

**BEFORE THE ARIZONA CORPORATION COMMISSION**

MARC SPITZER

Chairman

WILLIAM A. MUNDELL

Commissioner

JEFF HATCH-MILLER

Commissioner

MIKE GLEASON

Commissioner

KRISTIN K. MAYES

Commissioner

IN THE MATTER OF QWEST )  
CORPORATION'S FILING OF RENEWED )  
PRICE REGULATION PLAN )  
\_\_\_\_\_ )

DOCKET NO. T-01051B-03-0454

IN THE MATTER OF THE INVESTIGATION OF )  
THE COST OF TELECOMMUNICATIONS )  
ACCESS )  
\_\_\_\_\_ )

DOCKET NO. T-00000D-00-0672

DIRECT

TESTIMONY

OF

DEL SMITH

UTILITIES ENGINEER SUPERVISOR

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

NOVEMBER 18, 2004

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**EXECUTIVE SUMMARY**  
**QWEST CORPORATION**  
**DOCKET NOS. T-01051B-03-0454 & T-00000D-00-0672**

My Testimony regarding Qwest's service quality is organized into three sections and discusses Qwest performance during the initial term of the Price Cap Plan and makes certain recommendations intended to benefit customers by providing incentives for Qwest to maintain, if not improve, the levels of performance it has attained. The first section provides an overview of the history of Qwest's Service Quality Plan Tariff. Section two discusses Section 5 of the Price Cap Plan Settlement Agreement which addresses service quality and performance penalties included in the Service Quality Plan Tariff. In the third section, I address additional service quality performance measurements that provide insight as to how Qwest has performed during the initial term of the Price Cap Plan.

Staff has reservations concerning Qwest's ongoing performance after May 2003 for Residence Office Access due to the number of months a penalty has been incurred. While the trend for Repair Office Access shows a negative trend, results remain well above a level where penalties would be accessed. When the five categories (Held Orders, Out-of-Service Repair, Residence Office Access, Business Office Access and Repair Office Access) are viewed collectively, Staff believes that, from a penalty perspective, a conclusion can be reached that Qwest service quality for these categories has not diminished, and overall has improved, during the initial term of the Price Cap Plan. In addition, Staff believes that its review of performance data relating to billing credits, fee waivers, customer trouble reports and Commission complaints also indicates that Qwest service quality for these categories has not diminished, and overall has also improved, during the initial term of the Price Cap Plan.

Staff recommends that the current one-time credit penalty of \$2.00 for each residence and business access line be continued and that conforming language be added to Qwest's Service Quality Plan Tariff. Second, Staff recommends certain technical adjustments to the penalty ranges for Residence Office Access, Business Office Access and Repair Office Access. Third, Staff recommends that a total company customer trouble objective be established and included in the Service Quality Plan Tariff. Finally, Staff recommends that all provisions of the Service Quality Plan Tariff not modified by recommendations in this Testimony be included in any renewal of the Price Cap Plan by the Commission.

1 **Introduction**

2 **Q. Please state your name and business address.**

3 A. My name is Del Smith. My business address is 1200 West Washington Street, Phoenix,  
4 Arizona 85007.

5  
6 **Q. By whom are you employed and what is your position?**

7 A. I am employed by the Arizona Corporation Commission (the "Commission") in its  
8 Utilities Division. My title is Utilities Engineer Supervisor.

9  
10 **Q. Briefly describe your responsibilities as a Utilities Engineer Supervisor.**

11 A. In my capacity as a Utilities Engineer Supervisor, I provide recommendations and  
12 technical assistance to the Commissioners and to other staff members on matters that  
13 come before the Commission involving Qwest Corporation ("Qwest") and other  
14 telecommunications service providers operating in the State. In addition, I am responsible  
15 for supervising other staff members who work in the Engineering Section of the Utilities  
16 Division.

