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MAY 5 1994

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) Case No. 93-487-TP-ALT
regulation.)

SUPPLEMENTAL TESTIMONY OF JULIE A. WEST
AMERITECH OHIO EXHIBIT 27S.0
SUBJECT: SERVICE QUALITY

1. Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A: My name is Julie West. My Business Address is 45
Erievue Plaza, Room 810, Cleveland, Ohio, 44114.

2. Q: ARE YOU THE SAME JULIE A. WEST WHOSE TESTIMONY WAS
PREVIOUSLY FILED IN PUCO CASE NO. 93-487-TP-ALT AS OHIO
BELL EXHIBIT 27.0?

A: Yes.

3. Q: WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A: The purpose of my supplemental testimony is to respond
to some of the issues raised and the recommendations
made in the PUCO Staff Report of Investigation and the
National Regulatory Research Institute (NRRI) Addendum
in PUCO Case No. 93-487-TP-ALT.

4. Q: HAVE YOU READ THE PUCO STAFF REPORT OF INVESTIGATION IN
PUCO CASE NO. 93-487-TP-ALT, HEREAFTER REFERRED TO AS
THE "STAFF REPORT"?

A: Yes.

5. Q: HAVE YOU READ THE NRRI ADDENDUM TO THE STAFF REPORT?

A: Yes.

6. Q: ARE YOU FAMILIAR WITH AMERITECH OHIO'S OBJECTIONS
RELATING TO SERVICE QUALITY?

A: Yes.

7. Q: DO YOU AGREE WITH THE STAFF'S ACCEPTANCE OF NRRI RECOMMENDATION 4.8 WHICH SUGGESTS THAT AMERITECH OHIO'S QUALITY OF SERVICE ADJUSTMENT FACTOR BE MODIFIED TO DEAL ONLY WITH UNACCEPTABLE (OR NEGATIVE) QUALITY-OF-SERVICE LEVELS? (p.39)

A: No. The recommendation is based on the premise that new technology will naturally drive high service quality, and hence Ameritech should not be rewarded twice for higher service quality. This premise incorrectly assumes a precise correlation between new technology and service quality as measured by the MTSS.

In some cases, new technology does impact service quality. In others, new technology provides new service options. In the latter case, the quality of existing services, provided by current technologies, is largely unaffected. Even when new technology has an impact on the quality of existing services, it does not impact the MTSS service categories evenly. It will have no or minimal impact on those service categories which are largely dependent on human actions. In these cases, improvements in service quality are obtained through other than new technology e.g. process improvements. These improvements are not automatically rewarded. Therefore, it is appropriate to include incentives for improving service quality in the service quality factor.

In a regulated environment, improved quality of service (as defined by the MTSS service categories) does not always result in more demand, more revenues, and more profits. This will continue to be the case under alternative regulation.

This is because the MTSS service categories do not necessarily represent customers' demands or market place expectations. Without rewards built into the Service Quality Factor, there is no incentive, given a regulated environment and MTSS that are not uniformly representative of market place demands, to improve service quality beyond current service levels, many of which are already substantially above MTSS.

8. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT ACTIVITIES ASSOCIATED WITH COMMUNICATIONS INTENSIVE HOUSEHOLDS SUCH AS INSTALLATION OR REPAIR NOT BE INCLUDED [IN BASELINE OR SUBSEQUENT CALCULATIONS]?
(p.40)

A: No. Communications Intensive Households (CIH) was implemented to provide improved service to those high usage residential customers who are most dependent on Ameritech Ohio's telephone service. This is done without degrading service to other customers. Initially, about 10% of our residential customers were designated as CIH. Currently 17% of our residential

customers are designated as CIH. This percentage is expected to go higher.

To exclude CIH customers from installation and repair categories implies that they are not due the same service quality considerations as other customers. Removing CIH customers from our customer base for purposes of calculating the Service Quality Factor would substantially diminish the size of the customer base.

Furthermore, CIH customers are not identified for all service categories e.g. Repair Speed of Answer. To do so, would be cost prohibitive and provide no measurable benefit to the operation of the business.

9. Q: DO YOU AGREE WITH THE STAFF REPORT RECOMMENDATION THAT THE POTENTIAL NEGATIVE QUALITY-OF-SERVICE ADJUSTMENT BE -2.6 POINTS (p.41)?

A: No. The Service Quality Factor proposed by Ameritech Ohio assesses substantial penalties for service levels which are below the MTSS, are reportable occurrences, or have declined relative to Ameritech Ohio's past performance. To have a potential negative impact of -2.6%, as recommended by the Staff Report, is unreasonable and excessive.

10. Q: THE STAFF HAS RECOMMENDED THAT, FOR THE PURPOSE OF QUALITY-OF-SERVICE EVALUATION, THOSE STANDARDS FOR WHICH COMPLIANCE IS MEASURED ON AN EXCHANGE-BY-EXCHANGE BASIS BE CLASSIFIED ON THE BASIS OF AREA CODES I.E. AREA CODES 419 AND 513 WOULD BE COMBINED TO FORM ONE MEASURING AREA AND AREA CODES 216 AND 614 WOULD COMPRISE THE OTHER TWO MEASURING AREAS. (p.41) DO YOU AGREE WITH THIS RECOMMENDATION?

