

ALJ/JPO/hkr

Mailed 3/16/2000

Decision 00-03-040 March 16, 2000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**ORIGINAL FILE COPY**

In the Matter of the Application of Citizens
Telecommunications Company of California, Inc.
(U-1024-C) to review its New Regulatory
Framework.

Application 99-03-027
(Filed March 8, 1999)

O P I N I O N**I. Summary**

This decision approves a settlement agreement (settlement) between Citizens Telecommunications Company of California, Inc. (CTC) and the Commission's Office of Ratepayer Advocates (ORA) regarding revisions to CTC's New Regulatory Framework (NRF). Under the settlement, reporting requirements are modified, the Service Quality Assurance Mechanism (SQAM) and depreciation filings are eliminated, three on-going Z-Factors are kept while all others are eliminated, and suspension of the inflation-minus-productivity ("I-X") based price indexing formula is continued.

II. Background

CTC began implementing its NRF in January, 1996 pursuant to Decision (D.) 95-11-024. Following the directives in ordering paragraph (O.P.) 6 of D.95-11-024, CTC filed an application for a triennial review on October 1, 1997 (Application (A.) 97-10-021). However, before the Commission began review of the application, on February 2, 1998, Pacific Bell (Pacific) filed an application for its triennial review. The Commission subsequently consolidated review for Pacific and GTE California Incorporated (GTEC). Because resolution of the

issues raised by Pacific and GTEC could have an impact on the regulatory structure for CTC, on March 25, 1998, CTC filed a motion to defer its NRF review until after a decision in Phase I of the Pacific/GTEC proceeding. The only issues CTC requested to keep under consideration were the issues raised relating to its SQAM. CTC's motion was granted in D.98-08-011.

Ordering Paragraph 3 of D.98-08-011 directs CTC to file an application addressing each of the eight issues raised by CTC in A.97-10-021 except for Issue 2, which is being addressed in A.97-10-021. Therefore, this application addresses each of the remaining seven issues as well as other issues raised by the Commission's Order in the Pacific and GTEC NRF reviews (D.98-10-026), which CTC requested the Commission review in this proceeding.

The only issue relating to SQAM addressed in this application is CTC's request that the SQAM be eliminated.

On April 19, 1999, a protest was filed by ORA. Michael Monasky, a customer, filed a late-filed protest on April 26, 1999.

On May 6, 1999, CTC filed a response to the protests.

On June 4, 1999, a prehearing conference was held. As a result, on June 15, 1999, a scoping ruling was issued by Commissioner Josiah L. Neeper, the assigned Commissioner. The ruling indicated, among other things, the issues to be addressed and the schedule.

On September 2, 1999, CTC filed a Motion for Leave to Amend the Application. The motion was granted by an Administrative Law Judge's ruling dated September 8, 1999.

On September 14, 1999, CTC filed the amendment to its application. The amendment sought with minor changes, to maintain the current NRF.

On October 20, 1999, CTC noticed a settlement conference for October 28, 1999.

On October 21, 1999, ORA filed a response to the amended application indicating that it anticipated a settlement with CTC.

On October 26, 1999, Monasky sent a letter to the assigned administrative law judge (ALJ) indicating his objection to CTC's application and requesting hearings.

On October 28, 1999, a second prehearing conference was held. Immediately following the prehearing conference, a settlement conference was held by CTC and ORA. Monasky did not attend the prehearing conference or the settlement conference.

On October 29, 1999, an ALJ's ruling was issued. It advised parties that CTC and ORA anticipated a settlement. It gave CTC and ORA until December 3, 1999 to file a settlement. It also set a tentative schedule to be used if timely comments were filed opposing the settlement. Attached to the ruling was a copy of Article 13.5 of our Rules of Practice and Procedure. Article 13.5 addresses stipulations and settlements and sets forth the Commission's requirements regarding comments on settlements.

On December 3, 1999, CTC and ORA filed a joint motion for adoption of a settlement.

No comments were filed on the settlement.

III. Comments on Draft Decision

The draft decision of ALJ O'Donnell in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g) and Rule 77.1 of the Rules of Practice and Procedure. Comments were filed in support of the draft decision on February 24, 2000, by ORA and on March 1, 2000, by CTC. No reply comments were filed.

IV. Overview of Application

On March 8, 1999 CTC filed A.99-03-027 for review of its NRF and certain other matters. CTC's proposals were as follows:

NRF

- Change the monitoring requirements.
- Change the approval process for new Category II services.
- Eliminate depreciation reviews.
- Suspend sharing.
- Continue suspension of price indexing.
- Change the Z-Factor criteria.

SQAM

- Eliminate SQAM.

On September 14, 1999 CTC filed an amendment to its application. The amendment eliminated the following three proposals.

- Change the approval process for new Category II sources.
- Suspend sharing.
- Change the Z-Factor criteria.