17  
18 **Q. Please describe your educational background and professional experience.**

19 A. I graduated from Arizona State University in 1976 with a Bachelor of Science Degree in  
20 Engineering Technology. Prior to joining the Commission in 1985 as a Utilities  
21 Consultant, I had worked for a telephone operating company for twelve years where I held  
22 positions in network planning and design. Since joining the Commission, I have worked  
23 on hundreds of issues that have come before this Commission including Qwest's last rate  
24 application which resulted in the initial Qwest Price Cap Plan.

25  
26

1 **Q. What is the scope of your testimony in this case?**

2 A. I will review Qwest's retail service quality during the initial term of the Price Cap Plan.

3  
4 **Q. Have you reviewed the Notice of Filing Renewed Price Regulation Plans submitted by**  
5 **Qwest in this case?**

6 A. Yes.

7

8 **Summary of Testimony and Recommendations**

9 **Q. Briefly discuss how your Testimony addressing service quality is organized.**

10 A. My Testimony regarding Qwest's service quality is organized into three sections. The  
11 first section provides an overview of the history of Qwest's Service Quality Plan Tariff.  
12 The second Section of my testimony discusses Section 5 of the Price Cap Plan Settlement  
13 Agreement which addresses service quality and performance penalties included in the  
14 Service Quality Plan Tariff. In the third section, I address additional service quality  
15 performance measurements that provide insight as to how Qwest has performed during the  
16 initial term of the Price Cap Plan.

17

18 **Q. Please summarize your recommendations as they pertain to service quality.**

19 A. First, Staff recommends that the current one-time credit penalty of \$2.00 for each  
20 residence and business access line be continued and that conforming language be added to  
21 Qwest's Service Quality Plan Tariff. Second, Staff recommends certain technical  
22 adjustments to the penalty ranges for Residence Office Access, Business Office Access  
23 and Repair Office Access. Third, Staff recommends that a total company customer  
24 trouble objective be established and included in the Service Quality Plan Tariff. Finally,  
25 Staff recommends that all provisions of the Service Quality Plan Tariff not modified by

1 recommendations in this Testimony be included in any renewal of the Price Cap Plan by  
2 the Commission.

3 **History of Qwest's Service Quality Plan Tariff**

4 **Q. What is the purpose of Qwest's Service Quality Plan Tariff?**

5 A. In 1995, the Commission approved the Service Quality Plan Tariff in Decision Nos. 59147  
6 and 59421. The tariff established several quality of service objectives for U S West (n/k/a  
7 Qwest), to meet. U S West telephone service was problematic and the Tariff was designed  
8 to improve the quality of service received by customers of the Company. The Tariff lists  
9 definitions to be used, and sets out records requirements, complaints and appeals  
10 procedures, billing requirements, construction standards, network standards and service  
11 requirements. The Tariff specifies penalties, through customer credits and fee waivers,  
12 which will be imposed if the requirements of the Tariff are not met. Additionally, the  
13 Tariff specifies penalties that will be paid to the State Treasury should certain service  
14 quality performance criteria not be met.

15  
16 **Q. Please briefly describe Section 2.6 of Qwest's Service Quality Plan Tariff.**

17 A. Section 2.6 of Qwest's Service Quality Plan Tariff defines five (5) performance categories  
18 and their respective performance metrics and penalty levels. The performance categories  
19 are: 1) Held Orders, 2) Out-of-Service Repair, 3) Residence Office Access, 4) Business  
20 Office Access and 5) Repair Office Access.

21  
22 **Q. Please provide a brief explanation of the five (5) performance categories.**

23 A. A held order is an establishment for service which is not filled by the due date because of  
24 the inability of the company to supply service. In Section 2.6, total held orders are tracked  
25 as a percentage of working access lines.

1 Qwest is required to clear 85 percent of all out-of-service trouble reports within 24 hours  
2 per its Service Quality Plan Tariff. An out-of-service trouble report is where the  
3 customer's service quality has deteriorated to such an extent that the customer cannot  
4 originate or receive calls. Section 2.6 tracks the percent of out-of-service trouble reports  
5 cleared in less than 24 hours.

