

ENTERED OCT 27 1997

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 867

In the Matter of an Investigation into the)
Service Quality of U S WEST)
Communications, Inc., Pursuant to)
ORS 756.515.)

ORDER

DISPOSITION: RULE VIOLATION FOUND; USWC ORDERED TO SHOW CAUSE WHY IT IS NOT IN COMPLIANCE

At the October 21, 1997, public meeting of the Public Utility Commission (Commission), the Commission Staff reported on the service quality problems of U S WEST Communications, Inc. (USWC). Based on the Staff report, we determined that USWC is in violation of our service quality rules. We also concluded that within 30 days, USWC shall show cause why it is not complying with held orders standard set forth in OAR 860-023-0055(2)(d). That rule provides:

The average number of held access line orders shall not exceed the greater of 2 per wire center per month averaged over the telecommunications utility's Oregon service territory, or 4 held order per 1000 inward orders.

Our rules define a held order as a customer's request for access line service delayed beyond the utility's commitment date due to lack of facilities. The rules further provide that the commitment date may be no more than five business days (unless a later date is mutually agreed to). See OAR 860-023-0055(1)(b) and (2)(a).

We conclude that USWC is in violation of OAR 860-023-0055(2)(d). Our records show that USWC is in violation of the rule if it has more than 154 held orders, based on the wire center calculation, or 140 held orders, based on the inward order calculation. Based on the records before us, we find that USWC has 722 held orders in its service territory. That number is five times the number allowed in the rules.

Furthermore, the Commission records show that the held order and other service quality problems are of long standing. USWC has had service quality problems since at least 1990. In fact, the Commission terminated USWC's alternative form of regulation in 1996 because of USWC's deteriorating service quality. Order No. 96-107. Finally, the Staff report discloses that USWC has refused to submit a service improvement proposal that will bring it into compliance with the rule.

We have been as patient as we can be in allowing USWC to bring its service quality up to an acceptable standard. Since we authorized the alternative form of regulation (AFOR plan) in 1991, USWC's service quality plummeted. USWC had 87 held orders at that time. As of August 1997, the number was 722. In addition, our Consumer Services program continues to receive record high levels of complaints concerning USWC's service, generally, and held orders in particular. In fact, in only the first nine months of 1997, customers filed more service complaints against USWC than they had filed in any previous 12-month period since 1989.

We can no longer condone the conduct of a regulated monopoly that refuses to provide its customers reasonable service. We have little recourse but to approve the Staff recommendation to require USWC to show cause why it is violating the service standards in the rule. We will also require USWC to propose a schedule by which it will bring its operations into compliance with our service standards. USWC shall file its response to this order within 30 days of the date of service.

CONCLUSIONS

USWC is in violation of OAR 860-023-0055(2)(d) because its held order total exceeds that level allowed in the rule.

ORDER

IT IS ORDERED that:

1. Within 30 days of the date of service of this order, USWC shall file with the Commission a written report showing why it is not in compliance with OAR 860-023-0055(2)(d).
2. At the time it files its report, USWC shall present a plan for complying with OAR 860-023-0055(2)(d), specifying held order levels to be achieved by a particular dates.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements of OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070. A party may appeal this order to a court pursuant to ORS 756.580.