V. Proposed Settlement

On December 3, 1999, ORA and CTC filed a joint motion for adoption of a settlement. The settlement, included as Attachment A, may be summarized as follows:

- ORA and CTC agree that the testimony CTC filed with its initial application on the issue of the Commission's general regulatory goals is sufficient to meet the Commission's order in Ordering Paragraph 6 of D.95-11-024 that CTC report on how its NRF meets these general goals.
- ORA and CTC agree that the Commission has already reviewed and decided in D.99-04-003 that CTC has made the improvements in service quality standards as required in D.95-11-024.

- The settlement resolves the outstanding issue relating to the revision of monitoring reports which CTC must regularly file with the Commission. Exhibit A to the settlement lists the reports, the format, and the frequency of filing which ORA and CTC have agreed to. Exhibit B lists the reports which could be reasonably eliminated.
- ORA and CTC disagreed on whether the SQAM should be continued or terminated. To resolve the issue, ORA agreed to the elimination of the SQAM in return for CTC's agreement to provide ORA with certain service measurement reports. ORA and CTC have agreed on the content, format, and frequency of filing of three service measurement reports. Exhibit C to the settlement reflects the report CTC will provide to ORA regarding service order commitments. Exhibit D to the settlement reflects the format that CTC will use to report the number, category, and resolution of informal complaints which are received by CTC. Exhibit E to the settlement describes the report CTC will provide regarding meeting repair commitments.
- CTC and ORA filed a settlement agreement in A.99-04-017, CTC's annual depreciation filing. In that agreement, CTC agreed to move toward economic lives for technology accounts, and ORA reviewed and supported CTC's subsequent study on economic lives for technology accounts. As a result of that agreement, ORA has agreed with CTC that it is appropriate to eliminate the annual depreciation filing.
- ORA and CTC have agreed that, since continuing the suspension of the "I-X" formula would not constitute any change in the existing NRF structure, the Commission should continue the suspension.
- ORA and CTC have agreed to continue three on-going Z-Factors: (1) the Universal Service Fund, (2) Other Billing and Collection, and (3) payphone deregulation. CTC agreed to eliminate all new Z-Factors and after review of CTC's 1998 and 1999 Price Cap Filings, ORA has agreed that CTC did not include post-retirement benefits other than pensions (PBOPs) in those filings. As part of the settlement, CTC has agreed to eliminate PBOPs on a going-forward basis and has filed an amendment to its most recent Price Cap filing to eliminate PBOPs.

ORA and CTC agree that the appropriate filing date for the next Triennial Review for CTC should be three years from the current filing, or March 2002. However, the ORA and CTC also agreed that if CTC desires to file for review earlier, it should be allowed to file in two years, but not before March, 2001.

CTC's amendment to the application eliminated a number of issues which were initially raised and/or opposed:

- CTC no longer seeks a change in the rate of return established by D.95-11-024;
- CTC no longer seeks any changes in the sharing mechanisms adopted in D.95-11-024;
- CTC no longer seeks any changes or modifications to the Pricing Flexibility Rules adopted in D.95-11-024;
- CTC no longer seeks any changes in the Category II rules; and
- CTC no longer seeks suspension of the sharing of earnings above a benchmark rate of return, earnings floors, earnings caps, benchmarks and market-based rates of return, or trigger mechanisms.

ORA and CTC agree, therefore, that none of these issues raised any questions or controversy to be resolved.

A. Positions of Parties

1. ORA and CTC

ORA and CTC assert that they have complied with all of the procedural requirements set forth in Article 13.5 of the Commission's Rules of Practice and Procedure as follows:

- A formal settlement meeting was duly noticed to all parties in this proceeding and held on October 28, 1999.
- A second settlement meeting was informally noticed for December 2, 1999 at which time the settlement was signed by ORA and CTC.
- The motion for adoption of the settlement was timely under Rule 51.2 and in accordance with the schedule for this proceeding.

ORA and CTC believe that the settlement is reasonable and in the public interest. They recommend that it be adopted.

2. Monasky

Monasky's protest to the initial application raises issues primarily related to rates. Monasky's protest, to the extent it addresses the issues in this proceeding, expressed general opposition to CTC's requests. Monasky's protest did not state specific relevant facts that he would present at hearings.

Monasky's letter to the ALJ dated October 26, 1999, addressed rates. It did not address the issues in this proceeding.

Monasky did not file comments on the settlement. Therefore, pursuant to Rule 51.5, Monasky has waived all objections to the settlement including the right to a hearing.

B. Discussion

The Commission will not approve a settlement unless it is reasonable in light of the whole record, consistent with law and in the public interest.

The settlement makes some revisions to CTC's NRF. The revisions are generally consistent with, if less comprehensive than, those adopted for Pacific and GTEC in D.98-10-026. No party has demonstrated why the changes are inappropriate for CTC.

ORA and CTC followed the procedural requirements for proposing a settlement. No party has demonstrated that that is not the case. Likewise, no party has demonstrated that the settlement is contrary to any statute or decision of this Commission.

The sponsoring parties, ORA and CTC, represent CTC's ratepayers and CTC. Therefore, they reflect the interests of the affected parties.

The settlement is specific as to what it entails. It provides the Commission with sufficient information to carry out its future regulatory obligations with respect to the parties and their interests.

