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DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of
the Ohio Bell Telephone Company for
Approval of an Alternative Form of
Regulation.

Case No. 93-487-TP-ALT

In the Matter of the Complaint of the
Office of the Consumers' Counsel,

Complainant,

Case No. 93-576-TP-CSS

vs.

The Ohio Bell Telephone Company,

Respondent.

Prepared Testimony
of
Richard C. Reese
Consumer Services Department

Staff Exhibit 6

1 1. Q. Please state your name and business address.

2
3 A. My name is Richard C. Reese. My business address is 180 E. Broad Street,
4 Columbus, Ohio 43215-3793.
5

6 2. Q. By whom are you employed?
7

8 A. I am employed by the Public Utilities Commission of Ohio (PUCO).
9

10 3. Q. What is your present position with the PUCO and what are your present
11 duties?
12

13 A. I am a Public Information Specialist, specializing in telecommunications
14 issues, in the Public Interest Center of the Consumer Services Department.
15 My main duties include analyzing the impact of telecommunications
16 trends on consumers and investigating telecommunications complaints
17 filed with the PUCO. I also advise other appropriate PUCO divisions
18 about telecommunications utilities' non-compliance with PUCO rules and
19 regulations.
20

21 4. Q. Would you briefly state your educational background and work
22 experience?
23

24 A. From 1972 to 1982 I served in the United States Air Force as a Chinese
25 Interpreter followed by five years as a motion picture cameraman. I
26 graduated from The Ohio State University in 1986 with a Bachelor of Arts
27 Degree in cinematography/videography. I was employed by WCMH-TV

1 in Columbus, Ohio from 1986 to 1990 as a production engineer. I
2 completed five trimesters in a business curriculum at Franklin University
3 in 1990 and began work in my current position at the PUCO in September
4 of 1990. I am currently a Master of Arts candidate in the School of Public
5 Policy and Management at The Ohio State University, with a specialty in
6 Regulation, and will complete the degree requirements in 1995.

7
8 5. Q. What is the purpose of your testimony in this proceeding?

9
10 A. The purpose of my testimony is to present Staff's position on the
11 following:

12
13 (1) Certain aspects of the Quality of Service Adjustment portion of the
14 proposed price cap formula as addressed in the Staff Report (pp. 39-
15 41); and

16
17 (2) Several of the issues addressed in the Quality of Service and
18 Customer Satisfaction section of the Staff Report (pp. 84-96).

19
20 In Part I of my testimony I will address certain objections and testimony
21 related to the Quality of Service Adjustment.

22
23 In Part II of my testimony, I will address certain objections and testimony
24 related to the Quality of Service and Customer Satisfaction section of the
25 Staff Report.

1 6. Q. What was the scope of your investigation for this case?

2
3 A. My investigation included the review of the testimony and objections
4 filed on behalf of Ameritech and all Intervenors. I reviewed Ameritech's
5 responses to various data requests, and over 8,100 customer contacts with
6 the Public Interest Center from the period March 1, 1992 through March 1,
7 1993. Ameritech's compliance with the Minimum Telephone Service
8 Standards (MTSS) was also reviewed. I also reviewed all of the
9 recommendations of National Regulatory Research Institute (NRRI).

10
11 Additionally, I visited the business offices of Ameritech in Cleveland,
12 Columbus, Dayton, Toledo, Youngstown, Akron, and Youngstown with
13 other Public Interest Staff. During these visits we discussed various
14 Minimum Telephone Service Standards (MTSS) and service quality issues
15 with business office supervisors and monitored a total of 15-20 hours of
16 residence business office calls.

17
18 Part I. Quality of Service Adjustment

19
20 1. Q. Which Objection will you address first?

21
22 A. I will first address Ameritech's Objection Number E-10. In this Objection
23 Ameritech objects to Staff's acceptance of NRRI Recommendation 4.8 to
24 modify the quality of service factor to deal only with unacceptable (or
25 negative) quality of service levels.
26

1 2. Q. What is the Staff's position regarding this matter?

2
3 A. Staff's position is that it is appropriate to include only a negative quality of
4 service adjustment. Staff concurs with utilizing the thirteen service
5 quality measures proposed by Ameritech. These standards are
6 components of the Minimum Telephone Service Standards (MTSS). Staff
7 believes that it is inappropriate that the Company be rewarded for
8 providing service that exceeds only minimum service quality standards.
9

10 3. Q. What is Staff's position regarding Ameritech Objection E-11.

