

DT 04-019

Verizon New Hampshire

Verizon's Quality of Service Performance

Order Establishing Status Conference

ORDER NO. 24,551

December 1, 2005

On February 24, 2004, the Staff of the New Hampshire Public Utilities Commission (Staff) filed with the New Hampshire Public Utilities Commission (Commission) a memorandum outlining its review of certain quality of service reports filed by Verizon New Hampshire (Verizon). In its memorandum, Staff recommended that the Commission open an investigation into Verizon's quality of service performance. On March 19, 2004, the Commission issued an Order of Notice opening Docket No. DT 04-019 and scheduling a Prehearing Conference and Technical Session for May 11, 2004. At the Prehearing Conference, Verizon requested that the Commission suspend formal proceedings because, according to Verizon, service quality during 2003 was uncharacteristic, had begun to improve and should be observed and monitored before proceeding. Rather than recommend a suspension of proceedings, however, Staff agreed to an initial period of rolling data requests and further review of Verizon's service performance. Subsequently, data requests were issued in May, July and November of 2004.

In late 2004, the Commission engaged Roland Curry from Curry & Associates to review Verizon's quality of service reports filed in the period 2000 to 2003. On February 4, 2005, Mr. Curry submitted a report that recommended: 1) a resumption of the formal proceeding with enforcement of appropriate remedies; 2) a directive to Verizon to develop a comprehensive

work plan to improve repair service, subject to review and approval by the Commission; and 3) an exploration of the issue of confidentiality of performance reports. On March 24, 2005, Staff met with Verizon to discuss the merits of Mr. Curry's report and to obtain an update from Verizon on the company's plans to maintain or improve its quality of service. At that time, Verizon reported its inability to attain the indices established in Commission Order No. 22,484 (January 20, 1997) approving the Bell Atlantic/NYNEX merger (Merger Order). Verizon suggested that service quality standards should be re-established on the basis of "customer satisfaction surveys," conducted by Verizon, rather than in accordance with the indices set forth in the Merger Order.

In a memorandum dated October 20, 2005, Staff noted that it had conducted two further reviews of Verizon's quality of service reports. Staff's first review, which covered January through April, 2005, found a slight overall improvement in Verizon's performance. Staff's more recent review, which covered May through August, 2005, however, indicates a notable downward trend. In particular, Staff observed that customer trouble reports cited in Verizon's August 2005 report show that twenty of Verizon's exchanges exceeded the surveillance level of 2.5 customer trouble reports per 100 access lines in three consecutive months. Staff averred that such trouble report rates are unprecedented and may be indicative of a systemic problem.

In a memorandum dated November 22, 2005, Staff reviewed the number of calls received by the Commission's Consumer Affairs Division during the first three quarters of 2005, from customers regarding Verizon's service quality and service repair efforts. After excluding those calls received as a result of two specific events occurring in July and August 2005, the numbers reflected a 96% increase in calls as compared to the same period in 2004.

In light of the data indicating that Verizon's service quality performance is declining in key indices , we conclude that a status conference is warranted. Accordingly, we direct Verizon to appear on January 9, 2006 to provide a status report on service quality which, among other things, shall explain why key indices are declining and set forth a plan for corrective action.

Based upon the foregoing, it is hereby

ORDERED, that a Status Conference will be held at the Commission offices on January 9, 2006 at 10:00 a.m.

By order of the Public Utilities Commission of New Hampshire this first day of December, 2005.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Michael D. Harrington
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary