ALJ/PSW/wav/jva

Mailed 6/26/98

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into the Service Quality Standards for All Telecommunications Carriers and Revisions to General Order 133-B.

F I L E D
PUBLIC UTILITIES COMMISSION
June 18, 1998
SAN FRANCISCO OFFICE
R.98-06-029

ORIGINAL

ORDER INSTITUTING RULEMAKING

In this order we initiate a proceeding to determine the types of service quality standards that should be applicable to telecommunications carriers, what the applicable technical standards should be, what means should be used to measure compliance with such standards, what mechanisms should be utilized to ensure compliance with the standards established, and whether these standards should apply equally or at all to both dominant and non-dominant carriers.

We are taking this action mindful that the State of California and this Commission remain fully committed to our on-going goal of opening all telecommunications markets to competition and that we have made significant progress in accomplishing this goal. While in many respects we anticipate that the pressures inherent in a competitive marketplace will ultimately be the major driving force to ensure that high levels of service quality will prevail, we wish to ensure both in this transitional period and in the long term that customers are assured of certain minimal quality standards that all competing carriers will need to achieve. This is consistent with our policies since we have moved to open telecommunications markets.

For example in our initial decision establishing the new regulatory framework for Pacific Bell and GTE California Incorporated (GTEC) we noted "availability of high quality services" as a critical component of our Universal

Service goal. (Decision (D.) 89-10-031, 33 CPUC2d 43 at 92.) In that order, we established a monitoring program to ensure that service quality was maintained or improved as we transitioned to fully competitive markets. Then, in D.94-06-011, our decision in the first triennial review of the new regulatory framework, we once again explored "how customer service has fared under [the New Regulatory Framework] compared to service quality under traditional cost-of-service regulation." (55 CPUC2d 1 at 52-53.) As part of that decision, the Commission approved a settlement in which GTEC stipulated to the Office of Ratepayer Advocates' (ORA) recommendations for improving service quality, including a Service Assurance Guarantee Program that provided for a refund to ratepayers if certain service-quality standards were not met. Pacific and ORA also reached an agreement under which Pacific was to submit to increased monitoring of certain service-quality measures.

Given the tight focus of our second triennial review of the new regulatory framework in 1995, as well as the ongoing review in Rulemaking (R.) 98-03-040, we have not explored the issue of service quality in a generic proceeding since 1994. Further, over the past year there has been a great deal of attention focused on customer allegations that the quality of services provided by telecommunications carriers is deteriorating. These concerns have been addressed in both informal and formal complaints filed at the Commission, in Legislative hearings and in other public media. These have addressed such issues as delays in securing installation and repair services, and waiting times in reaching customer service representatives.

We wish to emphasize, however, that although we move today to explore the concerns described above, we do so mindful of the fact that the market for telecommunications services in California is becoming more competitive every day. Our rules, if appropriate, may have to recognize that minimum service

quality standards may not equally apply to all carriers, in all circumstances, and in all areas of the California. We invite parties to provide input in this key determination.

General Order (GO) 133-B, "Rules Governing Telephone Service," in its current form, generally focuses on a series of technical parameters related to the basic functioning of the network. It measures such items as held orders, installations commitments, customer trouble report rates, call completion rates, dial tone speed, and answer times standards for toll operators, directory assistance, business office answers and repair call answers. GO 133-B was last revised in 1992, prior to the dramatic growth in consumer demand for additional telecommunications services and lines to customers' premises, and prior to all but the earliest stages of competition development. It does not address many of the ways in which customers interact with their telecommunications providers and the expectations those customers may reasonably have for service.

GO 133-B is applicable to all telephone utilities providing service within the State of California. These utilities compile the service quality data on a monthly basis and report to the Commission on a quarterly basis for those reporting units not meeting the specified service level criteria for any month. These reports formed part of our monitoring of universal service under the new regulatory framework. (33 CPUC 2d at 197.)

Prior to its merger with GTEC, Contel had a "Rule 14" in its tariffs that provides a service guarantee to its customers. Rule 14 provided for the completion of repairs within 24-hours and for meeting installation commitments. If Contel failed to complete repairs within the 24-hour timeframe or failed to meet an installation commitment, it would credit the customer an amount equal to one-month of local exchange "service and equipment" charges. The customer received the credit even if the failure was the result of "any act of God."

GTEC also has tariff rules (Rules 18 and 19) which allow its customers to receive a credit when service installation or service repairs are not completed as agreed. GTEC's residential and Universal Lifeline Telephone Service customers are eligible for a $25 credit while business customers are eligible for a $100 credit. There is a Service Quality Assurance Mechanism (SQAM) in effect for Citizens Telecommunications Company as a results of its last general rate case/NRF proceeding. No other incumbent telephone utilities or recent competitors are currently subject to a SQAM.There is no adopted SQAM mechanism for Pacific, nor does Pacific provide a service guarantee to its customers.

Commission staff conducts customer opinion surveys regarding the quality of telephone services provided by utilities. ORA has prepared survey reports showing improvements and/or deterioration in the quality of service of a utility as perceived by its customers. The most recent report was issued on September 1996 in connection with SBC Communication's acquisition of Pacific Telesis Group in Application 96-04-038. Based on these survey results, ORA made recommendations for improving service quality for major utilities. These surveys provide valuable information regarding customer needs and expectations. Survey results have shown downward trends in the quality of service provided by the utilities. Staff also reviews the results of customer opinion surveys conducted by the utilities..

In addition, Consumer Services Division (CSD) and Telecommunications Division (TD) receive and review numerous customer complaints relating to quality of service. Over the past five years, customer complaints regarding the quality of service have gone up considerably.

Since 1977, telephone utilities report to the Commission any major service interruptions. The staff receives and reviews these reports, analyzes the causes of service interruptions and makes recommendations to the Commission. In

spite of this long history, the criteria for reporting major service interruptions is not yet a GO 133-B requirement. Staff believes criteria for major service interruptions reporting should be formalized and included as a revision to GO 133-B.

There is also a concern that service quality standards should recognize customers' need for high quality and reliable service and reflect changes in telecommunications technology. For example, standards that currently exist for *Dial Tone Speed* would appear moot as there are no longer any electromechanical switches left in California. It is also appropriate to consider whether the current standards for installation service, repair service, business office and repair service answering should be revised.

Finally our staff believes there should be an automatic SQAM for each service measure as an incentive to keep service quality from deteriorating.

Service quality is a significant issue in other states as well. Staff contacted other state utility regulatory commissions (PUCs) to obtain information on how competition and relaxation of regulations have impacted the quality of service in their respective states. Many state PUCs have revised their service quality rules and have added mechanisms to penalize the utilities for inadequate service performance. For example, in 1996, NYNEX was fined by the New York Public Service Commission (PSC) for providing inadequate service to its customers. In 1997, NYNEX's service quality improved although not sufficiently and the utility still paid approximately $6 million in penalties. The Ohio PUC has adopted standards that require 100% of installations be completed within five days and 100% of repairs be made within 24 hours. If an Ohio utility does not meet this standard, it is penalized. The Michigan Public Service Commission has also adopted financial penalties for inadequate service quality.

The National Regulatory Research Institute prepared a report on "Telecommunications Service Quality" with funding provided by participating member commissions of the National Association of Regulatory Utility Commissioners. This report was issued in March 1996 and addresses the need for maintaining high quality telecommunications services in competitive environments and emerging new technologies and services. The report states that tightening of service quality standards cannot be effective without adequate monitoring and sufficient enforcement to elicit compliance. This report also indicates that many state PUCs/PSCs have adopted financial penalties that are tied to service quality standards. If a utility fails to meet service quality standards, it is penalized for providing inadequate service.

As previously indicated, Commission staff conducts customer opinion surveys to evaluate customers' perceptions regarding the quality of telephone services. The telecommunications industry is changing rapidly. More customers are using computers to obtain information and data from the Internet and other sources over telecommunications facilities. The number and type of telecommunications services are ever increasing. Customers are adding additional lines to their homes as they conduct business from home or telecommute. We have heard many reports of customer frustration with the long delays in reaching live representatives in utility business offices. In some areas, customers may have to wait for many months to get a second line. Customers' perception that the quality of telephone service provided by local exchange carriers has declined over the last few years is borne out by the numerous service complaints that CSD and TD have received.

The number of service quality complaints to the Commission is increasing. CSD received 2,492 complaints regarding telephone service from July 1, 1995 through June 30, 1996. The number of customer service complaints increased to

4,568 for the period of July 1, 1996 through June 30, 1997, indicating that problem is getting worse.

Additionally, for this same period, complaints related to missed commitments increased from 30 to 502 while complaints related to delayed installations increased from 171 to 703. This represents nearly a 1600% and over a 300% increase in missed commitments and delayed installations, respectively.

It is the purpose of this rulemaking to propose for comment a set of service quality standards and compliance mechanisms intended to address these and other service quality problems and set minimal standards for all customers.

Preliminary Scoping Memo

This rulemaking shall be conducted in accordance with Article 2.5 of the Commission's Rules of Practice and Procedure.[1] As required by Rule 6(c) (2) of Article 2.5, this order incorporates a preliminary scoping memo[2] as set forth below. In addition, this order sets the schedule, and assigns the presiding officer.