C. Conclusion

The settlement is reasonable in light of the whole record, consistent with law, and in the public interest. We will adopt it.

Findings of Fact

1. A.99-03-027 was filed on March 8, 1999.
2. Notice of this application appeared on the Commission's Daily Calendar on March 18, 1999.
3. On April 19 and 26, 1999, protests were filed by ORA and Monasky, respectively.
4. On September 2, 1999, CTC filed a motion to amend its application. The motion was granted by an ALJ's ruling dated September 8, 1999.
5. ORA and CTC filed a motion for adoption of the settlement on December 3, 1999.
6. No comments were filed on the settlement.
7. The revisions to CTC's NRF proposed in the settlement are generally consistent with those adopted for Pacific and GTEC in D.98-10-026.
8. ORA and CTC followed all procedural requirements in proposing the settlement.
9. ORA and CTC, together, reflect the interests of the affected parties.
10. The settlement provides the Commission with sufficient information to carry out its future regulatory obligations with respect to the parties and their interests.

Conclusions of Law

1. The settlement is reasonable in light of the whole record, consistent with law, and in the public interest.
2. The settlement should be adopted.

3. In order that the changes to CTC's NRF be implemented as soon as possible, this order should be effective on issuance.

O R D E R

IT IS ORDERED that:

1. The joint motion of the Office of Ratepayers Advocates and Citizens Telecommunications Company of California, Inc. to adopt the settlement agreement, included as Attachment A, is granted.

2. This proceeding is closed.

This order is effective today.

Dated March 16, 2000, at San Francisco, California.

RICHARD A. BILAS

President

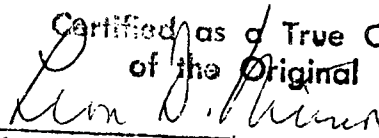
HENRY M. DUQUE

JOSIAH L. NEEPER

CARL W. WOOD

LORETTA M. LYNCH

Commissioners

Certified as a True Copy
of the Original

ASSY. EXECUTIVE DIRECTOR, PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

A.99-03-027 ALJ/JPO/hkr

ATTACHMENT A

1 **BEFORE THE PUBLIC UTILITIES COMMISSION**
2 **OF THE STATE OF CALIFORNIA**

3
4 In the Matter of the Application of Citizens)
Telecommunications Company of California Inc.)
(U-1024-C) to review its New Regulatory Framework) Application 99-03-027
5 _____)

6
7 **SETTLEMENT AGREEMENT**
8

9 In accordance with Article 13.5 of the Commission's Rules of Practice and Procedure,
10 Citizens Telecommunications Company of California Inc. (CTC-California) and the Office of
11 Ratepayer Advocates (ORA), a Protestant in this proceeding (collectively, the Parties), enter into this
12 Settlement Agreement (Agreement) by and through their undersigned counsel to resolve fully the
13 issues presented in Application 99-03-027 as Amended on September 14, 1999.

14 **WHEREAS**, CTC-California filed an Application for review of its NRF on March 8, 1999
15 seeking changes to its NRF structure similar to changes adopted for Pacific Bell and GTE California;
16 and;

17 **WHEREAS**, Protests were filed to the CTC-California Application by ORA and Michael
18 Monasky, following which a Prehearing Conference was held on May 19, 1999, and;

19 **WHEREAS**, an Assigned Commissioner's Ruling Scoping Memorandum was issued on
20 June 15, 1999 setting evidentiary hearings for October, 1999 and listing the issues to be addressed at
21 the evidentiary hearings, and;

22 **WHEREAS**, on September 2, 1999, CTC-California filed a Motion for Leave to Amend the
23 Application which was granted, and CTC-California filed an Amended Application on September 14,
24 1999, and;

25 **WHEREAS**, the Amended Application sought to retain the existing NRF structure including
26 the existing rate of return, sharing mechanism, and pricing flexibility rules, and requested only minor
27 changes to reporting requirements, elimination of the annual depreciation review application, and
28

1 elimination of the SQAM, and;

2 **WHEREAS**, CTC-California and ORA have had an informal discussion regarding settlement
3 of the issues in this proceeding which remain outstanding, and;

4 **WHEREAS**, a formal Settlement Conference was noticed for October 28, 1999 with all
5 interested Parties invited to participate:

6 **WHEREFORE**, in consideration of the mutual promises set forth below, the Parties agree to
7 settle this matter in its entirety as follows:

8
9 **I. RESOLUTION OF IDENTIFIED ISSUES:**

10
11 Issue No. 1: Meeting the Commission's Regulatory Goals:

12 While this issue was not included in the Assigned Commissioner's Ruling and
13 Scoping Memorandum, Ordering Paragraph No. 3 of Decision 98-08-011 directed
14 CTC-California to include this issue as part of the NRF filing. Accordingly, the
15 Parties agree that CTC-California's filed testimony with its Application meets the
16 Commission's requirement to file this Report.