6  
7 Calls directed to published telephone numbers for service repair or the business offices of  
8 the Company shall be answered by an operator within 20 seconds for 80 percent of all  
9 such calls. Section 2.6 tracks the percent of calls answered within 20 seconds to the  
10 Residence Office, the Business Office and the Repair Office.<sup>1</sup>

11  
12 **Q. Please describe the revision that was made to the tariff.**

13 A. Prior to the initial term of the Price Cap Plan, the Service Quality Plan Tariff was revised  
14 to provide for the doubling of some penalties if certain service quality performance  
15 standards were not met for two consecutive years. This provision was added when the  
16 Commission approved the merger of U S West and Qwest. Specifics are contained in  
17 Section 2.6.1.E of the Service Quality Plan Tariff.

18  
19 **Service Quality and Section 5 of the Price Cap Plan Settlement Agreement**

20 **Q. Does the Settlement Agreement in Qwest's last general rate case address service**  
21 **quality and Qwest's Service Quality Plan Tariff?**

22 A. Yes. Section 5 of the Settlement Agreement addresses service quality. In particular, this  
23 section provides for additional customer credits should certain performance criteria not be  
24 met. The section also documents a commitment by Qwest to implement additional  
25 employee training programs with respect to new technologies and service improvements.

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<sup>1</sup> For further explanation of each of the five performance categories and what is being measured refer to Sections 2.1, 2.5.5.B.3, 2.5.6.B and 2.6.1.F through J of Qwest's Service Quality Plan Tariff.

1 **Q. Did the Price Cap Plan Settlement Agreement establish an additional new penalty**  
2 **criteria and what was the purpose of adding the additional penalty criteria?**

3 A. Yes. Section 5 of the Settlement Agreement contains a provision that implements  
4 additional one-time credits of \$2.00 for each residence and business access line due to  
5 having paid Service Quality Plan penalty payments in two or more categories in one  
6 calendar year. The primary intent of this new criteria was to provide a benefit to  
7 customers by incenting Qwest to consistently maintain its service quality during the initial  
8 term of the Price Cap Plan.

9  
10 **Q. In terms of penalty payments, what has Qwest's performance been in the calendar**  
11 **years in which the Price Cap Plan has been in effect?**

12 A. Annual Service Quality Plan penalty payments paid by Qwest are listed in the following  
13 table. Calendar year 2000, which is prior to the start of the Price Cap Plan, is included for  
14 reference and calendar year 2004 is through June 30<sup>th</sup>.

15

Category	2000	2001	2002	2003	2004
Held Order	365,000	0	0	0	0
Out-of-Service	153,000	0	0	0	0
Residence Office Access	0	454,000	0	153,000	121,000
Business Office Access	0	0	0	0	0
Repair Office Access	0	0	0	0	0
Total	518,000	454,000	0	153,000	121,000

16  
17 **Q. Was Qwest required to implement additional one-time credits of \$2.00 for each**  
18 **residence and business access line due to having paid Service Quality Plan penalty**  
19 **payments in two or more categories in one calendar year?**

20 A. No. As the above table illustrates, Qwest has been subject to a Service Quality Plan  
21 penalty for no more than one category during calendar years 2001, 2002, and 2003.

1 **Q. Does Staff recommend that this element of the Price Cap Plan remain in any renewal**  
2 **of the Price Cap Plan?**

3 A. Yes. While Qwest did not have to implement the additional one-time credits during the  
4 initial term of the Price Cap Plan, Staff believes this requirement provides a major  
5 customer service quality benefit by providing a significant incentive to Qwest to maintain  
6 its performance in these service quality measures at a higher level than might otherwise  
7 occur should this requirement not be in place.

8  
9 **Q. Does Staff recommend that language addressing the one-time credit be added to**  
10 **Qwest's Service Quality Plan Tariff?**

11 A. Yes. Information about the credit would then be available in the tariff which is where the  
12 public and other interested parties would look for such information. Section 2.6 of the  
13 Tariff already contains details of the ranges and penalty and offset amounts. Thus adding  
14 language addressing the one-time credit would be consistent with what is already  
15 contained in the Tariff.