A: No. The Staff's approach actually compares exchange-based service categories against two standards. First, each exchange is compared against a statewide baseline standard which is significantly above the MTSS for each of the exchange-based service categories. Using the service category of % New Service Installation to be completed within 5 business days as an example, the MTSS is 90% while the baseline standard is 98.5%. Then, the percentage of exchanges which fell below the baseline in each NPA measuring area is calculated and compared against a second standard of 93% at the NPA level.

Furthermore, with the statewide baseline significantly above the MTSS, just one miss in our smaller exchanges will cause the exchange's result for that month to fall below the baseline. Finally, the small number of exchanges in each NPA measuring area means that missing the baseline in just 5 exchanges (or 6 exchanges in the

case of 614) will cause the result at the NPA level to fall below 93%.

11. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT THE APPLICANT COLLECT AND MAINTAIN MONTHLY REPORTS ON ALL OF THE SERVICE STANDARDS FOR THE DURATION OF THE PLAN. THESE REPORTS WOULD BE PROVIDED TO THE CONSUMER SERVICES DEPARTMENT SEMIANNUALLY AND AVAILABLE AT ANY TIME UPON REQUEST. (p. 40)

A: No. The Service Quality Factor is not intended to be a monthly tracking tool. Its purpose is to reflect service quality on an annual basis. Its use is as a component of the annual price cap plan calculation. The Service Quality Factor is meaningful only when it is calculated using an entire calendar year of data.

The data which form the basis of the Service Quality Factor are the MTSS. Ameritech Ohio will continue to do the monthly tracking and reporting required by the MTSS established by the Ohio Administrative Code, Section 4901:1-5-22.

12. Q: WHAT IS AMERITECH OHIO'S RESPONSE TO THE STAFF'S ENDORSEMENT OF NRRI RECOMMENDATION 4.6, WHICH RECOMMENDS THAT THE COMMISSION DIRECT THE STAFF TO CONDUCT AN INVESTIGATION ON THE ABILITY OF EXISTING

QUALITY OF SERVICE STANDARDS TO MEET THE NEEDS OF AN
INFORMATION AGE ECONOMY. (p.41)

A: Minimum telephone service standards are not required in a fully competitive marketplace. The effort involved in such an investigation should be weighed against the speed with which the competitive marketplace is evolving.

In the event that the investigation is undertaken, it should be broad-based and focus on whether the MTSS are necessary in today's and future environments.

Consideration should be given to the service quality expectations of the marketplace as well as current technology. Furthermore, the standards should continue to represent minimum standards. Finally, the standards should be industry-wide and apply equally to all providers of local exchange services.

13. Q: DO YOU AGREE WITH THE STAFF REPORT RECOMMENDATION THAT THE EVENT THE COMMISSION ADOPTS MODIFIED OR NEW MINIMUM TELEPHONE STANDARDS PRIOR TO THE FIVE YEAR REVIEW THAT SUCH STANDARDS BE APPLICABLE AT THAT TIME FOR INCORPORATION WITHIN ANY PRICE CAP FRAMEWORK ADOPTED IN THIS PROCEEDING? (p.53-54)

A: No. Any modified or new minimum telephone service standards should not be incorporated in Ameritech Ohio's plan without our consent.

14. Q: DO YOU AGREE WITH NRRI RECOMMENDATION 4.4 WHICH STATES AMERITECH OHIO SHOULD BE ASKED TO REEXAMINE ITS RECORDS AND TO CONSTRUCT ACCURATE QUALITY-OF-SERVICE DATA SETS FOR THE 1984-1990 PERIOD? (p.68)

A: No. The data required to reconstruct accurate quality-of-service data sets for the years prior to 1991 are not available and cannot be recreated.

Furthermore, the Staff Report states: "NRRI Recommendation 4.4, that Ameritech Ohio construct accurate quality-of-service data for 1984-1990, would not be necessary given the Staff's approach." (p.40) The Staff's approach is based on data for 1991-1993 as the starting point. Since the Service Quality Factor is based on 1991-1992 data as the starting point, no additional data should be required for the Service Quality Factor approach, either.

15. Q: DOES THE SERVICE DATA FOR BUSINESS OFFICE RESPONSE TIME CONTAINED IN THE STAFF REPORT ACCURATELY REFLECT AMERITECH OHIO'S RESULTS? (p.85)

A: No. The Staff Report shows 2 reportable instances of noncompliance for 1993 for % Business Office Calls Answered within 20 seconds. The actual number of reportable instances of noncompliance for 1993 is 1.

16. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT
AMERITECH OHIO RESTRUCTURE ITS BUSINESS OFFICE
OPERATIONS IN ORDER TO MEET THE MTSS? (P.85)

A: No. This recommendation is based on the Staff's
opinion that time spent on marketing optional services
is a primary reason Ameritech Ohio failed to comply
with the Business Office Speed of Answer MTSS. In
fact, there are many factors which impact speed of
answer, including equipment issues, high call volumes,
and the introduction of new systems.