17
18 Issue No. 2: Whether CTC-California has made improvements in the service quality standards as
19 set forth in Decision 95-11-024:

20 The Commission has already reviewed this issue as part of A.97-10-021 and issued
21 Decision 99-04-003 finding that CTC-California has made the required improvements
22 in the service quality standards therefore, there is nothing at issue.

23
24 Issue No. 3: CTC-California has requested the Commission eliminate redundant monitoring reports
25 and/or reduce the number of required monitoring reports:

26 ORA and CTC-California met with the goal of developing a revised list of monitoring
27 reports that eliminated redundant reports, shortened the frequency of some reports, and
28

1 to revised the format of other reports to conform with CTC-California's internal
2 method of collecting required data while still providing the Commission with
3 necessary information. Exhibit A to this Agreement represents the revised listing of
4 the monitoring reports which the Parties have agreed CTC-California should provide
5 to the Commission. This Exhibit identifies each report by name, describes the
6 contents, and states the frequency with which the Parties have agreed it should be
7 filed.

8
9 Exhibit B to this Agreement lists the reports which the Parties have agreed could be
10 eliminated. In addition, CTC-California has agreed that if, and when, it determines to
11 file an Application seeking to move any Category II services to Category III, CTC-
12 California will submit all necessary cost and revenue data to support such an
13 Application.

14
15 CTC-California agrees to provide a copy of each monitoring report to ORA's
16 Monitoring Coordinator, Monopoly Regulation Branch of ORA, at the same time it
17 files the reports with the Commission's Telecommunications Division.

18
19 Issue No. 4: Adjustment in CTC-California's Rate of Return:

20 CTC-California's Amended Application requests no change in the rate of return
21 established in Decision 95-11-024 and therefore, there is nothing at issue.
22

23 Issue No. 5: Adjustment in the sharing mechanism to mirror adjustments made for Pacific Bell and
24 GTE California:

25 CTC-California's Amended Application requests no changes be made in the sharing
26 mechanism at this time. CTC-California agrees that any sharing which may be
27 triggered will be applied to CTC-California's basic exchange end-user services.
28

1 Issue No. 6: Modification of Pricing Flexibility Rules:

2 CTC-California's Amended Application requests no changes be made at this time and,
3 therefore, there is nothing at issue.
4

5 Issue No. 7: Modification of Category 2 Rules:

6 CTC-California's Amended Application requests no changes be made to the
7 Category II rules, therefore, there is nothing at issue.
8

9 Issue No. 8: Whether there is need to continue the Service Quality Assurance Mechanism (SQAM)
10 established in Decision 95-11-024:

11 ORA agrees to recommend that the SQAM be terminated in return for CTC-
12 California's agreement to provide to ORA the following three Service Measurement
13 Reports on an ongoing basis. The Parties have met and worked out the details of the
14 format and frequency for CTC-California to provide these Service Measurement
15 Reports to ORA's Service Quality Coordinator of the Consumer Issues Branch.
16 Exhibit C to this Agreement reflects the format of the service measurement report
17 measuring CTC-California's performance in meeting service order commitments.
18 While ORA desires CTC-California to measure and monitor new installation orders,
19 the Parties have agreed on this report because at the present time, CTC-California's
20 tracking system does not track installation orders separately. CTC-California has
21 agreed to work to modify the system to ultimately keep track of new installation
22 orders separately. Exhibit D to this Agreement reflects the format of the report CTC-
23 California will provide to ORA listing all informal complaints by category of issue
24 which are received by the call center and which have been moved to the first level of
25 escalation at the call center. Exhibit E to this Agreement reflects the format of the
26 report measuring CTC-California's performance in meeting repair commitments.
27
28

1 Issue No. 9: Elimination of the Annual Depreciation Review Application:

2 CTC-California and ORA have already reached a Settlement Agreement in the
3 separate Annual Depreciation Application proceeding (A.99-04-017), in which CTC-
4 California agreed to move toward economic lives for technology accounts to be
5 booked beginning in the year 2000. Accordingly, ORA reviewed, and agreed with
6 CTC-California's subsequent study related to the economic lives for its technology
7 accounts with supporting testimony submitted in the A.99-04-017 proceeding. The
8 only issue in this proceeding is whether CTC-California should continue to be
9 required to file Annual Depreciation applications. In consideration for ORA's
10 agreement to recommend removal of the annual depreciation filing, CTC-California
11 agrees to provide to ORA on an annual basis, Statement A and B schedules, which
12 show the depreciation rates for that year.

13
14 Issue No. 10: Suspension of certain rate of return and sharing requirements:

15 In its initial filing, CTC-California requested suspension of: (1) the sharing of earnings
16 above a benchmark rate of return, (2) earnings floors, (3) earnings caps,
17 (4) benchmarks and market-based rates of return, and (5) trigger mechanisms.
18 However, in the Amended Application, CTC-California no longer seeks these changes
19 to the rate of return and sharing requirements and seeks to maintain the existing rate of
20 return and sharing mechanisms, therefore, there is no issue to be resolved here. The
21 Parties further agree that any sharing which may be triggered will be applied to CTC-
22 California's end-users' basic exchange services.