16  
17 **Q. From an individual metric perspective, what has the trend been for each of the five**  
18 **Service Quality Plan categories during the Price Cap Plan?**

19 A. Exhibits S-1 through S-5, which were provided by Qwest in response to data request  
20 STAFF 11.1 as Non-Confidential Attachment A, illustrate Qwest's performance on a  
21 monthly basis for each of the five categories from January 2000 through May 2004.

22  
23 Held Order quantities were decreasing prior to the start on the Price Cap Plan and that  
24 trend has continued. Current results for Held Orders demonstrate a significant  
25 improvement.

1 Out-of-Service Repair performance has generally remained in, or above, the no penalty  
2 range (i.e. above 80.01 percent cleared within 24 hours). However, results in 2003 were  
3 more variable and results were in the penalty range for three of the twelve months.

4  
5 Residence Office Access performance experienced a decline after the start of the Price  
6 Cap Plan before experiencing a significant improvement. Residence Office Access has  
7 generally remained in, or above the no penalty range (i.e. above 70.01 percent of calls  
8 answered within 20 seconds). However, results in 2003 were more variable and results  
9 were in the penalty range for four of the twelve months. Year-to-date 2004 results have  
10 been similar with three months out of six being in the penalty range.

11  
12 Business Office Access has been less volatile than Residence Office Access (performance  
13 ranges are the same). However, there was a substantial decline in performance for  
14 approximately three months in late 2003 and early 2004.

15  
16 Repair Office Access has been in a trend of slightly decreasing performance (the same  
17 performance ranges as Residence and Business Access are applicable). However,  
18 performance has remained in, or above, the no penalty range during the entire time frame  
19 shown.

20  
21 **Q. What conclusion does Staff make in regards to Qwest performance for these**  
22 **categories for the period of time the Price Cap Plan has been in effect?**

23 A. Staff has reservations concerning Qwest's ongoing performance after May 2003 for  
24 Residence Office Access due to the number of months a penalty has been incurred. While  
25 the trend for Repair Office Access shows a negative trend, results remain well above a  
26 level where penalties would be accessed. Staff would like to see further improvement in

1 this area. When the five categories are viewed collectively, Staff concludes that Qwest  
2 service quality has not diminished, and overall has improved, during the initial term of the  
3 Price Cap Plan.

4  
5 **Q. Based upon Staff's review of the performance data, does Staff have a**  
6 **recommendation regarding penalty and offset ranges contained in Section 2.6 of**  
7 **Qwest's Service Quality Plan Tariff?**

8 A. Yes. It is Staff's opinion that Qwest's customers would be benefited by incenting the  
9 Company to maintain the performance improvements it achieved prior to and during the  
10 initial term of the Price Cap Plan. Staff's recommendation would make two adjustments  
11 to the penalty and offset ranges for Residence Office, Business Office and Repair Office  
12 access (contained in Tariff sections 2.6.1 H, I and J). The first adjustment would split the  
13 offset range into two ranges with differing offset amounts. The second would decrease the  
14 width of the no penalty range by five (5) percent which would shift the lower three ranges  
15 upward by five (5) percent. Staff's recommendation is illustrated in the following table.

16

Current Range	Current Penalty/Offset	Recommended Range	Recommended Penalty/Offset
85.01% - 100.00%	\$4,000/day offset	90.01% - 100.00%	\$4,000/day offset
		85.01% - 90.00%	\$2,000/day offset
70.01% - 85.00%	No penalty	75.01% - 85.00%	No penalty
56.01% - 70.00%	\$1,000/day penalty	61.01% - 75.00%	\$1,000/day penalty
32.01% - 56.00%	\$2,000/day penalty	37.01% - 61.00%	\$2,000/day penalty
0% - 32.00%	\$4,000/day penalty	0% - 37.00%	\$4,000/day penalty

