

(Decision No. C94-1488)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

THE APPLICATION OF THE MOUNTAIN)
STATES TELEPHONE AND TELEGRAPH)
COMPANY, DOING BUSINESS AS)
U S WEST COMMUNICATIONS, INC.,)
FOR APPROVAL OF A FIVE-YEAR PLAN)
FOR RATE AND SERVICE REGULATION)
AND FOR A SHARED EARNINGS)
PROGRAM.)

DOCKET NO. 90A-665T

DECISION AND ORDER (1) RE:
QUALITY OF SERVICE METHODOLOGY AND
(2) VACATING HEARING DATES

Mailed Date: November 16, 1994
Adopted Date: November 3, 1994

RECEIVED

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OFFICE OF THE
ATTORNEY GENERAL

I. BY THE COMMISSION:

STATEMENT:

This matter comes before the Colorado Public Utilities Commission ("Commission") for consideration of Commission Staff's Withdrawal of Staff Request for Hearing with Respect to Financial Issues and U S WEST Communications, Inc.'s ("U S WEST" or "Company") Motion to Vacate and Response to Staff's Withdrawal of Request for Hearing with Respect to Financial Issues. Having reviewed the filings, the Commission will deem Staff's request for hearing on financial issues withdrawn and will order U S WEST to comply with certain quality of service calculation methodologies and to submit supporting work papers. The Motion to Vacate will be granted.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On September 12, 1994, and by Decision No. C94-1208, this Commission granted Staff's request for a hearing to review both U S WEST's 1993 earnings calculation and the Company's service quality performance under the Alternative Form of Regulation ("AFOR") plan. The decision set forth a procedural schedule for prefiling testimony and set hearing dates for November 28 and 29, 1994. On September 26, 1994, Staff requested that the Commission reconsider the procedural schedule to provide additional time for filing testimony and to set hearing dates in early 1995. This request was denied in Decision No. C94-1295.

2. On October 4, 1994, Staff filed its Withdrawal of Staff Request for Hearing with Respect to Financial Issues. Staff states that, while it does not concede the correctness of U S WEST's 1993 AFOR earnings calculation, it is not prepared to go forward with a hearing on the financial aspects of the 1993 AFOR report under the schedule established by the Commission.¹

3. On October 21, 1994, U S WEST filed a Motion to Vacate and Response to Staff's Withdrawal of Request for Hearing with Respect to Financial Issues. The company reasserts its position that Staff's objections to the 1993 AFOR earnings calculations are incorrect, but it does not object to Staff's withdrawal of its request for hearing regarding the Company's earnings report.

¹ Staff argues that there remain issues which require Commission clarification. To resolve these issues, Staff proposes to file a motion for clarification of the AFOR decisions. On October 31, 1994, Staff filed that motion. We will consider Staff's motion in a separate order.

Therefore, Staff's request for a hearing on U S WEST's 1993 AFOR earnings calculation shall be deemed withdrawn. Staff's withdrawal does not constitute an adverse decision on the merits of Staff's position regarding any of the accounting or regulatory concepts raised in its request for hearing. Staff is free to argue the correctness of these concepts as applied to the Company's 1994 AFOR earnings report. Staff's withdrawal of its request for hearing does mean that there will be no sharing of the Company's 1993 earnings.

4. Staff has not withdrawn its request for a hearing on that portion of U S WEST's 1993 annual AFOR report which concerns quality of service results. Staff submitted the testimony of Mr. Warren Wendling to address that portion of the report. Mr. Wendling makes two primary points in his testimony. First, he argues that U S WEST incorrectly calculated the score for 4 service quality measures² by using the average of 12 monthly averages instead of using the entire annual quantities in one calculation. This latter methodology, he asserts, is the methodology previously adopted by the Commission in Exhibit A to Decision No. C92-854. Mr. Wendling recalculates U S WEST's quality of service score using this latter methodology and concludes that U S WEST's quality of service scores reported in the Company's June 1, 1994 report should be corrected as set forth in Exhibit 1 to his testimony.

² These four measures are customer access to: (1) toll calls; (2) directory assistance; (3) small business service repair center; and (4) home and personal service repair center.

5. U S WEST stipulates to the correctness of Mr. Wendling's methodology and quality of service scores in his Exhibit 1. We note that these quality of service scores are relevant in the AFOR plan only if U S WEST exceeds its sharing threshold. U S WEST asserts, and it is not established otherwise, that its 1993 earnings do not exceed the threshold. Therefore, U S WEST's methodological errors do not impact the 1993 earnings sharing result.

