Jarvis in Madera on September 16, 1981. The matter was submitted subject to the filing of the transcript and late-filed exhibits which were received by October 26, 1981.

Description of Systems

Ponderosa's Friant exchange is bordered by The Pacific Telephone and Telegraph Company's (PT&T) Fresno, Clovis, and Madera exchanges to the south, southeast, and west, and by Ponderosa's Auberry and O'Neals exchanges to the east and north. The communities of interest for Friant subscribers are primarily the county seats of Fresno and Madera. Ponderosa offers Extended Area Service (EAS) throughout its territory so that all interexchange calls within the company are free. All calls to and from the outside are toll calls.

All Friant exchange customers are served from Ponderosa's central office in the town of Friant. This is an unattended dial office with electromechanical switching equipment. All local exchange calls originating in the Friant exchange go through this office. All calls to numbers outside the exchange are switched through the Friant central office to the O'Neals central office where EAS calls are switched to the appropriate Ponderosa exchange. Calls to the outside places are switched to PT&T's Fresno office for further routing.

Material Issues

The material issues in this proceeding are: (1) Is Ponderosa providing satisfactory telephone service to its customers? (2) If Ponderosa is not providing adequate service, what action should be taken? (3) Should Ponderosa be ordered to provide OCMS from Friant to Fresno?

Contentions of the Parties

A. Contentions of Complainants

Complainants contend that they have suffered inadequate service for a long period of time. They specifically complain of the following items: (1) Cutoffs occur during telephone calls. (2) A busy signal happens before dialing is completed. (3) After dialing, the line goes dead before the number is reached. (4) Incoming calls receive an incorrect recording that the number has been changed or

disconnected; or callers hear a ring but the called number does not ring. (5) Poor connections, static, and noise frequently occur. (6) Customers are not listed under Madera listings in directory assistance. (7) There is no OCMS service from Friant to Fresno.

B. Contentions of Ponderosa

Ponderosa acknowledges that service deficiencies have existed. It contends that many of them were corrected on June 13, 1981 when an electromechanical switch located at O'Neals was replaced by a digital electronic one and additional trunk lines and microwave facilities were installed. Ponderosa argues it plans to install new electronic digital equipment at its Friant central office in May 1982, which will alleviate some of the deficiencies. Ponderosa also asserts that in order to remedy the situation it was necessary to secure a loan from the Rural Electrification Administration (REA). Ponderosa applied for the loan in 1977. It was approved in October 1980 and announced in November 1980.

Ponderosa contends that it had repeatedly taken the position that when adequate trunking equipment existed between Fresno and O'Neals it would apply for authority to offer OCMS. It argues that after additional trunks were installed in conjunction with the June 13 cutover, it submitted an initial tariff for Commission staff (staff) review on August 21, 1981. After receiving staff comments and suggestions a revised tariff was submitted on September 3, 1981 encompassing all but one of the provisions suggested by the staff.

C. Contentions of the Commission Staff

Staff contends that much of Ponderosa's unsatisfactory service could have been prevented by proper maintenance and operating practices. The staff agrees that the new equipment which became operational on June 13, 1981 will alleviate many of the complaints as will the additional equipment projected for installation in May 1982. It argued that unless the new equipment is properly maintained there will again be unsatisfactory service. The staff supports instituting OCMS. There is a dispute between the staff and

Ponderosa over one item which the staff wants inserted in the proposed OCMS tariff.

Discussion

Nine witnesses recited a litany of incidents indicating that Ponderosa has not been providing adequate service. These failures caused the following kinds of results. Subscribers were unable to use their telephones in medical emergencies to summon help or, in some instances, to receive calls dealing with medical emergencies. Subscribers were unable to quickly contact law enforcement agencies and vice versa. Clergymen were unable to make or receive calls relating to urgent pastoral matters. Business losses occurred because subscribers could not contact or be contacted by their customers. Extra costs were incurred by many subscribers because of the problems relating to incoming toll calls, which resulted in their originating rather than receiving them. ✓

The record discloses numerous incidents of cavalier treatment of subscribers by Ponderosa employees. As a result of this type of conduct and the long uncorrected service deficiencies, many subscribers feel it is useless to complain to Ponderosa about service problems.

At the hearing Ponderosa's counsel and operating witness indicated that the company was seriously trying to remedy the problems which are the subject of this proceeding. Whether this was posturing for the purposes of litigation or the turning over of a new leaf remains to be seen. The Commission, however, will use its regulatory jurisdiction to mandate proper service.

As indicated, there was a cutover to a digital electronic switch and the addition of more trunks and microwave facilities at the O'Neals office on June 13, 1981. Ponderosa and the staff agree that this will alleviate many of the problems in the O'Neals area. The projected installation of digital equipment at the Friant central office in May 1982 should correct many of the problems in that area.

However, these improvements will be short-lived unless the equipment is properly maintained. Furthermore, proper maintenance during the period prior to the cutover will lessen the amount of problems.

The new equipment alone may not completely cure one of the problems: failure to complete incoming or outgoing toll calls. This is because the reason for the failure may be in the equipment of PT&T or another interconnected telephone company. Ponderosa's operations witness acknowledged that it had the responsibility of arranging for corrective action regardless of where the malfunction occurred. He testified that when a circuit is blocked there is often a recorded message which has a code number at the end. The witness stated that if the customer experiencing the problem would stay on the line for the entire recording, note the code number, and inform Ponderosa of the incident these problems could be corrected. This proposal envisions cooperation between Ponderosa and its customers. The reluctance of customers to complain has already been noted. ✓
The ensuing order will require management to articulate its new stance.

One item of complaint is the alleged inability of Ponderosa's customers to be listed in the Madera directory assistance.

Ponderosa publishes its own telephone directory. The alphabetical listings from that book are also contained in the alphabetical section of PT&T's Fresno, Madera, Mariposa, and Merced Counties directory in a separate section in the back of the book. PT&T provides all directory assistance for Ponderosa subscribers from Fresno using the separate listings as updated.

The record indicates that the staff investigated the requirements for automatically interfiling all Ponderosa listings, or in the alternative, listing Ponderosa's subscribers with Madera addresses with PT&T listings. The staff concluded that it would be

impractical because of the paperwork and cost involved. However, there already exists a mechanism whereby any Ponderosa subscriber may for 40¢ per month (75¢ for business subscribers) be listed in any PT&T alphabetical directory at his or her mailing address and in the corresponding directory assistance records. During its investigation the staff determined that Ponderosa's operating management was unaware of this procedure. Subsequently, Ponderosa informed some of its customers about this practice. The ensuing order will require Ponderosa to inform all its customers of the availability of listings in PT&T directories.

The complaint seeks an order requiring Ponderosa to provide OCMS. Presently, OCMS is a discounted toll service which allows single-party residence customers to subscribe to one-, two-, or three-hour calling per month on weekdays between 8 a.m. to 8 p.m. and unlimited free calling during other hours and on weekends. For frequent calls into a nearby area, OCMS is generally less expensive than toll calling.

Ponderosa took the position that it could not provide OCMS until there were adequate trunks between O'Neals and Fresno. Additional trunks were added in conjunction with the June 13 cutover. Ponderosa submitted a tariff for OCMS to the Commission on September 3, 1981.

The OCMS tariff submitted by Ponderosa is substantially the same as that of PT&T, which was accepted by the Commission and has become the standard for OCMS tariffs of other California telephone companies. There is a dispute between the staff and Ponderosa about an additional item which the staff wants included in the tariff.

OCMS is generally limited to single-party residential customers. The staff contends that Ponderosa has a poor record of handling and filling requests for upgrading service. The staff argues that as of March 31, 1981, Ponderosa reported it had 27 orders for regrade service in Friant which it had not filled within

30 days, including 24 which were unfilled for over 90 days. Thus, about 10% of the Friant customers had a lower grade of service than they wanted. The staff urges that Ponderosa's OCMS tariff should include a provision which would allow multiparty residence subscribers whose orders for upgrade to single-party service are held by the company for over 30 days to subscribe to OCMS on the same basis as single-party subscribers.