17  
18 **Q. How does Staff believe Qwest customers would be benefited by Staff recommended**  
19 **change to the penalty and offset ranges?**

20 A. First, Section 2.5.5.B.3 of the Service Quality Plan Tariff states an objective for these  
21 three measurements which is that eighty (80) percent of all such calls shall be answered

1 within twenty (20) seconds. Thus, the current range for no penalty is lop-sided with 2/3 of  
2 the no penalty range being below objective. Staff's recommendation narrows and  
3 balances the no penalty range around the objective which should encourage Qwest to  
4 maintain a higher performance level that more closely meets the objective in order to not  
5 incur a penalty.  
6

7 Second, shifting the lower ranges upward appropriately penalizes Qwest over a broader  
8 range for poor performance and has the potential for increased penalties should low levels  
9 of performance occur. This risk can be avoided by the Company by maintaining high  
10 levels of service which, in turn, benefits customers.  
11

12 Third, splitting the offset range into two components minimizes the potential for one good  
13 month offsetting as many as four months of poorer performance. For example, currently  
14 one month with performance between 85.01 percent and 90.00 percent would offset four  
15 months with performance in a range of 56.01 percent to 70.00 percent. Staff's  
16 recommendation would reduce this example to two months of 61.01 percent to 75.00  
17 percent performance. While the Company could still receive the highest offset amount, it  
18 could only do so for results over 90.01 percent. Thus, the Company should be incented to  
19 maintain performance at a high level and customers would benefit.  
20

21 Finally, Qwest was performing poorly when the original ranges were established and the  
22 ranges were set in a manner that would encourage Qwest to improve its service quality.  
23 Now that Qwest's service results have improved, it is appropriate to make adjustments  
24 that would incent Qwest to maintain its higher level of performance.  
25

1 **Q. Did Staff determine what the impact of its recommendation would have been had its**  
2 **recommended change been in effect during the calendar years the initial term of the**  
3 **Price Cap Plan was in place?**

4 A. Yes. The following table summarizes what Qwest penalties would have been had Staff's  
5 recommendation been implemented during the calendar years overlapped by the initial  
6 term of the Price Cap Plan. As can be seen, nominal increases would have occurred in  
7 calendar years 2001 and 2003 (calendar year 2000 is prior to the initial term of the Price  
8 Cap Plan and calendar year 2004 is though June 30<sup>th</sup>).

	2000	2001	2002	2003	2004
Residence Office					
- Current	0	454,000	0	153,000	121,000
- Recommended	33,000	544,000	0	244,000	121,000
- Change	+33,000	+90,000	0	+91,000	0
Business Office					
- Current	0	0	0	0	0
- Recommended	0	0	0	0	0
- Change	0	0	0	0	0
Repair Office					
- Current	0	0	0	0	0
- Recommended	0	0	0	0	0
- Change	0	0	0	0	0

10 **Q. Does Staff have a similar recommendation to make for the Out-of-Service and Held**  
11 **Order performance categories?**

12 A. No, not at this time. Qwest performance for these two categories suggests that the current  
13 ranges and associates penalties and offsets are sufficient to encourage continued good  
14 performance by the Company. Out-of-Service results have been on an improving trend  
15 since 2000 and, for the most part, results for individual months have been above the  
16 objective of eighty-five (85) percent. Held Order results demonstrate significant  
17 improvement; particularly since January 2003. However, should Qwest results for either  
18 of these two categories begin to significantly deteriorate at some point in the future, it may

1 be appropriate to recommend alternatives to the current performance ranges and  
2 penalties/offsets for these categories.

3  
4 **Q. Section 5 of the Settlement Agreement also committed Qwest to implementing**  
5 **training programs for its “Arizona employees with respect to new technologies and**  
6 **service improvements”. Did Qwest establish training programs to address this?**

7 A. Yes. Qwest worked cooperatively the CWA to establish training programs for Network  
8 Technicians and Central Office Technicians. The programs established for Network  
9 Technicians consist of two phases, each one week in duration. A total of five training  
10 laboratories were constructed at both rural and urban locations in Qwest service territory.