11
12 A. The Company objects to Staff's proposal to eliminate activities associated
13 with Communications Intensive Households (CIH) from the quality of
14 service factor and that such elimination would skew actual service quality
15 performance. Staff does not agree. In fact, the inclusion of CIH in service
16 quality data would skew the service quality factor in Ameritech's favor.
17 Excluding CIH ensures that the quality of service provided to non-CIH
18 does not deteriorate. Specifically, the CIH data should be excluded from
19 consideration in the repair and installation categories. Other MTSS are
20 unaffected by the CIH designation.
21

22 4. Q. What is Staff's position regarding Ameritech Objection Number E-12?

23
24 A. Ameritech objects to Staff's modifications to the quality of service
25 calculation. Staff's proposed modifications will assist the Commission in
26 tracking the Company's service quality and ensure high service quality,
27 particularly for those customers residing in rural exchanges.

1 5. Q. How will Staff's modifications assist the Commission in tracking the
2 Company's service quality and ensure that rural customers receive high
3 service quality?
4

5 A. Consistent with the Company's Application, service quality data would be
6 kept by the Company on a month-by-month basis but would only be
7 reported semi-annually. Staff believes that positive reporting, rather than
8 exceptions reporting, will assist the Staff in monitoring the Company's
9 performance. Staff recommended the aggregation and reporting of certain
10 service quality data by area code to enhance the ability to identify service
11 quality trends in given area codes/exchanges from month to month.
12 Further, Staff proposes only one benchmark for each standard, reported by
13 area code. This benchmark would apply to each measuring area. The
14 measuring areas are the 614 area code, the 216 area code, with the third
15 measuring area consisting of the 419 and 513 area codes combined. There
16 would be no statewide benchmark applied.
17

18 6. Q. What is the Staff's position regarding the City of Cleveland Objection
19 Number 10 and the Edgemont Coalition's Objection Number 14?
20

21 A. Cleveland and the Edgemont Coalition object to the lack of accurate
22 quality-of-service data for the years 1984-1990. The Staff does not agree.
23 Quality-of-service data for the years 1984-1990 are not necessary for the
24 modifications to the Service Quality Adjustment proposed by Staff.
25

26 7. Q. What is the Staff's position regarding the City of Cleveland's Objection
27 Number 11, the Edgemont Coalition's Objection Number 15 and the

Greater Cleveland Welfare Rights Organization (GCWRO) Objection
Number 15?

A. Cleveland and the Edgemont Coalition object to the Staff's failure to recommend that the Company meet higher than minimum standards in its provision of service. Staff believes that compliance with the current MTSS, or any subsequent, modified MTSS, is the appropriate standard. Cleveland and GCWRO further state that any investigation into the need for new standards should be completed promptly. Staff's intention is to review the need for new standards in a timely manner, while seeking comment from all interested parties.

8. Q. What is Staff's position regarding the City of Cleveland's Objection Number 12 and AARP's Objection Number 52?

A. Cleveland and AARP object to the Staff's failure to recommend that the Commission prohibit the Company's two-tiered service standard, relative to Communications Intensive Households (CIH), which provides for one standard for regular customers and another for customers whose bills are greater than a certain dollar amount. Staff does not agree. As long as the Company provides adequate service to all its customers in compliance with the MTSS, the Staff, at this time, does not disagree with this practice. However, Staff has recommended, that in MTSS categories affected by this two-tiered standard, that CIH not be included with non-CIH data in measuring compliance with the MTSS included in the Service Quality Adjustment.