Ponderosa opposes the provision urged by the staff. It contends that as of September 5, 1981 there were no held upgrade orders in the Friant Exchange. It argues that permitting OCMS on a multiparty line can cause problems and unfairness among customers using the line.

The staff's recommended provision stems from its desire to ensure that subscribers are not denied the opportunity for OCMS because Ponderosa is slow or negligent in handling a request to upgrade service. While the staff's objective is laudable we do not think the chosen means are proper.

An OCMS subscriber may purchase a discounted toll service allowance of one, two, or three hours per month on weekdays between 8 a.m. and 8 p.m., and unlimited free calling during other hours and on weekends. If one subscriber on a multiparty line has OCMS and the other or others do not, there will be a tendency of the OCMS subscriber to monopolize the line to get full value of OCMS. If each subscriber has OCMS there will be competition between or among subscribers. In either event, an untenable situation is presented. The proper way to handle the situation is to require Ponderosa to properly handle and process upgrade orders.

Ponderosa's problems cannot be cured at once. The new facilities added in the June 13, 1981 cutover have helped. The equipment projected to be installed at Friant in May 1982 will also ameliorate the situation. However, these improvements will be

transitory if Ponderosa does not properly maintain this equipment. The Commission places Ponderosa and its management on notice that it will be held accountable for failure to comply with our orders, rules, and requirements. (Cal. Const. Art. XII, Sec. 6: Pub. Util. Code §§ 312, 2105, 2107-10, 2113.) Ponderosa's customers are entitled to reasonable and adequate telephone service. Ponderosa's recent conduct augurs well for the future, if it is maintained. We hope this continues without the need for further intervention by the Commission.

No other points require discussion.

Findings of Fact

1. For many years prior to the commencement of this proceeding Ponderosa's customers have suffered numerous and frequent occurrences of the following: (1) Cutoffs occur during telephone calls. (2) A busy signal happens before dialing is completed. (3) After dialing, the line goes dead before the number is reached. (4) Incoming calls receive an incorrect recording that the number has been changed or disconnected; or callers hear a ring but the called number does not ring. (5) Poor connections, static, and noise frequently occur. As a result of these occurrences Ponderosa's subscribers were unable to use their telephones in medical emergencies to summon help, or, in some instances, to receive calls dealing with medical emergencies. Subscribers were unable to quickly contact law enforcement agencies and vice versa. Clergymen were unable to make or receive calls relating to urgent pastoral matters. Business losses occurred because subscribers could not contact or be contacted by their customers. Extra costs were incurred by many subscribers because of the problems relating to incoming toll calls, which resulted in their originating rather than receiving them.

=

2. For many years prior to the commencement of this proceeding some of Ponderosa's employees have not properly handled complaints from its telephone subscribers. Customers have been treated in a rude manner. Service complaints were belittled. Requests for upgrading service have not been recorded or were ignored. As a result of this treatment, many customers are reluctant to complain to Ponderosa about service problems.

3. Many of the deficiencies in Ponderosa's system result from the lack of, or improper, maintenance.

4. In 1977 Ponderosa applied for an REA loan to secure funds for the purpose of improving its system. The loan was approved in October of 1980 and announced in November 1980.

5. On June 13, 1981 Ponderosa replaced an electromechanical switch at its O'Neals office with a digital electronic one. In conjunction with the switch cutover, Ponderosa installed additional trunk lines between O'Neals and Fresno and additional microwave facilities.

6. Ponderosa has plans to install new electronic digital equipment at its Friant central office in May 1982.

7. The cutover to new equipment at O'Neals on June 13, 1981 has corrected some of the deficiencies in Ponderosa's service. Installation of new equipment at the Friant central office in May 1982, will further alleviate Ponderosa's service problems. Any improvement of service resulting from the installation of new equipment will be transitory if that equipment is not properly maintained.