11  
12 For Central Office Technicians, certification training in two digital switch technologies  
13 was approved by the joint Qwest/CWA board. This training is above and beyond normal  
14 training for this employee classification.

15  
16 **Other Service Quality Indicators**

17 **Q. In addition to the service quality categories already discussed, did Staff utilize other**  
18 **performance data to evaluate Qwest service quality and, if so, what were these**  
19 **measures?**

20 A. Yes. Qwest provides Commission Staff each quarter a Service Quality Plan Report that  
21 shows performance on other measures in addition to those already discussed. Specifically,  
22 for the years overlapped by the initial term of the Price Cap Plan, Staff reviewed Qwest  
23 performance in regards to billing credits, fee waivers and customer trouble reports.

24

1 **Q. What are billing credits and what was Staff's conclusion after reviewing the data**  
2 **that Qwest reported for the years 2000, 2001, 2002, 2003 and 2004 (through June**  
3 **30<sup>th</sup>)?**

4 A. Billing credits are adjustments automatically made by Qwest to a customer's bill for  
5 performance issues such as extended service interruptions, missed service calls or initial  
6 basic local service that is not provided within thirty (30) days. These credits would also  
7 include Fee items such as vouchers given to a customer by Qwest for cellular service or  
8 voice messaging or paging service credits where basic local service has not been provided  
9 within thirty (30) days. In 2000, these types of credits provided to customers were in  
10 excess of [redacted] dollars. The level of credits paid since that time has decreased each  
11 year, in 2002 credits provided to customers were just under [redacted] dollars and in 2003  
12 these credits declined to approximately [redacted] dollars. Based upon Qwest  
13 performance through June of 2004, Staff anticipates that the level of billing credits for  
14 2004 will be less than [redacted] dollars.

15  
16 **Q. What are customer trouble reports and what was Staff's conclusion after reviewing**  
17 **what Qwest reported for the years 2000, 2001, 2002, 2003 and 2004 (through June**  
18 **30<sup>th</sup>)?**

19 A. Customer trouble reports measure trouble reported with Qwest's network as reported by  
20 the customer. This measure is reported on a reports per 100 access line basis and excludes  
21 reports for services of another provider or when access to a customer premises is not  
22 available. Staff observed that the trend for trouble reports has been improving; i.e. the  
23 number of reports over the time frame reviewed has been decreasing. For example, the  
24 total trouble report rate per 100 lines in the fourth quarter of 2000 averaged [redacted]. In  
25 the following three years for the same quarter this trouble rate declined to [redacted]  
26 (2001), [redacted] (2002) going back up slightly to [redacted] (2003). As might be

1 expected, as Qwest has improved its service quality, the trend line has flattened out to a  
2 more consistent performance level since early 2002.

3  
4 **Q. In regards to customer trouble reports, did Staff review data that would compare**  
5 **Qwest performance between its urban service areas (defined as Phoenix and Tucson**  
6 **metro) and rural service areas and, if so, what was Staff's conclusion?**

7 A. Yes. Staff reviewed Qwest's response, which was provided as Confidential Attachment  
8 A, to Staff data request STAFF 11.13. Over the four and a half year time frame examined,  
9 Staff observed there have been months where rural results were equal to or better than  
10 those reported for urban areas. For those months where rural results were higher than  
11 urban, the difference in reported trouble was less than 0.2 percent approximately 73  
12 percent of the time and less than 0.3 percent approximately 86 percent of the time. Given  
13 that difference in monthly average results between urban and rural areas was relatively  
14 small, and that the average monthly results for both urban and rural areas were  
15 significantly less than the maximum of eight (8) reports per month per wire center  
16 averaged over a three-month period set forth in the Service Quality Plan Tariff, it appears  
17 that, from a trouble report perspective, comparable service quality is being provided to  
18 urban and rural areas.