Scope of the Proceeding

Attached to this order is a draft revision to GO 133-B which was prepared by the staff of the Telecommunications Division. The draft revision generally endeavors to reflect approximately the average level of standard prevalent across the country. In this manner, while it does not reflect the barest minimum that might exist, neither does it represent the most stringent requirements.

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[1] The Rules of Practice and Procedure are posted at the Commission's web site at www.cpuc.ca.gov. Article 2.5 of the Commission's Rules implements many of the reforms contained in Senate Bill 906 (Ch. 856, Stats. 1996).

[2] Rule 5(m) defines "scoping memo" as an order or ruling describing the issues to be considered in a proceeding and the timetable for resolving the proceeding.

The issue to be considered in this proceeding is the appropriateness of adopting the proposed General Order revisions.

This rulemaking proceeding will consist of two rounds of comments. Commenting parties are encouraged to address the attached proposal from several perspectives. This includes the following questions:

Does the current telecommunications marketplace warrant the adoption of revised service quality standards? Is the level of competition in the different telecommunications markets insufficient to cause competitors to compete on service quality? What current industry practices or lack thereof necessitate a change in service quality standards?

Do the proposed service quality topics address all issues of service quality with which the Commission should be concerned? If not, what additional areas of service quality should be addressed, in what manner and with what standard? Is the coverage overly inclusive? If so, what areas are inappropriate to include and why?

Are the technical standards themselves appropriate? Should they be more or less rigorous? What should they be and why?

Are the proposed means of measurement appropriate? If not, how should they be modified and why?

Are the proposed compliance mechanisms appropriate? If not, how should they be modified and why?

Are the proposed standards technology- and provider-neutral? If not, how can the standards be modified to be technology- and provider neutral?

Should the attached service quality standards apply to all telecommunication carriers in California? Is it appropriate to establish service quality standards for non-dominant providers? Would it be appropriate to establish two service quality standards, one for dominant and another for non-dominant providers? Please consider the broad definition of "telecommunications carrier" as you respond to this question, and indicate which service quality standards should be applicable to specific types of telecommunications carriers, whether differentiating by applicability of a type of standard or the specific numeric value of the standard.

What effect should the current evolution of competition in the telecommunications marketplace have on the adoption of these proposed service quality standards in the aggregate or on specific service quality standards and their corresponding technical requirements? Parties who believe adoption of such standards in any fashion is unnecessary because of the impact competition will have on service quality must specifically indicate the manner in which competition on its own will ensure that all competitors meet at least minimal customer service quality expectations. Parties who believe comparisons with service quality standards in other states are appropriate should provide specific information on the other states' standards and compliance mechanisms. Respondent carriers who propose such comparisons should indicate each state in which they provide service and what the corresponding standards and compliance mechanisms are.

From a different perspective, what potential effects could the proposed service quality standards have on competition in the general telecommunications market? How do the proposed standards affect new entrants' ability to compete with incumbent utilities?

Is the proposed SQAM a form of rate regulation for non-dominant providers over which we do not today exercise such regulation? Is the SQAM impermissible for carriers over which we do no authority to regulate their rates? Is the SQAM itself unnecessary given a competitive telecommunications landscape?

Parties are encouraged to be as complete and specific in their comments as possible. Comments that merely argue "do not apply this to me" will be given little consideration.

Need for Hearing

At this time hearings for the purpose of allowing cross examination of witnesses on contested matters of fact are not anticipated and will not be scheduled. In the event that any commenting parties believe that such hearings are required, they shall file a motion within 15 days after the filing of reply comments requesting hearings, identifying the specific comments or reply

comments for which they believe hearings are necessary and why the comments themselves did not provide a sufficient explanation of the comments or complete basis on which the Commission can assess the competing positions.

Schedule

The schedule for this proceeding is as follows:

June 18, 1998	Rulemaking and Draft Scoping Memo Issued
June 18, 1998	Administrative Law Judge (ALJ) ruling requesting expressions of party interest
July 3, 1998	Parties serve ALJ with notice of intent to participate
July 10, 1998	Ruling establishes service list; posted at CPUC web site
July 20, 1998	Opening comments filed and served
August 10, 1998	Reply comments filed and served
August 25, 1998	Motions requesting hearings filed and served
September 9, 1998	Replies to motions requesting hearings filed and served
November 5, 1998	Commission decision on all matters except those that are demonstrated to require hearings.

Categorization

Pursuant to Rule 6(c)(2), this proceeding is preliminarily categorized as a quasi-legislative proceeding, as described in Rule 5.

Presiding Officer

Commissioner Conlon is the presiding officer in this proceeding, and ALJ O'Donnell is the assigned ALJ.

IT IS ORDERED that:

1. A rulemaking is initiated to determine prospectively the service quality standards, means of measurement, and methods of ensuring compliance that

should be applicable to telecommunications carriers providing intrastate services within California.

2. All telecommunications carriers, whether certificated or registered are respondents.

3. Parties interested in participating shall serve the assigned Administrative Law Judge (ALJ) with a notice of their intention to participate no later than July 3, 1998.

4. The assigned ALJ shall establish a service list and post it on the Commission's World Wide web site no later than July 10, 1998.

5. Proposed rules are attached to this order as Attachment 1. Opening comments as described in this order shall be filed with the Commission and served on all parties no later than July 20, 1998. Reply comments as described in this order shall be filed and served no later than August 10, 1998.

6. Motions requesting hearings for the purpose of engaging in cross examination of witnesses to address disputed matters of fact shall be filed with the Commission and served on all parties no later than August 25, 1998. Replies to such motions shall be filed and served no later than September 9, 1998.

7. This proceeding is preliminarily determined to be a quasi-legislative proceeding and no hearings are required.

8. Commissioner P. Gregory Conlon is the presiding officer.

9. The Executive Director shall cause a copy of this order to be served on all respondent carriers, on all parties to Order Instituting Rulemaking (R.) 93-04-003/Order Instituting Investigation (I.) 93-04-002, R.95-01-020/ I.95-01-021, R.95-04-043/I.95-04-044, R.97-01-009, and shall cause a copy of this order to be posted at the Commission's World Wide web site, identified by both its docket number and the title "Telecommunications Service Quality OIR."

This order is effective today.

Dated June 18, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

I will file a written concurrence.

/s/ P. GREGORY CONLON
Commissioner

We will file a written concurrence.

/s/ JESSIE J. KNIGHT, JR.
JOSIAH L. NEEPER
Commissioners

ATTACHMENT 1

GENERAL ORDER NO. 133-~~B~~C

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES GOVERNING TELEPHONE SERVICE

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I. GENERAL

I.1 Intent.

a. Purpose. The purpose of these rules is to establish uniform standards of service to be observed in the operation of telephone utilities.

b. Limits of Order. These rules do not cover the subjects covered in the filed tariff rules of telephone utilities.

c. Absence of Civil Liability. The establishment of these rules shall not impose upon utilities, and they shall not be subject to any civil liability for damages, which liability would not exist at law if these rules had not been adopted.

d. Revision of Scope. These rules may be revised in scope on the basis of experience gained in their application and as changes in the art of telephony may require.

I.2 Applicability. These rules are applicable to all telephone utilities providing service within the State of California.

I.3 Definitions.

a. **Access Line - A line (hardware and/or channel) which provides dial tone to the subscriber and which runs from the local central office (class 4/5, class 5 or a remote switching unit) to the subscriber's premises.**

~~a~~b. Billing Center - Location where customer inquiries regarding billing items are handled.

~~b~~c. Business Office - A Centralized Service Group which receives Small Business and/or Residence Customer requests for new installation or change in existing service and/or billing inquiries. ~~This does not include billing center inquiries.~~

~~c~~d. Central Office Entity - A Group of lines using common-originating equipment or under stored program control.

~~d~~e. Central Office Wire Center - A facility composed of one or more central office switches which are located on the same premises and which may or may not utilize common equipment. In the case of a digital switch, all remote processors that are hosted by a central processor are to be included in the central office wire center.

~~e~~f. Centrex - A service for customers with many stations that permits station-to-station dialing, generally one listed directory number for the customer, direct-inward dialing, and station identification on outgoing calls. The switching functions are performed in the central office entity.

~~f~~g. Commission - In the interpretation of these rules, the word "Commission" shall be construed to mean the Public Utilities Commission of the State of California.

~~g~~h. Commitment Date - The date agreed to by a customer and a utility for the completion of requested work (i.e., same as Due Date).

~~h~~i. Customer - Provided Equipment - Terminal equipment provided by the customer.

~~i~~j. Customer Trouble Report - Initial line reports from customers or users of telephone service relating to a malfunction or dissatisfaction with telephone company-provided lines.

~~j~~k. Demarcation - Point at which telephone company-maintained equipment and wiring terminates at the customer's premises.

~~k~~l. Electromechanical - A class of switching systems which is primarily based or electrically activated movement of mechanical switches.

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_lm. Electronic (Analog or Digital) - A class of switching systems in which the control functions are performed principally by electronics. There are two types in use: time division and space division.

_mn. Employee Report - A trouble report from a telephone company employee who detects a trouble condition while performing duties independent of any conversation with a customer regarding the trouble.

o. **Exchange - A telephone system providing service within a specified area within which communications are considered exchange messages, except those messages between toll points. An exchange may consist of one or more central offices, usually located in the same city, town, village or contiguous area.**

_np. Installation - The provision of telephone service at the customer's request.