23
24 Issue No. 11: Continuation of the Suspension of the "I minus X" Factor.

25 The Commission suspended the "I minus X" factor for CTC-California in Decision
26 96-12-054. Since continuation of the suspension of the "I Minus X" factor will not
27 create any change in CTC-California's existing NRF structure, the Parties agree that
28

1 the Commission should continue the suspension, therefore, there is nothing at issue.

2
3 Issue No. 12: Modification of Z Factor criteria.

4 In the initial filing, CTC-California requested that the Commission modify the criteria
5 for exogenous Z Factor criteria to mirror modifications made for Pacific Bell and GTE
6 California and sought that certain Z Factors be eliminated while others continue.
7 After reviewing CTC-California data, ORA and CTC-California agree that the
8 amounts CTC-California recovered in 1997 (per the 1996 Price Cap Filing) for PBOPs
9 (Post-retirement Benefits Other than Pensions) had been used correctly and the Parties
10 now agree that this is no longer an issue. Further, ORA has reviewed the data
11 submitted and agrees that PBOPs were not included in the 1998 or 1999 price cap
12 surcharge. The Parties have agreed to:

- 13 (1) eliminate all new Z Factors,
- 14 (2) continue existing Z Factors for:
 - 15 (a) the Universal Service Fund,
 - 16 (b) OB&C (Other Billing & Collection), and
 - 17 (c) payphone deregulation;
- 18 (3) eliminate PBOPs on a going forward basis; and
- 19 (4) CTC-California may seek recovery for costs incurred in implementing
20 changes mandated by this Commission or the Federal Communications
21 Commission and the Commission should review the reasonableness of
22 such requests using the nine existing criteria for Z Factors set forth in
Decision 94-06-011.

23 Further, in accord with the Parties' agreement on the PBOP issue, CTC-California has
24 filed an amendment to its October, 1999 Annual Price Cap Filing to eliminate PBOPs.

25
26 //

1 **II ADDITIONAL ISSUES:**

2 The Parties further agree:

- 3
- 4 A. The time for CTC-California to file for its next triennial review is three years from the
- 5 current filing, or March, 2002. The Parties have also agreed, however, that if CTC-
- 6 California chooses to file for an earlier review, it should be allowed to file within two
- 7 years of the current filing, but no sooner than March, 2001.
- 8
- 9 B. This Agreement represents a compromise of the disputed positions of the Parties and
- 10 is fundamentally fair, reasonable in light of the whole record, consistent with the law,
- 11 and in the public interest.
- 12
- 13 C. The Parties will file a Joint Motion seeking Commission approval of the Agreement in
- 14 its entirety and without change and shall use their best efforts to obtain Commission
- 15 approval in the form of a final Decision approving the Agreement.
- 16
- 17 D. If the Commission does not adopt the Agreement in its entirety and without change,
- 18 neither ORA or CTC-California will be bound by the Agreement or any portion
- 19 thereof.
- 20
- 21 E. The Commission will have exclusive jurisdiction over any issues related to this
- 22 Agreement and no other court, regulatory agency or other governing body will have
- 23 jurisdiction over any issue related to the interpretation of this Agreement, or the rights
- 24 of the Parties in this Agreement, with the exception of any court that may now or in
- 25 the future, by statute or otherwise, have jurisdiction to review Commission decisions.
- 26
- 27 //
- 28

1 F. No signatory to this Agreement, officer, director or employee of either Party, or any
2 member of the staff of the Commission assumes any personal liability as a result of
3 this Settlement Agreement. No legal action related to this Agreement may be brought
4 in any state or federal court, or in any other forum with the exception of the
5 Commission, against ORA or CTC-California, or any individual representing ORA or
6 CTC-California, or any officer, director or employee of either Party.

7
8 G. This Agreement contains the entire agreement and understanding between the Parties
9 as to the subject matter of this proceeding and supercedes any prior agreements,
10 commitments, representations and discussions between the Parties with respect to the
11 subject matter of this proceeding.

12
13 H. It is the intent of the Parties that this Agreement be interpreted, governed and
14 construed under the laws of the State of California. This Agreement was jointly
15 prepared by both ORA and CTC-California and any uncertainty or ambiguity existing
16 in the document will not be interpreted against either Party on the basis that such Party
17 drafted or prepared the Agreement.

18
19 **III. EXECUTION**

20
21 A. Subject to the condition of final approval by the Commission, this Agreement will
22 become binding on the date it is signed by both Parties.

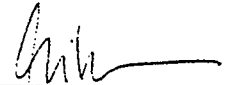
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24 B. Each of the undersigned Parties agrees to abide by the conditions and
25 recommendations set forth in this Agreement.