1 9. Q. What is Staff's position regarding OCC Objection Number 12 and the
2 Edgemont Neighborhood Coalition, Inc., Objection Number 11, that Staff
3 erred in failing to recommend that Ameritech experience a negative
4 quality-of-service adjustment equal to twice the monthly service
5 adjustment whenever it failed to meet a specific standard two or more
6 times in any twelve month period, if a price cap plan is approved.
7

8 A. Staff's recommendation is consistent with the position of the intervenors
9 in this regard.
10

11 10. Q. What is Staff's position regarding OCTVA's Objection Number 16?
12

13 A. OCTVA claims that Staff "erred in failing to recommend that the negative
14 quality-of-service adjustment can selectively be applied to non-
15 competitive services." Staff does not understand this Objection as stated.
16

17 11. Q. What is Staff's position regarding OCTVA's Objection Number 17?
18

19 A. OCTVA claims that Staff erred in failing to include customer perceptions
20 as a service quality measurement. Staff does not agree. Staff concurs with
21 Ameritech and NRRI that the factors considered in the Service Quality
22 Adjustment should be objective measurements such as those contained in
23 the MTSS. Subjective criteria such as customer perceptions are monitored
24 in other ways by Staff (complaints, calls to the PUCO Hotline, etc.). Staff's
25 observations are shared with the Company through the complaint
26 resolution process and meetings with Company as needed.
27

1 12. Q. Will Ameritech be required to comply with all MTSS not accounted for in
2 the Service Quality Adjustment.

3
4 A. Yes.
5
6

7 Part II Quality of Service and Customer Satisfaction
8

9 1. Q. What is Staff's position regarding Ameritech Objection J-1?
10

11 A. Ameritech objects to any modifications of the MTSS being applicable to
12 the Company during the term of the proposed plan. It is not Staff's
13 intention to make any modified version of the MTSS applicable to the
14 Company during the original term of their plan in terms of the Quality of
15 Service Adjustment. However, Staff believes that the Company should be
16 required to comply with the terms and conditions of any new MTSS
17 adopted by the Commission.
18

19 2. Q. What is Staff's position regarding Ameritech Objection Number J-6.
20

21 A. Ameritech objects to Staff's recommendation that its training manual be
22 revised as well as to Staff's conclusion that misleading statements are
23 contained in the manual. Staff does not agree with this Objection. Staff
24 believes that certain misleading statements are contained in the
25 Company's training manual and that the Company should revise the
26 manual accordingly. The recommendations contained in the Staff report
27 are consistent with Ohio Administrative Code (OAC) Section 4901:1-5-23

(1 (MTSS Rule) Rates and special charges information. Part (B) states: "Upon
2 request, each local exchange company shall provide all applicants and
3 current subscribers with the following information:
4

5 (2) The rates, charges, and provisions applicable to all services furnished
6 or available;"
7

8 3. Q. What is Staff's position regarding OCC Objection Number 36, City of
9 Cleveland Objection Number 21, GCWRO Objection Number 19 and the
10 Edgemont Coalition's Objection Number 27?
11

12 A. OCC, the City of Cleveland, GCWRO and the Edgemont Coalition claim
13 that Staff erred in failing to recommend that Ameritech's representatives
14 should be prohibited from marketing optional services to residential
15 customers who call to make payment arrangements, or who have a
16 payment arrearage at the time of the call. Staff does not agree that the
17 Company should be prohibited from marketing optional services to these
18 customers. However, the Staff continue to enforce the MTSS Rule
19 requiring the Company to provide "the information and assistance
20 necessary to enable any applicant or subscriber to obtain the most
21 economical local exchange company-provided services conforming to his
22 or her stated needs."
23

24 4. Q. What is Staff's position regarding OCC Objection Number 37 and the
25 Edgemont Coalition's Objection Number 28?
26

1 A. OCC and the Edgemont Coalition object to Staff's failure to recommend
2 that the Company be required to report periodically on its service
3 representatives compliance with MTSS Rule Number 4901:1-5-32(A). Staff
4 intends to review the Company's compliance with this rule through the
5 regular monitoring of service representatives' conversations with
6 customers during periodic, unannounced Staff visits to the Company's
7 business offices.
8

9 5. Q. What is Staff's position regarding OCC Objection Number 38, the City of
10 Cleveland's Objection Number 20, and the Edgemont Coalition's
11 Objection Number 29?
12

13 A. OCC, Cleveland, and the Edgemont Coalition object to Staff's failure to
14 recommend that corrective action be taken by the Company with regard to
15 customers who were given misleading or incomplete information
16 concerning inside wire maintenance plans and privacy options. The
17 provisions of Commission Finding and Order Number 93-540-TP-COI,
18 which deals with blocking requirements attendant with SS7 technology
19 requires that all LECs provide disclosure of privacy options (per-call and
20 per-line blocking). Staff is currently investigating the provision of inside
21 wire maintenance by the LECs in Case Number 86-927-TP-COI. Among
22 the issues being considered in this Case is the education of consumers
23 about inside wire maintenance plans as well as the marketing of such
24 plans.
25

1 6. Q. What is Staff's position on the remainder of the City of Cleveland's
2 Objection Number 20?