Ameritech Ohio continually evaluates the efficiency of
our Business Office operations. Having just one
reportable occurrence in 1993 was a significant
improvement over 1992. The Business Office Speed of
Answer MTSS has been met for the first 3 months of this
year.

17. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT
AMERITECH OHIO NOTIFY THE COMMISSION IN WRITING, WITHIN
90 DAYS OF THE APPROVAL OF THE PLAN, OF THE STEPS TAKEN
TO RECTIFY THE SITUATION RELATING TO ANSWER TIME
DEFICIENCIES? (p.85)

A: No. This is not necessary. Business office answer
times are closely monitored. Ameritech Ohio has been
and will continue making changes which will improve our
performance. This is born out by the improvement in

our 1993 results over those of 1992 and 1991, and in our first quarter 1994 results.

18. Q: DOES SERVICE DATA FOR NEW SERVICE INSTALLATION CONTAINED IN THE STAFF REPORT ACCURATELY REFLECT AMERITECH OHIO'S RESULTS? (p.86)

A: No. The Staff Report shows 10 reportable instances of noncompliance shown for 1993 for % New Service Installed within 5 Days. The actual number of reportable instances of noncompliance for 1993 is 8.

19. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT AMERITECH OHIO NOTIFY THE COMMISSION IN WRITING, WITHIN 90 DAYS OF THE APPROVAL OF THE PLAN, OF THE STEPS TAKEN TO AVOID REPORTABLE OCCURRENCES IN THE NEW SERVICE INSTALLATION WITHIN 5 DAYS CATEGORY? (p.86)

A: No. Ameritech Ohio has consistently had excellent service results for % New Service Installed within 5 Days. Based on an average of 187 exchanges having installation activity each month, there are 2244 opportunities for reportable occurrences in a year. In 1993, Ameritech Ohio had 8 reportable occurrences out of 2244 opportunities. This is less than 0.4%.

Furthermore, the exchanges reported in non-compliance are usually exchanges with fewer than 10 installation orders per month. For example, in 1993, all 8

exchanges reported in noncompliance had fewer than 10 installation orders per month. There is no margin of error since missing just one installation in an exchange with fewer than 10 installation orders for the month, results in a miss of the MTSS.

20. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT AMERITECH OHIO NOTIFY THE COMMISSION IN WRITING, WITHIN 90 DAYS OF THE APPROVAL OF THE PLAN, OF THE STEPS TAKEN TO AVOID REPORTABLE OCCURRENCES IN THE % ON-PREMISES INSTALLATION APPOINTMENTS MET CATEGORY? (p.86)

A: No. Ameritech Ohio monitors service levels for this MTSS on an on-going basis. As noted earlier, based on an average of 187 exchanges having installation activity each month, there are 2244 opportunities for reportable occurrences in a year. In 1993, Ameritech Ohio had 74 reportable occurrences out of 2244 opportunities. This is 3.3%.

Furthermore, of the exchanges reported in non-compliance, only 30 had more than 9 appointments and only 12 had more than 19 appointments. There is little margin of error since missing at most two installation appointments in an exchange with fewer than 20 installation appointments for the month, results in a miss of the MTSS.

Other factors also impact these service levels. In times of peak repair loads, such as a result of a bad storm, repair work is given precedence over installation work. In addition, Ameritech Ohio occasionally has an unexpected spike in demand in an exchange, due to new residential or commercial development, which requires that additional facilities be provided.

21. Q: DO YOU AGREE WITH THE STAFF'S RECOMMENDATION THAT AMERITECH OHIO NOTIFY THE COMMISSION IN WRITING, WITHIN 90 DAYS OF THE APPROVAL OF THE PLAN, OF THE STEPS TAKEN TO AVOID REPORTABLE OCCURRENCES IN THE % OUT OF SERVICE CLEARANCE WITHIN 24 HOURS CATEGORY? (p.87)

A: No. Service levels are monitored on an on-going basis. In 1993, Ameritech Ohio had 58 reportable occurrences out of 2244 opportunities. This is 2.6%. There were 5 months with no reportable occurrences.

A major contributing factor to reportable occurrences in this category is severe weather. Ameritech Ohio does not staff based on peak loads. Instead Ameritech Ohio uses overtime to respond to extreme circumstances. When the severe weather is prolonged or the damage is extensive, it takes longer to reduce the load, and hence the duration, back to normal levels. To

significantly improve these results would increase costs unreasonably.

22. Q: WHAT IS YOUR RESPONSE TO THE STAFF'S RECOMMENDATION THAT AMERITECH OHIO FILE ITS REVISED RESIDENCE BUSINESS OFFICE TRAINING MANUAL WITH THE COMMISSION WITHIN 90 DAYS OF THE APPROVAL OF THE PLAN? (p.94)

A: We will review the staff's findings. It is Ameritech Ohio's policy to provide complete and accurate information to our customers. If the Residence Business Office training manual is revised, a copy will be provided.

23. Q: DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

A: Yes.