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27 C. The Agreement may be executed in counterparts.
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IT IS SO AGREED:

On behalf of the Office of Ratepayer
Advocates by its attorney:

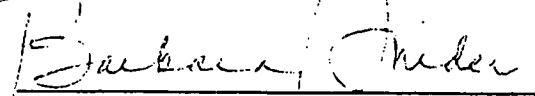


Sindy Yun, Staff Counsel

12-3-99

date

On behalf of Citizens Telecommunications
Company of California Inc. by its attorney:



Barbara Snider, Associate General Counsel

12/2/99

date

EXHIBIT A

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC. Application 99-03-027 NRF Monitoring Reports

#	NRF MONITORING REPORT CODE	REPORT NAME	FREQUENCY	REPORT DESCRIPTION
1	C.A.01-00	G.O. 152 - Private Line Alarm	Quarterly	Uniform standards for installation, maintenance & operation of private line alarm service.
2	C.A.01-01	G.O. 133B - Telephone Service Levels	Quarterly	Uniform standards for installation, maintenance & quality of telephone service.
3	C.A.02-00	Informal Service Complaints Report	Quarterly	Monthly count of informal complaints received by category.
4	C.A.02-02	Notification of Major Service Interruption	Upon Occurrence	Measures customer & network impacts of service interruptions, indicates cause of failure and details restoration of service.
5	C.A.02-03	Major Service Interruption Summary	Monthly	Summary of information from Service Interruption Reports (CA 02-02) reflecting latest 3 months.
6	C.A.02-05	Quality of Service Performance Report	Quarterly	Identifies percentage of customers satisfied with service quality.
7	C.A.05-00	Summary of Category II Rate Changes	Annually	An annual summary of rate changes (via advice letters)
8	C.A.XX-00	G.O. 95 - Accidents/Line Stats, Facilities Related	Annually	Information on facility related accidents and line statistics, pursuant to G.O.'s 95 & 128.
9	C.A.XX-01	Customer Information Notices	Quarterly	Provides copies of notices & bill inserts sent to customers that are subject to Commission review.
10	C.A.XX-02	Emergency Spanish Language Assis. Bureau Measure	Annually	Details percentage of ESLAB calls that were connected within 60 seconds.
11	C.A.XX-03	Non-English Speaking Percent by Exchange	Annually	Identifies serving area/exchanges where non-English speaking minorities comprise 5% or more of population details requirement for services to be provided.
12	C.A.XX-04	G.O. 107B - Practice to Assure Privacy & Secrecy	As Revised	Contains notification of any changes in company's internal employee practice regarding privacy of and/or secrecy of communications.
13	C.A.XX-05	G.O. 107B - Telephone Tap Devices Discovered	Annually	Provides information on instances where there is a wire tap device reported, found, or believed to have been installed.
14	C.A.XX-07	G.O. 95 - Infractions Cleared	As requested	Details specific information regarding an infraction, & the date of clearance.
15	C.A.XX-08	ULTS Claim Statement	Monthly	Provides monthly financial statement for the ULTS claims.
16	C.B.01-00	Expense Matrix	Quarterly	Provides types of costs incurred, costs & hours per workload indicator & employee force count data on a functional basis.
17	C.C.01-02	1 Year Capital Budget Summary & Network Planning Analysis	Annually	Information on capital costs associated w/ assets, growth, replacement, drivers, projects, products & services.
18	C.D.01-00	G.O. 65A - Monthly Operating Report 9000	Monthly	Company financial data, i.e., income statement, balance sheet, operating expenses & revenues, selected stats, capital structure data & analyses of investment & other rate base items.
19	C.D.04-00	Separated Results of Operations	Monthly	Separated Results of Operations prior to ratemaking adjustments.
20	C.D.04-01	Separated Results of Operations - Adjusted	Monthly	Separated Results of Operations with ratemaking adjustments.
21	C.D.07-00	Service Specific Revenue and Cost Data for Categories I - III, including New Services.	Quarterly	Contains income statement information for NRF categories I, II and III, and new services, including cost data when available.
22	C.D.XX-00	Annual Report (Form M) to PUC, FCC	Annually	Contains year-end balance sheet, income statement and engineering & operations data.

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC.