_oq. Installation Center - The location responsible for the installation of the customers' loop facilities and the administration of installation field work by scheduling, dispatching, and tracking the progress of field forces.

_pr. Line - An access line (hardwire and/or channel) which provides dial tone and which runs from the local central office (Class 4/5, Class 5, or a remote) to the subscriber's premises.

_qs. Maintenance Center - A location responsible for the testing, dispatching, and tracking of trouble indications generated by customer reports, abnormal conditions, and routine analysis and the administration, scheduling, dispatching, and tracking of maintenance field work.

_rt. No Access - A condition where an employee cannot gain access to the telephone company demarcation point at the customer's premises.

_su. Order Taken Date - The date on which customer requests service, assuming prior compliance with utility's rates, rules and regulations.

_tv. Primary Service Order - Service orders for all business and residence main lines which are identified by a local exchange telephone number.

_uw. Regrade Service Order - Changes between individual and party-line service as identified under Primary Service Order.

x. **Remote Switching Unit - An electronic (analog or digital) switching network remotely located from an electronic (analog or digital) central office entity and controlled via data link to it.**

_vy. Reporting Service level - A specified service level of performance for each reporting unit. ~~If performance is not meeting this level, the utility will submit periodic reports to the Commission.~~

_wz. Service Observing Manual - A direct measurement of service provided to the customer, obtained by an evaluator sampling an actual call. The observers do not listen to conversations.

_xaa. Service Observing, Mechanized - A direct measurement of service provided to the customer obtained by a mechanized system without requirement for observation personnel.

bb. **Significant Call Blockage - Call blockage is the failure of the switching network to process a call. Significant blockage in a central office entity is demonstrated by 10% of call attempts experiencing a dial tone delay over 3 seconds for a period of 30 minutes or longer. Significant blockage in an operator traffic office or toll office is demonstrated by 30% or more call attempts being blocked for a period of 30 minutes or longer.**

_ycc. Small Business - Those business accounts which are not designated by the Utility for special handling.

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zdd. Special Services - Telephone or line circuits such as foreign exchange, local intraexchange private line, interexchange private line, exchange data, radio-telephone, other common carrier, INWATS, OUTWATS, off-premises extension lines, and answering service lines.

aace. Subsequent Reports - A customer contact relating to a previously reported trouble which occurs prior to the time the initial or first customer trouble report has been cleared and the customer notified. Customer contacts changing or canceling appointments and/or providing additional information to a previous report are not subsequent reports.

bbff. Telephone Plant - Equipment and wiring, excluding that located on a customer's property, required to connect a telephone service to the exchange network.

eegg. Telephone Utility - A public utility telephone corporation providing public telephone service as further defined by Public Utilities Code Sections 216 and 234.

ddhh. Traffic Office - A group of operators which receives incoming calls from direct trunk groups or by means of an automatic distributing system.

eeii. Traffic Sector - A group of traffic offices linked together by automatic call distribution equipment to form a service network.

ffjj. Trouble R16

eport - Any oral or written notice by a customer or their representative to the telephone utility which indicates dissatisfaction with their telephone service, telephone qualified equipment, and/or telephone employees.

1.4 Information available to the Public. The utility shall maintain, open for public inspection at its main office in California, copies of all reports submitted to this Commission in compliance with these rules. Reports shall be held available for one year. A copy of these reports will also be maintained and be available for public inspection at the Commission's San Francisco and Los Angeles offices. Copies shall also be made available to interested parties for a nominal fee to cover the cost of processing and reproduction. The availability shall be limited to reports provided by the local serving company.

1.5 Location of Records. All reports required by these rules shall be kept available to representatives, agents, or employees of the Commission upon reasonable notice.

1.6 Reports to the Commission. The utility shall furnish to the Commission, at such times and in such form as the Commission may require, the results or summaries of any measurements required by these rules. The utility shall furnish the Commission with any information concerning the utility's facilities or operations which the Commission may request and need for determining quality of service.

1.7 Deviations from Any of These Rules. In those cases where the application of any of the rules incorporated herein results in undue hardship or expense to the utility, it may request specific relief by filing a formal application in accordance with the Commission's Rules of Procedures, except that where the relief to be requested is of minor importance or temporary in nature, the Commission may accept an application and showing of necessity by letter.

1.8 Revision of Rules. Telephone utilities subject to these rules may individually or collectively file application with this Commission for the purpose of amending these rules. The application shall clearly set forth the changes proposed and the reasons for them. Other interested parties shall have the same rights to propose modifications by appropriate procedure.

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2. STANDARDS OF SERVICE

2.1 General. These rules establish uniform objective service levels and surveillance ~~reporting~~ levels of service for the installation, maintenance, and quality of telephone service. These rules are applicable to service levels of end-user customers. The service measures established are as follows:

Service Measure	*Type of Service*
Held Primary Service Orders	Installation
Installation Due Date Interval for Primary Service Orders	**Installation**
Installation ~~Line Energizing~~ Commitments Met for Primary Service Orders	Installation
Held Additional Line Service Orders	**Installation**
Installation Due Date Interval for Additional Line Service Orders	**Installation**
Installation Commitments Met for Additional Line Service Orders	**Installation**
Customer Troubles Reports	Maintenance
Out of Service Clearing Time	**Maintenance**
Clearing Time Commitments Met	**Maintenance**
Dial Tone Speed	Dial Service
Dial Service- (Service Observing)	Dial Service
Toll Operator Answer Time	Operator Services
Directory Assistance operator Answering Time	Operator Services
Trouble Report Service Answering Time	Repair Services
Business Office Answering Time	Business Office

~~2.2 Description of Reporting Levels. These levels have been established so as to indicate units which are not meeting the standard thereby providing an indication of inadequate service. Reporting service levels are established for each of the service measures except held orders. Reporting Service Levels are applicable to each individual reporting unit.~~

2.2 Description of Service Ranges and Levels.

a. **Objective Service Level. Objective service levels are established for each of the service measures except held orders. Service performance within the objective service level is considered to be adequate. Each individual reporting unit should generally attain service levels within the objective service levels.**

b. **Service Below Standard. Individual reporting units are subject to influences which may cause them to occasionally fall below the objective service level of performance. Such variations indicate inadequate service only where the substandard performance below the objective service level is frequent.**

c. **Surveillance Service Level. These levels have been established so as to indicate units which are performing significantly below objective service levels and to provide an indication of inadequate service. Surveillance service levels are established for each of the service measures except held orders. Surveillance service levels are applicable to each individual reporting unit.**

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3. TELEPHONE SERVICE MEASURES

3.1 Held Primary Service Orders.

a. Description. Requests for primary (main) telephone service delayed over ~~30~~ 15 days because of lack of telephone utility plant. An order will count as held when service is not provided within ~~30~~ 15 days after commitment date (i.e., due date). The date the order is taken from the customer shall be used in lieu of commitment dates where the utility cannot establish commitment dates. Orders requiring the customer to meet specific prerequisites (e.g., line extension charges), will be measured from the time prerequisites have been met.

b. Measurement. Count once a month the total primary service orders held over ~~30~~ 15 days for each reporting unit. Separate the results between four categories as follows: 16-30 days, 31-60 days, 61-90 days, and over 90 days. ~~91-180 days, and over 180 days.~~

c. Objective Service Level. Not Applicable

~~c. Reporting Service Level. Not Applicable.~~

d. Surveillance Service Level. Not Applicable.

~~d.~~e. Reporting Unit. Exchange or plant installation center, whichever is ~~lesser~~ smaller.

~~e.~~f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.2 Installation Due Date Interval for Primary Service Orders.

a. Description. The Held Primary Service Orders measurement is based, in part, upon the telephone utilities' installation due-date intervals. The installation due-date interval is the time between the date the service order is taken from the customer to the date the telephone utility commits to complete the installation of a new service. The due-date should specify a four hour window for installation work. Measurement is taken to obtain percentage of primary service orders completed within 3 working days. Orders requiring the customer to meet specific prerequisites will be measured from the time prerequisites have been met. A customer may request a later due date.

b. Measurement. Count once a month the total number of primary service orders completed within 3 working days from the time the order was taken and the total number of primary service orders taken that month. Measurement is expressed as a percentage of primary service orders completed within 3 working days.

c. Objective Service Level. At or above 90% completed within 3 working days.

d. Surveillance Service Level. 85% completed within 3 working days.

e. Reporting unit. Exchange or plant installation center, whichever is smaller.

f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.~~2~~3 Installation ~~Line Energizing~~ Commitments Met for Primary Service Orders.

a. Description. Commitments made by the telephone company ~~Requests~~ for establishment or changes in non-key telephone individual and party-line service that normally involve plant activity. Requests for disconnects or requests for the installation, change, or transfer of PBX, PABX, EPABX, or other multiline lines and special services are not included in the measuring base. Commitments will not be considered missed when resulting from customer action.

b. Measurement. Count once a month the total commitments and the commitments missed. Commitments met, expressed as a percent, will equal total commitments minus missed commitments divided by total commitments.