3
4 A. In Objection Number 20, the City of Cleveland also objects to Staff's failure
5 to require the Company to correct any misleading sales practices in a more
6 timely manner without linking said correction to approval of the Plan.
7 Cleveland further objects to Staff's failure to require the Company to
8 report to the Commission, and all parties to this case, the steps it has taken
9 to correct the above-mentioned practices. Staff is currently investigating
10 some of the sales practices of Ameritech, as well as other LECs, and will
11 require the Company to provide evidence of corrective actions it has
12 undertaken relative to any misleading sales practices.

13
14 7. Q. What is Staff's position regarding OCC Objection Number 39 and the
15 Edgemont Coalition's Objection Number 32?

16
17 A. OCC and the Edgemont Coalition object to Staff's failure to recommend
18 that the Company's service representative be required to offer the
19 Annoyance Call Bureau (ACB) as one of the privacy options available to
20 customers. The Company is currently required to make the availability of
21 the ACB known to any customer complaining of annoying or harassing
22 calls. Notification of the availability of the ACB is required by Finding 3(c)
23 in Commission Finding and Order No. 93-344 which permitted the
24 Company's offering of Call Trace and certain other services.
25

1 8. Q. What is Staff's position regarding OCC Objections Number 40 and 41?

2
3 A. OCC objects to Staff's failure to recommend Company action as a result of
4 its EXCEL survey results that indicate rising or constant levels of customer
5 dissatisfaction. Further, OCC objects to the Staff's failure to recommend
6 Company action as a result in the rise in customer complaints about new
7 service and repair service. However, Staff has reviewed the results of the
8 Excel surveys provided by the Company and has considered the
9 information along with other data, including complaints to the PUCO
10 Hotline, in analyzing the performance of the Company in the Staff Report.

11
12 Staff's overall analysis formed the basis for the recommendations
13 contained in the Staff Report.

14
15 9. Q. What is the Staff's position regarding the City of Cleveland Objection
16 Number 22 and the Edgemont Coalition's Objections Number 30 and 35?

17
18 A. Cleveland objects to the Staff's failure to find that the Company has
19 violated the MTSS Rule which requires the Company to inform
20 customers of the cost of basic monthly service. The Edgemont Coalition's
21 objection is similar. The Staff does not believe that the Company is in
22 violation of the MTSS Rule. The Staff recommends that the Commission
23 closely monitor the marketing practices of the Company to ensure
24 compliance with the MTSS Rule.

1 10. Q. What is Staff's position regarding the Edgemont Coalition's Objection
2 Number 31?

3
4 A. The Edgemont Coalition objects to Staff's failure to recommend that the
5 Company be required to adequately inform low income customers of their
6 right to subscribe to present and future reduced rate plans. Staff believes
7 that the Company is adequately informing its customers of reduced rate
8 plans. The Staff has further addressed the Coalition's concerns in
9 recommendations contained in the Universal Service Commitment as
10 well as the Quality of Service and Customer Satisfaction section of the
11 Staff Report.

12
13 11. Q. What the Staff's position regarding AARP's Objection Number 41?

14
15 A. AARP claims that the Staff erred by failing to provide for greater remedial
16 measure for the Company's misleading marketing of several services.
17 AARP also asserts that the Company should be fined for violations of
18 PUCO orders and the MTSS Rule and that the Company should be placed
19 at the Staff's lower revenue bound. AARP further claims the Company's'
20 updated training manuals should be maintained by the Staff for
21 continuing review and that the parties should have access to these
22 manuals as well. Additionally, AARP states that the Company should be
23 required to issue bill notices, at below-the-line costs, with correct
24 information on the misleading subject areas found by Staff. As stated in
25 Item #10, the Staff does not believe that the Company is in violation of the
26 MTSS Rule but recognizes that the provision of inaccurate, misleading or
27 incomplete information to customers violates the spirit of this Rule. The

1 Staff agrees that the manuals should be made available for review by all
2 parties to this case, subject to confidentiality agreements. Staff will weigh
3 various options and recommendations, including the issuance of bill
4 inserts, to correct marketing problems.