8. Ponderosa has not always submitted the service reports required by General Order 133 and Decision 86593.

9. Ponderosa publishes its own telephone directory. The alphabetical listings from that book are also contained in the

alphabetical section of PT&T's Fresno, Madera, Mariposa, and Merced Counties directory, in a separate section in the back of the book. PT&T provides all directory assistance for Ponderosa subscribers from Fresno, using the separate listings as updated. It would not be practical to interfile some or all of Ponderosa's listings with PT&T's listings for purposes of directory assistance.

10. Any Ponderosa telephone subscriber may for 40¢ per month (75¢ for business subscribers) be listed in any PT&T alphabetical directory at his or her mailing address and in the corresponding directory assistance records.

11. It would be reasonable to require Ponderosa to inform all of its Friant exchange customers, in its August 1982 billing of the rates, procedure, and deadline for having their white page listings appear in PT&T's Fresno, Madera, Mariposa, and Merced Counties alphabetical directory.

12. OCMS is a discounted toll service which allows single-party residence customers to subscribe to one-, two-, or three-hour calling per month on weekdays between 8 a.m. and 8 p.m., and unlimited free calling during other hours and on weekends. Additional charges are applied to use in excess of the purchased allowance. For frequent calls into a nearby area, OCMS is generally less expensive than toll calling. OCMS is generally limited to single-party residential customers. Ponderosa took the position that it could not provide OCMS until there were adequate trunks between O'Neals and Fresno. Additional trunks were added in conjunction with the June 13 cutover. Ponderosa submitted a tariff for OCMS to the Commission on September 3, 1981. The OCMS tariff tendered by Ponderosa is substantially the same as that of PT&T, which was accepted by the Commission and has become the standard for OCMS tariffs of other California telephone companies.

13. As of March 31, 1981 Ponderosa had 27 orders for regrade service in Friant which it had not filled within 30 days: including 24 which were unfilled for over 90 days. Ponderosa had no held regrade orders in the Friant Exchange on September 5, 1981.

14. Requiring Ponderosa to include in its OCMS tariff a provision that multiparty residence subscribers whose orders for upgrade to single-party service have been held for 30 days are eligible to subscribe to OCMS on the same basis as single-party subscribers is not reasonable. The result of such a provision would cause friction among, and be injurious to, other users of the multiparty service. ✓

15. It is reasonable to require Ponderosa to continue its program of special interim maintenance and rehabilitation in the Friant central office until the cutover to the new digital switching equipment.

16. It is reasonable to require Ponderosa to submit records of trouble calls by subscribers in the Friant exchange to the staff monthly; by the fifth working day of the following month. Such reports should include the customer's name, address, number, time, and date called in, nature of the trouble reported, company action, and time and date the trouble was cleared. Reports should continue until the date of cutover to the new Friant digital central office switching equipment. ✓

17. It is reasonable to require Ponderosa to set up a maintenance schedule in accordance with the manufacturer's recommendation for its new Friant digital central office and to keep complete and accurate records of maintenance performed.

18. It is reasonable to order Ponderosa to submit the reports required by General Order 133 and quarterly summaries of held orders as required by Decision 86593 in a timely manner.

19. It is reasonable to require Ponderosa to keep accurate, clear, and current lists of all unfilled requests for primary and regrade service and tariffed foreign exchange service, by exchange. Such lists should include a notation of the dates each request was made, and should be open for inspection by the staff at any time.

20. It is reasonable to accept for filing the OCMS tariff tendered by Ponderosa.

21. It is reasonable to require Ponderosa to notify its customers in its Friant exchange of the availability terms and rates of OCMS service. The notice may be made as a bill insert.

22. It is reasonable to require Ponderosa to instruct its employees to treat customers in a courteous manner and to notify customers that henceforth all requests for upgrading service will be properly logged and processed and all service complaints will be investigated. The notice may be made by bill insert.

Conclusions of Law

1. Ponderosa should be ordered to continue its program of special interim maintenance and rehabilitation in its Friant central office until the cutover to the new digital switching equipment.

2. Ponderosa should be ordered to submit records of trouble calls by subscribers in the Friant exchange to the staff monthly, by the fifth working day of the following month. Such reports should include customer name, address, number, time, and date called in, nature of the trouble reported, company action, and time and date the trouble was cleared. Reports should continue until the date of cutover to the new Friant digital central office switching equipment.