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c. Objective Service Level. At or above 90% commitments met.
ed. Surveillance ~~Reporting~~ Service Level. ~~=~~9588% commitments met.
de. Reporting Unit. Exchange or plant installation center, whichever is smaller. ~~=Central office wire center which handles at least 250 inward movements per month. In the event that the wire center does not meet the criteria, it should be combined with all other wire centers not meeting the criteria within the same plant installation center area and reported as a unit under the plant installation center.~~
ef. Reporting Frequency. Compiled monthly~~,~~ and reported Quarterly for all reporting units. ~~not meeting the reporting service level for any month.~~

3.4 Held Additional Line Service Orders.

a. Description. Requests for additional lines delayed over 30 days because of lack of telephone utility plant. An order will count as held when service is not provided within 30 days after the commitment date. The date the order is taken from the customer may be used in lieu of commitment date where it is not the utility's practice to establish commitment dates. Orders requiring the customer to meet specific prerequisites (e.g., line extension charges) will be measured from the time prerequisites have been met.
b. Measurement. Count once a month the total service orders for additional lines held over 30 days for each reporting unit. Separate the results between four categories as follows: 31-60 days, 61-90 days, 91-180 days, and over 180 days.
c. Objective Service level. Not applicable
d. Surveillance Service Level. Not applicable
e. Reporting Unit. Exchange or plant installation center, whichever is smaller.
f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.5 Installation Due Date Interval for Additional Line Service Orders.

a. Description. The Held Orders for Additional Lines measurement is based, in part, upon the telephone utilities' installation due date intervals. The installation due-date interval is the time between the date the service order is taken from the customer to the date the telephone utility commits to complete the installation of an additional line/lines. The due-date should specify a four hour window for installation work. Measurement is taken to obtain percentage of service orders for additional lines completed within 10 working days. Orders requiring the customer to meet specific prerequisites will be measured from the time prerequisites have been met. A customer may request a later due date.
b. Measurement. Count once a month the total number of service orders for additional lines completed within 10 working days from the time the order was taken and the total number of service orders for additional lines taken that month. Measurement is expressed as a percentage of service orders for additional lines completed within 10 working days.
c. Objective Service Level. At or above 90% completed within 10 working days.
d. Surveillance Service Level. 85% completed within 10 working days.
e. Reporting unit. Exchange or plant installation center, whichever is smaller.
f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

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3.6 Installation Commitments Met for Additional Line Service Orders.

a. Description. Commitments made by the telephone company to install customer requested additional lines for non-key telephone individual and party-line service that normally involve plant activity. Requests for additional lines for the installation, change, or transfer of PBX, PABX, EPABX, or other multi-line lines and special services are not included in the measuring base. Commitments will not be considered missed when resulting from customer action.

b. Measurement. Count once a month the total commitments and the commitments missed. Commitments met, expressed as a percent, will equal total commitments minus missed commitments divided by total commitments.

c. Objective Service Level. At or above 90% commitments met.

d. Surveillance Service Level. 88% commitments met.

e. Reporting Unit. Exchange or plant installation center, whichever is smaller.

f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.~~7~~ Customer Trouble Reports.

a. Description. Initial reports from customers and users of telephone service relating to dissatisfaction with telephone company-provided equipment and/or service. Reports not relating to the quality of telephone service, reports that cannot be completed because of a lack of access to customer's premises, subsequent reports, requests for operator assistance in placing calls, requests for busy verification, reports relating to toll private Line services, special services, customer-provided equipment, and employee reports will not be included. Reports received will be counted and related to the total working lines within the reporting unit in terms of reports per 100 lines.

b. Measurement. Customer trouble reports received by the utility will be counted monthly and related to the total working lines within a reporting unit.

c Objective Service Level. At or below Four reports per 100 working lines (excluding terminal equipment reports) for units with 3,000 or more working lines, six reports per 100 working lines (excluding terminal equipment reports) for units with 1,001-2,999 working lines, and eight reports per 100 working lines (excluding terminal equipment reports) for units with 1,000 or fewer working lines.

~~d~~e. Surveillance ~~Reporting~~ Service Level. Six reports per 100 working lines (excluding terminal equipment reports) for units with 3,000 or more working lines, eight reports per 100 working lines (excluding terminal equipment reports) for units with 1,001-2,999 working lines, and 10 reports per 100 working lines (excluding terminal equipment reports) for units with 1,000 or fewer working lines.

~~e~~d. Reporting Unit. Central Office entity.

~~f~~e. Reporting Frequency. Compiled monthly~~,~~ and reported quarterly for all ~~those~~ reporting units. ~~at or above the reporting service level for any month in accordance with the record retention requirements.~~

3.8 Out of Service Clearing Time.

a. Description. The measure indicates the percentage of all trouble reports cleared within a 24 hour (i.e., 8 working hours) period from the time the trouble was reported

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by the customer to the serving telephone utility. This measurement is expressed as the percentage of trouble reports cleared within 24 hours (i.e., 8 working hours).

b. Measurement. Count once a month the total number of service trouble reports received by the reporting unit, the number of trouble reports not cleared within 24 hours and the number of service trouble reports cleared within 24 hours (i.e., 8 working hours). Divide the number of service trouble reports cleared within 24 hours by the number of total trouble reports. The measurement is expressed in a percentage of trouble reports cleared within 24 hours.
c. Objective Service Level. At or above 90% cleared within 24 hours.
d. Surveillance Service Level. 85% cleared within 24 hours.
e. Reporting Unit. Plant maintenance center.
f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.9 Clearing Time Commitments Met.

a. Description. Commitments made by the telephone company for correcting the troubles relating to dissatisfaction with telephone company-provided equipment and/or service. The commitment should specify four hour period (i.e., morning or afternoon). Commitments will not be considered missed when resulting from customer action.
b. Measurement. Count once a month the total commitments and the commitments missed. Commitments met, expressed as a percent, will equal total commitments minus missed commitments divided by total commitments.
c. Objective Service Level. At or above 90% commitments met.
d. Surveillance Service Level. 85% commitments met.
e. Reporting Unit. Plant maintenance center.
f. Reporting Frequency. Compiled monthly and reported quarterly for all reporting units.

3.~~-~~10 Dial Tone Speed.

a. Description. A measure of the adequacy of ~~electromechanical or hybrid~~ central office equipment to provide dial tone to the subscriber. Measurements are taken to obtain the percentage of originating busy hour call attempts receiving dial tone within 3 seconds.
b. Measurement. Measurements are accomplished by utilizing a Dial Tone Speed Recorder, Timed All Trunks Busy Meters, or the equivalent.
c. Objective Service Level. At or above 98.0% within 3 seconds.
d. Surveillance ~~Reporting~~ Service Level. 97.4% within 3 seconds.
e. Reporting Unit. Each ~~electromechanical or hybrid~~ central office entity over 3,000 working lines. ~~Electronic analog and digital central office entities are not reporting units for this index.~~
f. Reporting Frequency. Compiled monthly and reported quarterly for all ~~those~~ reporting units. ~~at or below the reporting service level for any month.~~

3.~~-~~11 Dial Service (Service Observing).

a. Description. A measure of the ability of the equipment to complete a customer-dialed call over the local and toll message network without the call encountering an equipment malfunction and/or all-paths-busy condition.

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b. Methods and Procedures. Detailed methods for the evaluation of calls and the compilation of results are contained in each utility's respective Service Evaluation Practice, a copy of which is on file with the California Public Utilities Commission.

c. Objective Service Level. At or above 98.5% calls completed for intra-company intra-LATA calls.

ed. Surveillance ~~Reporting~~ Service Level. 98.0% ~~for the Home Number Plan Area (HNPA) Service Area Measurement~~ calls completed for intra-company intra-LATA calls.

~~d~~e. Reporting Unit. Each central office entity over 3,000 lines.

~~e~~f. Reporting Frequency. Compiled monthly and reported quarterly for all ~~those~~ reporting units ~~not meeting the reporting service level for any month~~..

3.~~6~~12 Toll Operator Answering Time.

a. Description. A measurement of time for the operator to answer toll and assistance calls. A sample of answering interval is taken to obtain the percentage of toll and assistance calls answered within 10 seconds.

b. Measurement. A sample of the answering interval on toll and assistance calls that is representative of the measurement period using a force administration data system (FADS), or an equivalent measuring device.

c. Objective Service Level. At or above 90% answered within 10 seconds. If measurement data of average answering time is used, it will be converted to the percent answered within 10 seconds.

ed. Surveillance ~~Reporting~~ Service Level. 85% answered within 10 seconds. If measurement data of average answering time is used, it will be converted to the percent answered within 10 seconds.

~~d~~e. Reporting Unit. Each traffic office handling toll and assistance calls and having an annual average business day call volume of 2,000 or more calls.

~~e~~f. Reporting Frequency. Compiled monthly and reported quarterly for ~~those~~ **all** reporting units ~~not meeting the reporting service level for any month~~..

3.~~7~~13 Directory Assistance Operator Answering Time.

a. Description. A measurement of time for the operator to answer directory assistance calls. A sample of answering interval is taken to obtain the percentage of directory assistance calls answered within 12 seconds.

b. Measurement. A sample of answering interval on directory assistance calls that is representative of the measurement period using a force administration data system (FADS), or an equivalent measuring device.

c. Standard Service Range. At or above 90% answered within 12 seconds. If measurement data of average answering time is used, it will be converted to the percent answered within 10 seconds.

ed. Surveillance ~~Reporting~~ Service Level. 85% answered within 12 seconds. If measurement data of average answering time is used, it will be converted to the percent answered within 12 seconds.