6. However, future earnings sharing calculations could be affected if these methodological errors are repeated in subsequent earnings sharing calculations. To prevent this error from being repeated, we will issue this order reaffirming the methodology previously adopted in Exhibit A to Decision No. C92-854 and as explained by Mr. Wendling in his October 4, 1994 testimony; we will direct U S WEST to use this methodology in subsequent annual AFOR quality of service reports. We further find and conclude that the service quality results contained in Exhibit 1 to Mr. Wendling's testimony, and attached as the Appendix to this Decision, are correct and shall modify U S WEST's 1993 annual AFOR quality of service report filed June 1, 1994.

7. The second issue raised by Mr. Wendling in his testimony is his request that the Commission direct U S WEST to file work papers with future annual AFOR performance reports to assist the Staff in a more expeditious review of the reports. While not specifically addressed in its Motion to Vacate, we assume U S WEST has no objection to this request because of the Company's request to vacate the hearings. Therefore, we will direct U S WEST to provide

all supporting work papers contemporaneously with its subsequent annual AFOR quality of service reports.

8. U S WEST's Motion to Vacate the November 28 and 29, 1994 hearing dates should be granted. Staff has withdrawn its request for a hearing on the financial aspects of the 1993 AFOR annual report. U S WEST stipulates to the correctness of Staff's position regarding the quality of service scores and the submission of work papers. There are no other outstanding issues regarding the 1993 annual AFOR report. Therefore, the Commission will vacate U S WEST's prefiling dates for answer testimony and the November 28 and 29, 1994 hearing dates.

III. ORDER

THE COMMISSION ORDERS THAT:

1. Staff's request for a hearing on the financial results of U S WEST Communications, Inc.'s AFOR report is hereby deemed withdrawn.

2. U S WEST Communications, Inc., shall in all future annual AFOR quality of service reports use the methodology set forth in Exhibit A to Decision No. C92-854 to calculate the four service quality measurements identified in this Decision.

3. U S WEST Communications, Inc., shall submit all supporting work papers contemporaneously with all subsequent annual AFOR quality of service reports.

4. U S WEST Communications, Inc.'s Motion to Vacate hearing dates of November 28 and 29, 1994, is granted because there is no case or controversy regarding the 1993 annual report. In addition, U S WEST's prefiling due date for answer testimony is vacated.

5. This Order is effective on its Mailed Date.

ADOPTED IN OPEN MEETING November 3, 1994.

(SEAL)



ATTEST: A TRUE COPY

A handwritten signature in cursive script, appearing to read "Bruce N. Smith".

Bruce N. Smith
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ROBERT J. HIX

CHRISTINE E. M. ALVAREZ

VINCENT MAJKOWSKI

Commissioners

NT:srs

STAFF-Wendling-Exhibit No. 1
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SERVICE PERFORMANCE MEASUREMENTS

Measurement	Weight	Objective		Staff Result	Staff Score	U S WEST Result	U S WEST Score
-----A-----	-----B-----	-----C-----	-----D-----	-----E-----	-----F-----	-----G-----	
Maintenance:							
1 Report Rate	25	1.70 - 2.20	2.12	-17.00	2.12	-17.00	
2 Repeat Rate	10	0.24 - 0.31	0.27	1.43	0.27	1.43	
3 WC>8RPHL/3 Months	20	120.00 - 208.00	156	3.64	158	2.90	
CUSTOMER SURVEY							
4 H&PS	5	52.00 - 60.00	51.5	-5.00	51.5	-5.00	
5 SBS	5	56.00 - 63.00	47.9	-5.00	47.9	-5.00	
PROVISIONING							
6 Held Orders	15	600.00 - 750.00	1,118	-15.00	1,118	-15.00	
7 Switch Availability	5	99.990% - 99.998%	99.998%	5.00	99.998%	5.00	
8 Trunk Blocking	5	1.00 - 2.00	1.08	4.20	1.08	4.20	
CUSTOMER ACCESS							
9 Toll Calls	1	70.00 - 75.00	77.83	1.00	77.24	1.00	
10 Directory Assistance	1	75.00 - 80.00	81.44	1.00	81.48	1.00	
11 SBS Service Center	2	17.00 - 22.00	50.00	-2.00	50.00	-2.00	
12 SBS Repair Center	2	85.00 - 91.00	84.43	-2.00	84.93	-2.00	
13 HPS Service Center	2	85.00 - 91.00	67.40	-2.00	67.40	-2.00	
14 HPS Repair Center	2	85.00 - 91.00	62.34	-2.00	61.18	-2.00	
15	Total Net Score			-33.74		-34.47	
16	Total Negative Score			-50.00		-50.00	
17	Total Positive Score			16.26		15.53	