19  
20 **Q. After its review of Qwest customer trouble reports, does Staff have a**  
21 **recommendation regarding performance objectives for this measure and, if so, what**  
22 **is it?**

23 A. Yes. Section 2.5.6.A of the Service Quality Plan Tariff sets forth a maximum trouble  
24 report rate on an individual wire center basis. At this time Staff, does not propose a  
25 change to the wire center maximum. However, the section is silent in regards to a total  
26 company standard. Based upon Qwest's performance for the years 2000, 2001, 2002,

1 2003 and 2004 (through June 30<sup>th</sup>), Staff would recommend that the Tariff be revised to  
2 establish a total company maximum objective of no more than 3.0 trouble reports per 100  
3 access lines in any month averaged over all wire centers. Staff believes the objective is  
4 reasonable as Qwest has not exceeded this level in any month since the inception of the  
5 Price Cap Plan. Further, establishing such an objective would provide incentive to the  
6 Company to maintain the higher service levels it has achieved and thus provide ongoing  
7 benefit to customers.

8  
9 **Q. Is the number of complaints concerning Qwest received by the Consumer Services  
10 Section of the Commission also indicative of improving levels of service quality?**

11 A. Yes. A review of the Commission's Consumer Services Database shows that a declining  
12 number of complaints were received during the time period of January 1, 2000 through  
13 June 30, 2004. These quantities are listed in the following table.

14

	2000	2001	2002	2003	2004
Complaints	3562	1850	1313	607	254

15  
16 Staff also reviewed Commission complaint data provided by Qwest in its quarterly  
17 Service Quality Plan Tariff reporting. Staff observed that during period of January 2000  
18 through June 2004, Commission complaints decreased each month from levels for the  
19 same month the prior year in all but five months. In two of these five instances, the  
20 number of Commission complaints had remained the same.

21  
22 **Q. The Commission's Consumer Services Database shows a significant decline in the  
23 Qwest complaints received. What would you attribute this decline to?**

24 A. Qwest made some significant strides in improving its service quality in the categories of  
25 held orders and out-of-service repair during 2000, 2001 and 2002. The decline in

1 complaints during 2003 and 2004 is due in part to changes in how complaints were being  
2 categorized. A significant number of complaints were being categorized as consumer  
3 inquiries and were not included in the complaint quantities provided for this period. Thus  
4 the level of complaints would be higher if the consumer inquiries were included.  
5 However, even with an adjustment, Staff believes that the trend in Commission  
6 complaints would still have declined significantly during 2003 and 2004. Complaint  
7 levels have improved more recently because Qwest has been doing a better job of  
8 handling complaints so that fewer complaints are being received by the Commission.  
9

#### 10 **Conclusions and Recommendations**

11 **Q. In summary, what are Staff's overall conclusions regarding Qwest service quality**  
12 **during the initial term of the Price Cap Plan?**

13 A. As previously stated, Staff has reservations concerning Qwest's ongoing performance  
14 after May 2003 for Residence Office Access due to the number of months a penalty has  
15 been incurred. While the trend for Repair Office Access shows a negative trend, results  
16 remain well above a level where penalties would be accessed. Staff would like to see  
17 further improvement in this area. Staff also reviewed performance data relating to billing  
18 credits, fee waivers, customer trouble reports and Commission complaints. Reviewing all  
19 of the performance data collectively, Staff concludes that Qwest service quality has not  
20 diminished, and overall has improved, during the initial term of the Price Cap Plan.  
21

22 **Q. Should the Commission approve a renewal of the Price Cap Plan, is it Staff's opinion**  
23 **that the Commission should include the recommendations made in this Testimony in**  
24 **such a Decision?**

25 A. Yes. Furthermore, Staff recommends that all provisions of the Service Quality Plan Tariff  
26 not modified by recommendations in this Testimony be retained.

1 **Q. Does this conclude your Direct Testimony?**

2 A. Yes, it does.