~~d~~e. Reporting Unit. Each traffic office handling directory assistance calls and having an average business day call volume of 2,000 or more calls.

~~e~~f. Reporting Frequency. Compiled monthly and reported quarterly for all ~~those~~ reporting units ~~not meeting the reporting service level for any month~~..

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3.~~-~~814 Trouble Report Service Answering Time:

a. Description. A measurement of time for the trouble report service attendant (i.e., live attendant) to answer trouble report calls. A sample of answering interval is taken to obtain the percentage of trouble report calls answered within ~~20 seconds~~ a specified time period. Some utilities are using menu driven Automatic Response Units (ARUs) to respond and to direct the customer calls to Automatic Call Distribution (ACD) systems. The measurements recognize the use of ARUs by some utilities.

b. Measurement. A sample of the answering interval on trouble report calls that is representative of the measurement period using a force administration data system (FADS), or an equivalent measuring device.

c. Objective Service Level. If measurement data of average answering time is used, it will be converted to the percent answered within a specified time period shown in the measurements below:

1. At or above 85.0% answered within 20 seconds (i.e., without the use of ARUs). If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds.
2. If the utility uses a menu driven Automatic Response Unit (ARU) to respond to the customer calls, which provides multiple options for a customer to choose from, then at or above 95.0% of the calls should be answered by a live utility service representative within 15 seconds from the time the customer makes a selection from the menu of the ARU, presses the selected option number and the call hits an ACD to the time a live utility representative answers the customer's call.
3. If the utility uses a menu driven ARU and a customer calls from a rotary/dial phone and waits for a service representative to answer the call after listening to the recorded messages of a menu driven ARU, then at or above 95.0% of such calls to the repair office should be answered within a total of 60 seconds starting from the time the customer finishes dialing the last digit to the time a live utility service representative answers the customer's call.
4. If the utility uses more than one ARU on line to transfer or to answer calls, 95% of the calls to the repair office should be within 60 seconds from the time the customer finishes dialing the last digit to the time a live utility representative answers the customer's call.

e. ~~Reporting Service Levels. 80% answered within 20 seconds. If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds~~

d. Surveillance Service Levels. If measurement data of average answering time is used, it will be converted to the percent answered within a specified time period shown in the measurements below:

1. 80.0% answered within 20 seconds (i.e., without the use of ARUs). If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds.
2. If the utility uses a menu driven ARU to respond to the customer calls, which provides multiple options for a customer to choose from, then 90.0% of the calls should be answered by a live utility service representative within 15 seconds from the time the customer makes a selection from the menu of the ARU, presses the

selected option number and the call hits an ACD to the time a live utility representative answers the customer's call.

3. If the utility uses a menu driven ARU and a customer calls from a rotary/dial phone and waits for a service representative to answer the call after listening to the recorded messages of a menu driven ARU, then 90.0% of such calls to the repair office should be answered within a total of 60 seconds starting from the time the customer finishes dialing the last digit to the time a live utility service representative answers the customer's call.
4. If the utility uses more than one ARU on line to transfer or to answer calls, 90.0% of the calls to the repair office should be within 60 seconds from the time the customer finishes dialing the last digit to the time a live utility representative answers the customer's call.

~~d~~e. Reporting Unit. All centralized service groups which support 10,000 or more lines.

~~e~~f. Reporting Frequency. Compiled monthly and reported quarterly for all ~~those~~ reporting units. ~~not meting the reporting service level for any month.~~

3.~~915~~ Business Office Answering Time.

a. Description. A measurement of time for the business office representative (i.e. a live representative ready to respond to customer's questions, information or inquiries) to answer business office calls. A sample of the answering interval is taken to obtain a percentage of business office calls answered within ~~20 seconds~~ a specified time period. Some utilities are using menu driven Automatic Response Units (ARUs) to respond and to direct the customer calls to Automatic Call Distribution (ACD) systems. The measurements recognize the use of ARUs by some utilities.

b. Measurement. A sample of the answering interval on business calls that is representative of the measurement period using a force administration data system (FADS), or an equivalent measuring device.

c. Objective Service Level. If measurement data of average answering time is used, it will be converted to the percent answered within a specified time period shown in the measurements below:

1. At or above 85.0% answered within 20 seconds (i.e., without the use of ARUs). If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds.
2. If the utility uses a menu driven ARU to respond to the customer calls, which provides multiple options for a customer to choose from, then at or above 95.0% of the business calls should be answered by a live utility service representative within 15 seconds from the time the customer makes a selection from the menu of the ARU, presses the selected option number and the call hits an ACD to the time a live utility representative answers the customer's call.
3. If the utility uses a menu driven ARU and a customer calls from a dial phone and waits for a service representative to answer the call after listening to the recorded messages of a menu driven ARU, then at or above 95.0% of such business calls to the repair office should be answered within a total of 55 seconds starting from the time the customer finishes dialing the last digit to the time a live utility service representative answers the customer's call.
4. If the utility uses more than one ARU on line to transfer or to answer calls, at or above 95.0% of the calls to the repair office should be within 55 seconds from the

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time the customer finishes dialing the last digit to the time a live utility representative answers the customer's call.

~~c. Reporting Service Level. 70% answered within 20 seconds starting from December 3, 1992; 75% answered within 20 seconds starting from October 4, 1993; and 80% answered within 20 seconds starting from July 5, 1994. If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds.~~

d. Surveillance Service Level.

If measurement data of average answering time is used, it will be converted to the percent answered within a specified time period shown in the measurements below:

1. 80.0% answered within 20 seconds (i.e., without the use of ARUs). If measurement data of average answering time is used, it will be converted to the percent answered within 20 seconds.
2. If the utility uses a menu driven ARU to respond to the customer calls, which provides multiple options for a customer to choose from, then 90.0% of the business calls should be answered by a live utility service representative within 15 seconds from the time the customer makes a selection from the menu of the ARU, presses the selected option number and the call hits an ACD to the time a live utility representative answers the customer's call.
3. If the utility uses a menu driven ARU and a customer calls from a dial phone and waits for a service representative to answer the call after listening to the recorded messages of a menu driven ARU, then 90.0% of such business calls to the repair office should be answered within a total of 55 seconds starting from the time the customer finishes dialing the last digit to the time a live utility service representative answers the customer's call.
4. If the utility uses more than one ARU on line to transfer or to answer calls, 90.0% of the calls to the repair office should be within 55 seconds from the time the customer finishes dialing the last digit to the time a live utility representative answers the customer's call.

~~d~~e. Reporting Unit. All business offices which serve 10,000 or more lines.

~~e~~f. Reporting Frequency. Compiled monthly and reported quarterly for all those reporting units~~ not meeting the reporting service level for any month~~.

4. SERVICE QUALITY ASSURANCE MECHANISM (SQAM)

Service quality Assurance Mechanism (SQAM) is designed to encourage telephone utilities to meet the Commission adopted service quality standards. All telephone utilities providing service in the State of California are required to keep the quality of telecommunications services at or above the objective service levels at all times. If a telephone utility keeps on failing to meet the Commission standards, SQAM will be triggered as described in this section. Effective date of implementation of SQAM will on the first day of the first month following the effective date of the Commission decision adopting G.O. 133-C. The SQAM shall not be applicable for any affected entity for any month in which there is a declaration of natural disaster or state of emergency issued by a federal, state, or local authority authorized or permitted by law to issue such declarations. Such months shall be deemed to be passes regardless of the effected entity's achieved service performance. The utility penalized using the SQAM shall not recover from its ratepayers the costs associated with calculating and implementing the SQAM and the amount of the penalty.

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4.1 Installation Due Date Interval for Primary Service Orders.

a. If a utility misses the due date of installation of a primary service order and the service is not installed within 3 working days after the due date, the utility shall waive one-half of the non-recurring charges to the customer for the services ordered.

b. If a utility misses the due date of installation for a primary service order and the service is not installed within 10 working days after the due date, the utility shall waive full amount of the non-recurring charges to the customer for the services ordered.

c. In addition, if a utility fails to install primary service within 15 working days after the due date, the utility shall credit the customer an amount equal to $5.00 per day starting from 16th working day after the due date to the time the service is installed.

d. If the Commission finds that a carrier of last resort is knowing not accepting access line orders for primary service, the carrier of last resort may have its High Cost Fund B subsidy removed for the reporting entity for which such practice exists. In addition, the Commission may penalize the utility for not upgrading its facilities an amount equal to the cost of upgrading the needed facilities.