Application 99-03-027

RF Monitoring Reports

#	NRF MONITORING REPORT CODE	REPORT NAME	FREQUENCY	REPORT DESCRIPTION
23	C.D.XX-01	Annual Report to shareholders (Sec 10K)	Annually	Contains Report of Management, Independent Accountants, financial information on operations of the Company and management discussion & analysis.
24	C.D.XX-02	Quarterly Report to Shareholders (Sec 10Q)	Quarterly	Contains financial information on operations of the Company.
25	C.D.XX-04	Interest during Construction	Quarterly	Report shows mechanics of using quarterly indices to derive a monthly IDC rate to book amount of IDC each month.
26	C.D.XX-05	G.O. 77K - Members, Dues/Contribution and Donations	Annually	Information on employees earning more than \$60,000, dues, donations, subscriptions, contributions & payments to attorneys.
27	C.D.XX-08	G.O. 96A - Tariff Contracts and Deviations	Annually	Lists all contracts for joint occupancy poles or underground duct space, with armed services or Western Union, private mobile services, directory assistance service agreements with miscellaneous common carriers, police & fire alarms, 9-1-1, or other services.
28	C.D.XX-09	Weighted Average Cost of Capital	Quarterly	Financial data used to calculate the weighted average cost of capital for a rolling 12-month period.
	C.D.XX-10	DEAF Trust (Monthly Expense and Annual Budget)	Monthly & Annually	Statement of expenses and claim for reimbursement for equipment and services provided to the disabled.
30	C.D.XX-11	Financial News Releases	Upon Occurrence	News releases containing information on financial activities of the Company.
31	C.E.01-01	Central Office Equipment Deployment & Utiliz. Report	Quarterly	Actual switching utilization data by technology & geographic operating areas.
32	C.E.01-03	Interoffice Facilities Deployment & Utilization Report	Quarterly	Actual utilization results for interoffice facilities by geographic operating areas, by technology, channels, capacity and working & percent utilization.
33	C.E.01-05	OSP Deployment and Utilization Report	Quarterly	Actual utilization results for outside plant by geographic operating areas & technology.
34	C.F.02-00	CAM Documentation and Changes	Annually	Cost Allocation practices and procedures for allocating cost between regulated and non-regulated services.
35	C.F.06-00	Affiliated Co. Transaction and Intercompany Activities	Upon Occurrence	Provides information on sale or transfer of Company's assets to affiliates, transfer of employees or organizational changes.
36	C.F.08-00	Notification of Diversification Activities	Upon Occurrence	To provide timely notification of Company's intention to diversify its business activities.
37	C.F.09-00	Complaints from Competitors, Number & Type	Upon Occurrence	Intended to provide information on informal complaints made by competitors.
38	C.F.XX-00	Service Specific Tariff Imputation Report	Annually	Tracks the tariff rates of monopoly services bundled w/ competitive services under one Category II rate & compare that sum to the floor price of the bundled service.
39	C.X.XX-00	Results of Operations	Annually	Provides a comprehensive view of the Company's operations.
	C.X.XX-01	Shareable Earnings Report	Annually	Reports the need for sharing (if any) of revenues.

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC.

Application 99-03-027

NRF Monitoring Reports - Eliminated

NRF MONITORING REPORT CODE	REPORT NAME	FREQUENCY	COMMENTS
C.A.00-00	Federal-State Joint Board Monitoring Report	Monthly	This report is available on the FCC's website. The current address is www.fcc.gov / Bureaus / Common_Carrier / Reports / FCC-State_Link / monitor.html .
C.A.00-01	Telephone Subscribership Report	As Available	This report is available on the FCC's website. The current address is www.fcc.gov / Bureaus / Common_Carrier / Reports / FCC-State_Link / recent.html .
C.A.03-00	FCC Utilization Reports 495A and 495B	Annually	Combined with the requirements of C.C.-01-02.
C.B.01-01	Market Penetration for Category II Services	Annually	Citizens will provide all necessary detail at point in time when service categorization change is requested. Verbage to this effect will be included in the settlement agreement.
C.B.02-00	Misc. Information Research into Total Factor Productivity	Annually	
C.C.01-01	Technology Development Reports, Other	As Available	
C.C.XX-01	Network Operation Planning Analysis Report	As Issued	Combined with the requirements of C.C.-01-02.
C.C.XX-02	New Network Service Development Planning Summary	As Issued	Combined with the requirements of C.C.-01-02.
C.D.03-00	Notice of Tax and Accounting Changes	Within 90 days of release	Included as part of the PUC Form M in Schedule A-6.
C.D.XX-07	Sale of Stocks, Bonds and Other Indebtedness	Monthly	
C.E.01-00	Central Office Equipment Deployment & Utiliz. Report	Annually	
C.E.01-02	Interoffice Facilities Deployment & Utilization Report	Annually	
C.E.01-04	OSP Deployment and Utilization Report	Annually	
C.E.04-00	Report of Central Offices	Quarterly	

CITIZENS TELECOMMUNICATIONS COMPANY OF CALIFORNIA, INC.**Application 99-03-027****NRF Monitoring Reports - Eliminated**

NRF MONITORING REPORT CODE	REPORT NAME	FREQUENCY	COMMENTS
C.F.01-0000	Service Specific Cost Tracking Report	Quarterly & Annually	Combined with the requirements of C.D.-07-00.
C.F.01-NS00	Service Specific Cost Tracking Report - New Service	Monthly	Combined with the requirements of C.D.-07-00.
C.F.01-NS01	Business Line 800	Quarterly	Combined with the requirements of C.D.-07-00.
C.F.01-NS02	Centrex	Quarterly	Combined with the requirements of C.D.-07-00.
C.F.01-NS03	Voice Messaging	Quarterly	Combined with the requirements of C.D.-07-00.
C.F.XX-09	Service Specific Tariff Imputation Report	Annually	

Citizens Telecommunications Company of California
Service Measurement Report
Service Orders

Description	Obj.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

RESIDENTIAL[illegible]

BUSINESS

[illegible]

Citizens Telecommunications Company of California

Service Measurement Report

Service Orders

Description	Obj.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

TOTAL

Total Service Orders														
Total Appointments Met														
% Appointment Met - Activation	98.0%													
Total Service Orders Completed, 5 Day														
% Service Order Completed, 5 Day	97.0%													
Delayed Orders > 30 Days														

Legend/Description:

Total Service Orders	Total of all service orders received during the reporting period.
Total Appointments Met	Total of all appointments met during the reporting period.
% Appointment Met - Activation	Appointments met/total service orders
Total Service Orders Completed, 5 Day	Total number of service orders completed within 5 days of service order or customer initiated due date.
% Service Order Completed, 5 Day	Total service orders completed within 5 days/total service orders
Delayed Orders > 30 Days	Total number of service orders delayed past 30 days due to various reasons.