3. Ponderosa should be ordered to set up a maintenance schedule, in accordance with the manufacturer's recommendation, for its new Friant digital central office, and to keep complete and accurate records of maintenance performed.

4. Ponderosa should be ordered to submit the reports required by General Order 133 and quarterly summaries of held orders as required by Decision 86593 in a timely manner.

5. Ponderosa should be ordered to inform all of its Friant exchange customers, in its August 1982 billing of the rates, procedure, and deadline for having their white page listings appear in PT&T's Fresno, Madera, Mariposa, and Merced Counties alphabetical directories. ✓

6. Ponderosa should be ordered to keep accurate, clear, and current lists of all unfilled requests for primary and regrade service and tariffed foreign exchange service, by exchange. Such lists should include a notation of the dates each request was made, and should be open for inspection by the staff at any time.

7. The OCMS tariff tendered by Ponderosa should be accepted for filing.

8. Ponderosa should be ordered to notify its Friant exchange residence customers of the availability, terms, and rates of OCMS, as set forth in the tariff by letter or bill insert not later than the first billing round following the effective date of the tariff.

9. Ponderosa should be ordered to instruct its employees to treat customers in a courteous manner and to notify customers that henceforth all requests for upgrading service will be properly logged and processed, and all service complaints will be investigated. The notice may be made by bill insert.

O R D E R

IT IS ORDERED that:

1. The Ponderosa Telephone Company (Ponderosa) shall continue its program of special interim maintenance and rehabilitation in its Friant central office until the cutover to the new digital switching equipment. ✓

2. Ponderosa shall submit records of trouble calls by subscribers in the Friant exchange to the Communications Division staff monthly; by the fifth working day of the following month. Such reports shall include customer name, address, number, time and date called in, nature of the trouble reported, company action, and time and date the trouble was cleared. Reports shall continue until the date of cutover to the new Friant digital central office switching equipment.

3. Within 30 days after installation of digital switching equipment, Ponderosa shall set up a maintenance schedule, in accordance with the manufacturer's recommendation, for the Friant central office, and to keep complete and accurate records of maintenance performed.

4. Ponderosa shall submit the reports required by General Order 133 and quarterly summaries of held orders as required by Decision 86593 in a timely manner.

5. Ponderosa shall inform all of its Friant exchange customers, in its August 1982 billing of the rates, procedure, and deadline for having their white page listings appear in PT&T's Fresno, Madera, Mariposa, and Merced Counties alphabetical directory.

6. Ponderosa shall keep accurate, clear, and current lists of all unfilled requests for primary and regrade service and tariffed foreign exchange service, by exchange. Such lists shall include a notation of the dates each request was made and shall be open for inspection by the staff at any time.

7. The OCMS tariff tendered by Ponderosa on September 3, 1981 is accepted for filing.

8. Ponderosa shall notify its Friant exchange residential customers of the availability, terms, and rates of OCMS, as set forth in the tariff, by letter or bill insert not later than the first billing round following the effective date of the tariff.

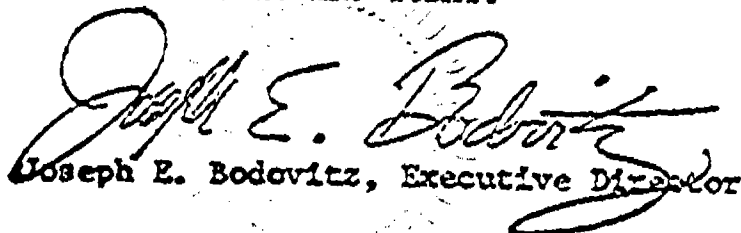
9. Ponderosa shall instruct its employees to treat customers in a courteous manner and to notify customers that henceforth all requests for upgrading service will be properly logged and processed, and all service complaints will be investigated. The notice may be made by bill insert.

This order becomes effective 30 days from today.

Dated MAR 2 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director