4.2 Installation Due Date Interval for Additional Line Service Orders.

a. If a utility misses the due date of installation of additional line/lines service order and the service is not installed within 10 working days after the due date, the utility shall waive one-half of the non-recurring charges to the customer for the services ordered.

b. If a utility misses the due date of installation for an additional line service order and the service is not installed within 20 working days after the due date, the utility shall waive full amount of the non-recurring charges to the customer for the services ordered.

c. In addition, if a utility fails to install service for additional lines within 30 working days after the due date, the utility shall credit the customer an amount equal to $5.00 per day starting from 31st working day after the due date to the time the service is installed.

d. If the Commission finds that a carrier of last resort is knowing not accepting access line service orders for additional lines, the carrier of last resort may have its High Cost Fund B subsidy removed for the reporting entity for which such practice exists. In addition, the Commission may penalize the utility for not upgrading its facilities to an amount equal to the costs of upgrading the needed facilities.

4.3 Customer Trouble Reports.

Total amount of customer refund for Customer Trouble Reports. If the utility is unable to meet the surveillance service level for more than two months in a six consecutive month period for any reporting unit, the utility will credit $1.00 per access line per month per failed percentage point (per percentage point above the surveillance level) to all customers of the reporting unit for the 3rd or more failed months in a six consecutive month period.

4.4 Out of Service Clearing Time.

a. If a customer's service trouble is not cleared within 48 hours (i.e., 2 working days) from the time the customer first reported the trouble, the utility shall credit the customer an amount equal to one-half of the basic monthly service charge for that customer's service.

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b. If a customer's service troubled not cleared within 5 working days from the time the customer first reported the trouble, the utility shall credit the customer an amount equal to the full monthly charge for that customer's service.
c. In addition, if a customer's service troubled not cleared within 10 working days from the time the customer first reported the trouble, the utility shall credit $5.00 per day starting from the 11th working day from the time the customer first reported the trouble.

4.5 Service Quality Assurance Mechanism For All Other Service Measures.
All telephone utilities providing services in the State of California shall establish a Service Assurance Guarantee Program (SAGP) which shall be applicable to the following service measures:

a. Installation Commitments Met for Primary Service Orders
b. Installation Commitments Met for Additional Line Service Orders
c. Clearing Time Commitments Met
d. Dial Tone Speed
e. Dial Service (Service Observing)
f. Toll Operator Answering Time
g. Directory Assistance Operator Answering time
h. Trouble Report Answering Time
i. Business Office Answering Time

1. A SQAM customer refund shall be triggered only if a reporting unit (entity) fails to meet the G.O. 133-C surveillance service level (SSL) standards in Section 3 of this General Order in three months within any period of six consecutive months. The SQAM shall be applied to the third month in which the subject entity failed to meet the G.O.133-C SSL standards. Thereafter, the SQAM shall be triggered for each subsequent month within a six-month period in which the subject entity fails to meet the G.O. 133-C SSL standards. The failing penalized month is counted a failed month in the six-month rolling timeframe. No failed month for which a SQAM customer refund is triggered shall be penalized more than once for the same service measure.

2. Once a customer refund is triggered, the utility shall issue a refund to those access lines served by the reporting entity that failed to achieve the established SSL standards in Section 3 of this G.O. for a service measure in an amount determined by the following calculation:

a. The total amount of customer refund for missed Installation Commitments for Primary Service Orders, missed Installation Commitments for Additional Line Service Orders and missed Clearing Time Commitments shall be calculated as follows:

Number of installation/repair service orders which fail to meet the SSL for commitments established in Section 3 of this General Order	*	Assurance Rate	=	Refund

1. (SSL (%) established in Section 3 of this G.O. - the Achieved SSL (%)) * Total number of installation/repair service orders in that month for that reporting entity which failed to achieve the SSL established in the G.O.

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2. Assurance rate per failed commitment:
   Primary Service Orders = $15.00 per failed Installation Commitment
   Additional Line Service Orders = $10.00 per failed Installation Commitment
   Clearing Time = $15.00 per failed Clearing Time Commitment

b. Total amount of customer refund for Dial Tone Speed; Dial Service; Toll Operator Answering Time; Directory Assistance Operator Answering Time; Trouble Report Service Answering Time; and Business Office Answering Time shall be equal to the number of calls that fail to meet the SSL standards in Section 3 of G.O. 133-C multiplied be the Assurance Rate:

Number of calls which fail to meet the SSL established in Section 3 of this General Order	*	Assurance Rate	=	Refund

Assurance Rate:

1. Dial Tone Speed * = $0.45 per failed call attempt
2. Dial Service * = $0.45 per failed call attempt
3. Toll Operator Answering Time = $0.45 per failed call
4. Directory Assistance Operator Answering Time = $0.45 per failed call
5. Trouble Report Service Answering Time = $5.25 per failed call
6. Business Office Answering Time = $5.25 per failed call

* (If the utility is unable to determine the number of uncompleted customer dialed-calls or the number of failed call attempts for a reporting entity, an Assurance Rate of $1.00 per access line served by the failing reporting entity shall apply.)

3. Any "refund" shall be made to those access lines served by the reporting unit/entity which failed to achieve the SSL standards established in Section 3 of this General Order. The utilities shall issue the customer refund via a surcredit. For the first year, the utilities should use the service quality data starting from the time the Commission adopts G.O. 133-C to June 30, of the following year and file a report with the Commission showing the amount of surcredits, reporting entity/entities whose customers are to be provided surcredit and the method of distribution of the surcredit, by October 1, of the year following the Commission decision. After that the service quality data from July 1 to June 30 of the following year will be used to calculate the refund amounts. The utilities shall submit the workpapers showing the calculations for the credit amount per line, and the period for which credit is applied, to the Commission on October 1 of each year. The utilities, which are operating under New Regulatory Framework (NRF), may file workpapers showing the refund amount, the failing entity/entities and the surcredit amount per customer with their annual price cap filing on October 1 of each year. The utility may, at its option, apply such surcredit for one or more months in order to make the required refund. The utilities shall submit the workpapers

showing the calculations for the credit amount per line, and the period for which credit is applied, with its annual October 1, filing.

4. The utility shall file G.O. 133-C monthly service performance results on an overall company basis with its G.O. 133-C quarterly reports. If the utility fails to report a failing reporting unit in its quarterly reports for any service measurement of G.O. 133-C, a penalty of $1.00 per access line for each month that the failing reporting unit does not report shall be applied. Refunds shall be distributed to the customers of the reporting unit as described above.

5. If a utility performs below the objective service levels for any reporting unit for any service measure for three months or more in a six month consecutive period, the performance for the fourth, fifth and sixth month below the objective service level in a six consecutive month period, will be penalized at the assurance rates shown above, however the number of failed commitments for installations and clearing time, failed trouble reports, failed call attempts, and failed calls shall be calculated by considering as failed if below the objective service levels rather than below the surveillance service levels.

45. RECORDS AND REPORTS

45.1 Reporting Units. Service measurements shall be maintained by reporting units. Reporting units will be exchange, plant installation center, central office entity, wire center, traffic office, trouble report service office, or business office as required. Tie reporting unit for each service measure is defined in Section 3 and summarized in Appendix B.

45.2 Surveillance ~~Reporting~~ Levels. Surveillance ~~Reporting~~ levels are established by these rules as set forth in Section 3. Service measurements with levels of service not meeting the surveillance ~~reporting~~ level in any given month will be considered indications of possible inadequate service. The surveillance ~~reporting~~ level for each service measure is summarized in Appendix A.

45.3 Reporting: Requirements. Reports shall be made to the Commission quarterly of all reporting units ~~providing service not meeting the reporting service level on any~~ for all measures in ~~any~~ each month during the quarter. Summaries of held primary service orders by reporting unit shall be submitted quarterly for each month during the quarter. Small reporting units will be excepted from reporting on certain service measures as set forth in Section 3 and summarized in Appendix B Reports shall be filed within 30 days of the end of each quarter. Reports to the Commission of performance ~~not meeting the reporting~~ level shall state the levels of service for each service measure and ~~the~~ for each month ~~is being reported~~; reports on reporting units not meeting the surveillance level ~~for two or more consecutive months~~ shall also include a description of the cause of performance at the reported level, a statement of action being taken to improve service, and the estimated date of completion of the improvements. A sample format is included as Appendix D. A sample format for reporting held primary service orders and held orders for additional lines is included as Appendix C.

45.4 Retention of Records. Monthly summary records of service measurements for each reporting unit shall be retained for ~~two~~ three years. All summary records will be available for examination by

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Commission representatives during the retention period and special summaries of service measurements may be requested by the Commission.

45.5 Commission Staff Investigations. The staff shall investigate, time and resources permitting, every report unit which is reported not meeting the surveillance levels for six or more consecutive months.

45.6 Commission Staff Reports. The staff shall compile and present to the Commission, time and resources permitting, a semi-annual ~~a quarterly~~ report as to the adequacy of telephone service in California. The report shall (a) point out areas where service problems surface repeatedly, (b) discuss utility and/or staff proposed remedies to the problem, and shall evaluate the utilities' proposed remedies to the problems and if believed to be inadequate, suggest appropriate courses of action. The utility shall retain the right to file comments on the staff's report. In the event of a Commission directive on any particular area, the staff shall prepare the appropriate compliance report

6. MAJOR SERVICE INTERRUPTIONS

6.1 Major Service Interruptions Reporting for Local Exchange Carriers and/or Competitive Local Carriers. All Local Exchange Carriers (LECs) and/or Competitive Local Carriers (CLCs) shall report to the Telecommunications Division of the Public Utilities Commission any major interruptions in telephone service. Each utility shall also file a monthly summary of its major service interruptions with the G.O. 133-C quarterly reports. The following is the definition of, and reporting procedure for a major service interruption.