5
6 12. Q. What is Staff's position regarding AARP Objection Number 53?

7
8 A. AARP objects to Staff's failure, with relation to deregulated and detariffed
9 services, to recommend that the PUCO adopt any state and federal
10 consumer protection laws from which the Company is exempted. Staff
11 believes that this suggestion merits further examination. However, Staff
12 does not believe that this case is the proper forum for such an
13 investigation.

14
15 13. Q. Does this conclude your testimony?

16
17 A. Yes.

LINE-BACKER/LINE-BACKER WITH PHONE OPTION

Full Disclosure Statement:

The optional maintenance plans are:

Line Backer - Covers repairs for inside wiring, including jacks at no charge. In addition, it provides a free service call if your equipment is the cause of the trouble. The repair of the set is not included.

Line Backer with Phone Option - Has the same Line Backer coverage and includes a loaner set for up to 60 days while you repair or replace your phone.

Description (feature): Optional maintenance plan that provides for trouble analysis on a monthly basis in lieu of the repair visit charge. (With phone option - a loaner phone is provided for up to sixty days.)

Major Benefits:

- Worry free
- Saves money on repair costs
- Never be without a phone
- Convenience
- Security

Suggestions to recommend and/or overcome objections:

1. I'm sure, as busy as you are, it would be nice not to have to worry about your telephone service. Our Line-Backer plans help remove the worry.
2. Our repair department is available to you 24 hours a day, seven days a week. With Line-Backer we will be able to diagnose your problem whenever you need us and without the concern of a high service charge.
3. (With Phone Option) Which phone would you be able to do without?
4. I certainly can understand your concern about cost. That's another very valid reason why I recommend Line-Backer to you. Don't you agree that it is a lot easier to pay a small monthly fee than to pay a service repair charge all in one lump sum?
5. If you are not available to check things out for yourself consider the others in your home. With the convenience and security of Line-Backer, anyone can call us and you will be assured there will be no diagnostic fee.
6. The apartment complex may say they will be responsible for the repair. Please remember that when charges are billed, they are billed to you. We are also available for you 24 hours a day. Most maintenance people are not prepared to make repairs within 24 hours. Let us take those worries out for you by setting up the Line-Backer plan.
7. In checking your records, I'm a little concerned about the repair of your telephone service. Are you aware that if a problem should come up you might be billed?

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BENEFIT STATEMENTS

CALLER ID -

- POWERFUL CALL MANAGEMENT CAPABILITIES

WHAT IT DOES

((FEATURES))

Shows customers the number
of the caller

Most devices keep a record (store)
all incoming calls

Works automatically

WHY ITS GREAT

((BENEFITS))

Screen calls before answering

Control over who enters your home
via the telephone

Know who the call is for

Convenient

Saves time

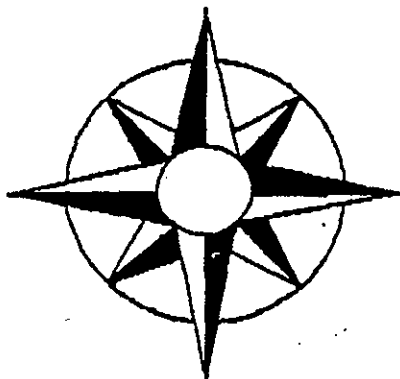
Easy to use

Privacy - answer only the calls you need/want to

Eliminate harassing calls

Feel safe and secure

Easily identify the urgent call



BENEFIT STATEMENTS

You can use the following benefit statements when discussing Call Trace:

- "You can trace a serious, threatening or harassing call yourself as soon as it come in."
- "You will feel secure knowing immediately that the call was sucessfully traced."

NOTE

This service is not being actively sold. It is one alternative for handling serious annoying calls. Traditional Trap & Trace is also available.

CONFIDENTIAL

Subject to restrictions on the first page.

February, 1993

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prepared Testimony submitted on behalf of the Public Utilities Commission of Ohio was served by regular, U.S. mail, postage prepaid or hand delivered to the parties of record on this 13th day of July, 1994.



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