**CTA-CA will provide this report to ORA on a quarterly basis.

NRF/CustSvcRpt_SO_1199.xls

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

[illegible][illegible]

Citizens Telecommunications Company of California

Service Measurement Report Call Center Informal Complaints

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

TOTAL

Service Orders													
Due Dates													
Repair/Trouble													
Billing													
Collection													
Directory													
Employee Image													
Customer Education													
Carrier Issues													
Slamming/Cramming													
Other													
Total Res & Bus													

Legend/Description:

Service Orders	Misinformation or service order error has resulted in customer escalation.
Due Dates	Customer needs sooner due date; due date is in jeopardy or has been missed; order is held.
Repair/Trouble	Directly related to trouble on line or concerns needing assistance of plant or outside forces to correct.
Billing	Related to concerns over rates, local calling plans, perception of being incorrectly billed, etc.
Collection	Complaints specifically related to accounts receivable and treatment of accounts for nonpayment.
Directory	Listing is directory is incorrect or missing. Complaints about rates for listings, etc.
Employee Image	Complaints specifically related to tone of service or customer-employee relations.
Customer Education	Escalated issues resolved through educating customer about products, service, bill format, etc.
Carrier Issues	Most commonly, customer being billed at wrong or casual rate, by wrong carrier, or by aggregate biller.
Slamming/Cramming	Customer complaining about being on carrier other than choice, or being billed for unwanted services.
Other	Concerns not readily identified in other categories.

Source: Daily Log maintained by 1st Line Supervisors, Employee Support Team, Consumer Relations Specialists
of Call Center Informal complaints.

**CTC-CA will provide this report to ORA on a quarterly basis.

NRF/Custsvcrpt_complaints_11992.xls

Description	Obj.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

[illegible][illegible]

Citizens Telecommunications Company of California

Service Measurement Report

Trouble Tickets

Description	Obj.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
-------------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-------

TOTAL

Total Trouble Tickets														
# of Network Trouble Commitments Met														
# of Network Troubles Reported														
% Repair Commitments Met	90.0%													
Total Number Access Lines														
Network Troubles / 100 Access Lines	1.8													
# of Repeat Troubles														
% Repeat Reports	13.0%													

Legend/Description:

Total Trouble Tickets	Total number of new and repeat trouble tickets received during the month., including network and non-network.
# of Network Trouble Commitments Met	Number of commitments met in resolving network trouble tickets.
# of Network Troubles Reported	Total number of trouble tickets that are attributed to CTC-CA's network facilities
% Repair Commitments Met	Percent of commitments met to meet objective: out of service/4 hours; non out of service/8 hours
Total Number Access Lines	Total number of CTC-CA access lines at end of reporting period used in calculation.
Network Troubles / 100 Access Lines	Total network troubles reported/total access lines/100
# of Repeat Troubles	Total number of repeat troubles (2 or more occurrences) within 30 day reporting period. for same access line.
% Repeat Reports	Total repeat troubles/total trouble tickets.

**CTC-CA will provide this report to ORA on a quarterly basis.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document entitled **SETTLEMENT AGREEMENT** upon all known parties of record by mailing, by first-class mail, a copy thereof properly addressed to each party.

Dated at San Francisco, California, this 3rd day of December, 1999.

/s/ BERLINA GEE

Berlina Gee

(END OF ATTACHMENT A)

PROOF OF SERVICE BY MAIL

I, L. Escandor, declare:

I am over the age of 18 years, not a party to this proceeding, and am employed by the California Public Utilities Commission at 505 Van Ness Avenue, San Francisco, California.

On 30 - 06 - 00, I deposited in the mail at San Francisco, California, a copy of:

00 - 03 - 040
(DECISION NUMBER OR TYPE OF HEARING)

3 - 16 - 2000
(DATE OF HEARING)

A 99 - 03 - 027
(APPLICATION/CASE/OII/OIR NUMBER)

in a sealed envelope, with postage prepaid, addressed to the last known address of each of the addressees in the attached list.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on 3/16/00, at San Francisco, California.

*Signature
9/92

[Signature]

CA-6
3-16-2000

A 99-03-027

DECISION: 00-03-040

MAIL DATE: 3/16/00

Copy of **"OPINION AND ORDER"** mailed to the following.

SEE ATTACHED LIST FOR APPEARANCES, STATE SERVICE

3-16-2000
SMJ

Count 12

***** SERVICE LIST *****

Last Update on 08-MAR-2000 by: LPD
A9903027 LIST

***** APPEARANCES *****

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