Description - A service interruption is considered major if it meets any of the following conditions.

1. **Complete loss of inward and/or outward calling capability from the central office for periods in excess of the following:**

   For entities with less than 10,000 access lines ..... 30 minutes
   For entities with greater than 10,000 access lines ..... 10 minutes.

2. **A central office entity or remote switching unit which is isolated from the toll network.**
3. **Significant call blockage within a central office entity, remote switching unit, operator traffic office, or toll office due to unusual call volumes for a period of 30 minutes.**
4. **Cable, microwave, carrier or other facility damage or failure affecting over 100 customers.**
5. **Unusual call volumes which occur for any reason that result in significant central office blockage.**
6. **Any anticipated conditions that may seriously affect service as a result of equipment problems or heavy call volumes.**
7. **Any network or service interruption that results in media attention.**

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6.2 Major Service Interruptions Reporting for Interexchange carriers. All interexchange carriers providing service in the State of California shall report to the Telecommunications Division of the Public Utilities Commission any major interruptions in telephone service affecting California customers. Each utility shall also file a monthly summary of its major service interruptions on a quarterly basis. The following is the definition of a major service interruption for interexchange carriers.

Description - A service interruption is considered major if it meets the following conditions:

1. 30,000 or more California customer calls blocked.
2. Toll switching entity blocked from the statewide toll switching network for a period of 10 consecutive minutes or more.
3. Any cable (fiber or other), microwave or other facility damage or failure, where the calls are not routed automatically to other transmission facilities.
4. Any anticipated conditions that may seriously affect service as a result of equipment problems or heavy call volumes.
5. Any network or service interruption that results in media attention.

6.3 Reporting Procedures For Major Service Interruptions.

Written reports are normally satisfactory. In cases where a large number of customers are affected or that are otherwise of great severity, a telephone report should be made promptly to a Service Quality Coordinator designated by the Director of the Telecommunications Division.

Initial report shall be submitted to the Commission's Telecommunications Division staff as promptly as possible, after first knowledge of interruptions or expected interruptions.

If the service interruption continues for 12 hours past the initial telephone report, an interim report shall be made by telephone to keep the staff informed of current service conditions. An estimate of service restoral time shall be provided and if necessary, a schedule for further interim reports shall be made.

Written final reports shall be made confirming that service has been restored. Depending on circumstances one report may suffice for all. Written reports can be sent to:

California Public Utilities Commission
Telecommunications Division
505 Van Ness Avenue, 3-E
San Francisco, California 94102

Attention: Carrier Branch

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It is suggested that the attached form be used for reports. Item 14, "Comments", should contain any additional information that will aid the staff in understanding the nature and extent of the service interruptions.

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MAJOR SERVICE INTERRUPTION REPORT

DATE:

1. **COMPANY:**
2. **SERVICE AFFECTED:**
3. **LOCATION:**
4. **FACILITY:**
5. **NUMBER OF CUSTOMERS AFFECTED OR NUMBER OF CUSTOMER CALLS BLOCKED:**
6. **DATE AND TIME OF INITIAL REPORT:**
7. **DATE AND TIME OF SERVICE INTERRUPTION:**
8. **DATE AND TIME OF SERVICE RESTORAL:**
9. **DURATION OF SERVICE INTERRUPTION:**
10. **NUMBER OF CUSTOMER TROUBLE REPORTS RECEIVED: (If applicable)**
11. **CAUSE OF INTERRUPTION:**
12. **CORRECTIVE ACTION TAKEN TO RESTORE SERVICE:**
13. **PREVENTIVE ACTION AGAINST RECURRENCE:**
14. **COMMENTS:**
15. **COMPANY CONTACT:**

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7. INTERCONNECTION STANDARDS

Interconnection standards set forth in this subsection 6 of G.O. 133-C shall apply to both LECs and CLCs.

(1) An Intercompany Interconnection Held Service Order (IIHSO) shall be reported when service is not provided within 15 days of the mutually agreed-upon due date. Local carriers shall file their IIHSOs on the last day of the following month.

(2) An IIHSO report, broken down by individual CLC, shall contain the following information:

a. the service order number
b. the due date
c. the company requesting interconnection
d. whether the IIHSO is overdue to 15-20, 21-25, 26-30, 31-35, 36-40, 41-45, and over 45 days.
e. the reporting unit (wire center or plant installation center)
f. whether the IIHSO is pending or complete
g. an explanation for the IIHSO

(3) All local carriers shall refund nonrecurring interconnection charges for service orders held 45 days beyond the mutually agreed upon service date. Refunds do not apply if service order completion was delayed due to natural disasters, severe weather, labor disputes, or civil disturbances.

8. GENERAL ORDER REVIEW COMMITTEE

8.1 Intent.

a. Purpose. The purpose of the committee is to review the state of the art in telephony, to examine the measurements set forth in this General Order, and to suggest revisions, additions, and deletions to said measurements.
b. Methodology. The committee shall meet at least once a year; meeting minutes shall be taken and in the event that changes to the General Order are recommended, an appropriate report shall be submitted to the Commission with a suggested course of action.

8.2 Participation.

a. Commission. The Commission shall be represented on the committee by at least one member of the staff who shall chair the proceedings.
b. Industry. The telephone utilities shall be represented by individuals or joint representatives.
c. Public. The public may be represented by any individuals or interested parties knowledgeable in the science of telephony and/or this General Order.

ATTACHMENT 1

Appendix A
Standard Reporting Levels

Service Measure	Objective Level	Surveillance Reporting Level
Held Primary Service Orders	See Section 3.1	See Section 3.1
Installation Due Date interval for Primary Service Orders	90% within 3 working days	85% within 3 working days
Installation ~~Line Energizing~~ Commitments Met for Primary Service Orders	90%	88 95%
Held Additional Line Service Orders	See Section 3.4	See Section 3.4
Installation Due Date Interval for Additional Line Service Orders	90% within 10 working days	85% within 10 working days
Installation Commitments Met for Additional Line Service Orders	90%	88%
Customer Trouble Reports For Central Office Entity with:		
3,000 and More Working Lines Excluding terminal equipment reports	4 per 100 lines	6 per 100 lines.
1,001-2,999 Working lines Excluding terminal equipment reports	6 per 100 lines	8 per 100 lines.
1,000 or Fewer Working Lines Excluding terminal equipment reports	8 per 100 lines	10 per 100 lines.
Out Of Service Clearing Time	90% within 24 hours	85% within 24 hours
Clearing Time Commitments Met	90%	85%
Dial Tone Speed	98% within 3 seconds	97.4% within 3 seconds
Dial Service (Service Observing)	98.5%	98.0%
Toll Operator Answering Time	90% answered within 10 seconds	85% answered within 10 seconds
Directory Assistance Operator Answering Time	90% answered within 12 seconds	85% answered within 12 seconds
Trouble Report Service Answering Time		
Without the Use of ARU	85% answered within 20 seconds	80% answered within 20 seconds
With the Use of ARU	95% answered within 15 seconds	90% answered within 15 seconds
With ARU From Rotary Dial	95% answered within 60 seconds	90% answered within 60 seconds
With ARU and Call Transfer	95% answered within 60 seconds	90% answered within 60 seconds
Business Office Answering Time		~~80% answered within 20 seconds. 70% answered within 20 seconds starting December 3, 1992; 75% answered within 20 seconds starting October 4, 1993; and 80% answered within 20 seconds starting July 5, 1994.~~
Without the Use of ARU	85% answered within 20 seconds	80% answered within 20 seconds
With the Use of ARU	95% answered within 15 seconds	90% answered within 15 seconds
With ARU From Rotary Dial	95% answered within 55 seconds	90% answered within 55 seconds
With ARU and Call Transfer	95% answered within 55 seconds	90% answered within 55 seconds

ATTACHMENT 1

Appendix B
Record Keeping and Reporting Requirements

Service Measure	Reporting Unit and and Minimum Reporting Size
Held Primary Service Orders	Exchange or Plant Installation Center, whichever is smaller
Installation Due Date Interval for Primary Service Orders	Exchange or Plant Installation Center, whichever is smaller
Installation ~~Line Energizing~~ commitments Met for Primary Service Orders	Exchange or Plant Installation Center, whichever is smaller ~~Central Office Wire Center with 250 inward movements/month or PlantInstallation Center~~
Held Additional Line Service Orders	Exchange or Plant Installation Center, whichever is smaller
Installation Due Date Interval for Additional Line Service Orders	Exchange or Plant Installation Center, whichever is smaller
Installation Commitments Met for Additional Line Service Orders	Exchange or Plant Installation Center, whichever is smaller
Customer Trouble Reports	Central Office Entity
Out of Service Clearing Time Clearing Time Commitments Met	Plant Maintenance Center Plant Maintenance Center
Dial Tone Speed	Each Central Office Entity over 3,000 lines.
Dial Service (Service Observing)	Each Central Office Entity over 3,000 lines.
Toll and Assistance Operator Answering Time	Traffic Office handling toll and assistance calls average business day call volume of 2,000 or more.
Directory Assistance Operator Answering Time	Traffic Office handling directory assistance calls average business day call volume of 2,000 or more
Trouble Report Service Answering Time	Centralized group supporting 10,000 or more lines.
Business Office Answering Time	Centralized group supporting 10,000 or more lines.
Compilation of Data-Monthly Frequency of Reporting-Quarterly Retention of Measurements-~~2~~ 3 years	

ATTACHMENT 1

Appendix C
Held Primary Service Order and Held Additional Line Service Orders Reports

Reports on held primary service orders and held additional line service orders shall set forth the following:

1. Reporting Unit name and further identification if name does not convey geographic location.
2. Total Telephones in service within reporting unit. This figure may be supplied once yearly as a year-end number.
3. Number of held orders for each month of the quarter.
4. Reason for the held primary service order if carried over 90 ~~-180~~ days.
5. Reason for the held additional line service order if carried over 180 days.

ATTACHMENT 1

Appendix D
Service ~~Reporting~~ Level Performance Report

Reports on all service measures except held orders shall set forth the following:

1. Reporting unit name and further identification if name does not convey geographic location.
2. Service measure, level, and months being reported.
3. Cause of Performance at the surveillance ~~reported~~ level ~~if reported for two consecutive months~~ for any month. For installation commitments, clearing time commitments, due dates for installations, and customer trouble reports, indicate locations affected if cause is localized within a reporting unit.
4. Corrective action taken and anticipated completion date for (3) above.

(END OF ATTACHMENT 1)

P. GREGORY CONLON, Commissioner, concurring

I concur with the issuance of the rulemaking on the Commission's own motion into service quality standards for telecommunications services. I believe that this docket will provide the Commission with an opportunity to address a matter very important to California's telecommunications consumers, i.e., the maintenance or improvement of the quality of telecommunications services in an era of increasing but not yet fully developed competition. I am fully cognizant of the importance California's leaders place on consumer issues such as service quality, and thus I intend to ensure that we complete this docket in a speedy yet thorough fashion.

Within the context of the first question posed in the Scope of the Proceeding, I want the parties to explore in their comments what should be the scope of the retail services that should be covered by the proposed rules, and whether the rules as proposed are sufficient to cover all those services. I appreciate that the focus of the parties when commenting on the rules will likely be on the residential and small- business customers, but I encourage parties to also address issues of quality related to services that mid-sized and large businesses might purchase, such as T1 trunks. I wish to know, for example, whether the Service Quality Assurance Mechanism should contain sufficient monetary incentives to fully compensate businesses that obtain higher-priced services. Although I believe that these customers tend to have more choices in the market than residential end users and small businesses, I am concerned that some larger

Commissioners Jessie J. Knight, Jr. and Josiah L. Neeper, Concurring:

We support sending this rulemaking out for comment and look forward to the comments and perspectives of parties as to the need and efficacy of these rules. We are especially interested in assessing the effects on competition and particularly want to hear from new entrants regarding the impacts various standards might have on their business plans, and ascertaining whether any proposed standards might limit market entry. Our goal is to ensure that any rules that the Commission adopts remain technology-neutral and provider-neutral. Unless there is very compelling evidence that regulation of a specific provider or technology is warranted, adopting rules that are technology-neutral and provider-neutral is a basic principle of the Commission's original vision outlined in the Telecommunications Infrastructure Report.

Fundamentally, we are skeptical that the standards put forth in this rulemaking are necessary in today's more competitive market, therefore we question whether it is wise to add these additional regulations in an era when the Commission is actively diminishing both the scale and scope of regulation in telecommunications markets. Generally, as competition is introduced we lean toward less regulation, rather than more. Based on past decisions of the Commission, we believe the entire Commission accepts this fundamental precept.

As competing carriers continue to challenge incumbent carriers for market share, quality of service most likely will be one of the operational dimensions on which all carriers will compete. Unless antithetical evidence is presented to the Commission, it would seem prudent to surmise that service quality will continue to be a principal element of competition in the telecommunications industry. Offering various ranges of service quality is an area where a growing number of telephone service providers should be able to compete, just as they presently compete on price and other operational aspects to meet service demands of consumers.

If this Commission is concerned with the overall level of service quality provided by the industry, regardless of the scope and scale of competition, not only should rules be developed that are technology and provider neutral, but moreover, perhaps the rules should apply equally to all providers. We are skeptical that the rules provided meet this test and look forward to comment on whether adoption of these rules, as proposed would result in significant adverse impacts on the marketplace and consumers. In fact, one could argue that it appears that these rules were designed to address issues raised by the service quality of a single provider in that the rules are designed to address a specific network type and service measurements of that carrier. Now, these rules may be used to apply to all carriers.

On the other hand, if this Commission's concern is that the level of competition is not sufficient to result in acceptable service quality, then it might be more effective to focus our service quality standards on providers and areas not subject to robust competition. If a lack of competition and customer choice is the cause of our concerns over service quality, then maybe our rules should focus on those providers who do not face competition and whose customers do not have choice. The principal argument here is that it would be counter productive for this commission to promulgate service quality rules that become a barrier to entry or reduce competition, if our concern regarding service quality stems from insufficient competition in the first place.

If we propose to adopt service quality standards, perhaps due to certain concerns arising from a single carrier's action or inaction, or even the perceived inadequacy of the current rules, the standards we ultimately adopt must be carefully designed so that our new rules do not unfairly disadvantage one group of carriers in favor of others. Nor should our rules punish all providers because of the failings of a few. Disadvantage can occur in the marketplace from either a blanket application of the same rules across all industry members, and disadvantage can occur from selective application of more stringent rules, or both.

Likewise, if we are concerned with the service quality of a single carrier, then maybe we should address it in that context, rather than complicating the issue by broadening the scope to include all carriers. We have many carrier specific proceedings that address complaints regarding incumbent carriers. If we are responding to issues raised by the actions, or inaction, of a specific carrier, then it may be more appropriate to seek remedy elsewhere rather than a generic, industry-wide rulemaking.

Adoption of service quality standards must be considered only after a careful examination of the effects of competition on service quality and whether competition itself can produce desirable outcomes. Conversely, the effects of service quality and its regulatory ramifications on the development of competition in the telecommunications market must equally be examined closely.

Adoption of service quality standards must also take into account the costs and benefits of setting standards. This Commission must carefully weigh the costs and benefits of any such service quality standards to ensure that the benefits that accrue to consumers warrant the additional costs. For example, if there is a standard that requires the phone to be answered within 20 seconds eighty percent of the time, instead of 30 seconds, the Commission should know the cost tradeoffs for such a standard. In our view, the burden for additional regulation must be borne by those that advocate it.

The proposal before us has the Commission determining the level of service quality rather than the marketplace. At the very least we should be fully aware of the cost and benefit tradeoffs we will be making. Otherwise, we risk imposing unnecessary costs on providers and ultimately upon consumers for compliance to potentially arbitrary standards. A real risk is apparent if the Commission requires carriers to provide more quality than consumers want or are willing to pay for. This in turn could have the negative effect of slowing the rate of expansion of existing carriers, thus lessening investment in advanced telecommunications.

We voted in favor of the proposed OIR because we believe it raises the right questions that must be asked in consideration of changes to the current General Order 133 service quality standards. We will keep an open mind on whether the bar for service quality should be raised at this time when we have opened the telecommunications market for competition. We expect competitors to duel each other in all products and service areas, including quality of service. This is particularly important from our point of view, because the incumbent carriers have operated under the existing service quality standards during their monopoly era when the threat of competition did not exist. We must pose the question why must we raise the bar today on service quality, when incumbent carriers and new entrants are both facing each other with the intention of taking market share from each other? By promulgating prescriptive rules and standards, are we saying that the competitive market will not provide better service than we expected in the formerly heavily regulated monopoly marketplace? If the answer is affirmative, we yield to the questionable notion that competitive markets are flawed vis-a-vis governmental intervention.

We would look forward to hear from all concerned about the need for raising service quality standards and mandating punitive actions for failure to comply with the new standards. It may be that there are peculiar circumstances in the contemporary telecommunications market that may warrant a more rigorous service quality regulation than what has been practiced in the past. If that is the case, we need to know what these circumstances are. We would also like to hear about the effect of such proposed service quality standards on the evolving competition in the telecommunications market and whether it will have adverse effect on any of the players. It is also equally important to know what effect competition has now and will have in the future on service quality. The answers to these and related questions raised in the OIR will give us the basis to determine whether more stringent service quality standards are necessary in a competitive era; and whether we should seek regulatory parity between incumbent local exchange carriers and new entrants, including all those that compete with the incumbents in "the relevant market." We ask these questions because once adopted, the service quality rules are prospectively applied for a dynamically changing telecommunications market. So our efforts in assuring a higher degree of service quality by regulatory fiat must be weighed against other alternatives of achieving the same result in a perhaps more efficient and less disruptive fashion to

the market. The OIR correctly asks these and related questions and we will look forward to seeing the responses from all concerned.

Dated this June 18, 1998 at San Francisco, California.

/s/ Jessie J. Knight, Jr.
Jessie J. Knight, Jr.
Commissioner

/s/ Josiah L. Neeper
Josiah L. Neeper
Commissioner

R.98-06-029

Commissioners Jessie J. Knight, Jr. and Josiah L. Neeper, Concurring:

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