PU CO enforces service quality standards against Verizon North

COLUMBUS, OHIO (May 2, 2007) – The Public Utilities Commission of Ohio (PUCO) today adopted a stipulation between PUCO staff and Verizon North Inc. as part of an enforcement action to address the company’s failure to meet portions of Ohio’s Minimum Telephone Service Standards (MTSS) last year. The stipulation is the result of PUCO staff’s diligence in monitoring Verizon’s compliance with service quality standards and remedying that noncompliance.

“I commend our staff for their vigilance in monitoring Verizon’s service quality,” PUCO Chairman Alan R. Schriber stated. “Upon noticing an increase in calls to our Call Center, PUCO staff took the appropriate enforcement action by immediately addressing the issues with the company to remedy the situation. This substantial enforcement action is a benefit to customers as it not only resolves the past service quality issues but also ensures continued compliance of the MTSS.”

The provisions of the stipulation ensure future compliance with the MTSS and provide for automatic forfeitures involving service affecting conditions. The benefits obtained by PUCO staff throughout the enforcement action have been obtained without engaging in a lengthy formal investigation.

According to the terms of the agreement:

- Verizon will invest $1 million in its Ohio facilities targeting the areas where most outages occurred. The targeted areas will be selected by PUCO staff and the company.
- Verizon will pay $250,000 in forfeitures to the Ohio General Revenue Fund for its past violations of MTSS out-of-service requirements.
- $250,000 will be held in abeyance pending Verizon’s future performance relating to out-of-service issues. Verizon must meet 90 percent of all service restorations within the MTSS-required 24 hours for a period of 12 months beginning May 1, 2007. Verizon’s performance for this same benchmark may not fall below 85 percent in any of its districts during the same period.
- $100,000 will be held in abeyance pending Verizon’s future performance relating to service affecting issues. Verizon must meet 85 percent of all service affecting conditions within the MTSS-required 48 hours for a period of 12 months beginning June 1, 2007. Verizon’s performance for this same benchmark may not fall below 80 percent in any of its districts during the same period.
- For any additional month where the service affected statewide performance level of 85 percent is not maintained, Verizon must credit $15 to each customer who experienced a service affected condition lasting longer than 48 hours.
- Verizon must also complete 90 percent of all service installations within the MTSS-required five business days for a period of 12 months beginning May 1, 2007. Performance in any individual district may not fall below 85 percent within the same period.
- Verizon must submit monthly reports to staff detailing the company’s performance with service installation, out-of-service, and service affected performance on a per district basis during the 12-month period following May 2007.

In December 2005, PUCO staff began to observe an increasing number of Verizon customer contacts received by the PUCO Call Center concerning extended outages lasting as long as three weeks and missed repair commitments and appointments. Other complaints involved static on lines, repeat outages and incomplete repair work.

In February 2006, PUCO staff requested that Verizon submit data explaining the increase in customer contacts, particularly those dealing with extended outages in northwestern Ohio. In October and November 2006, staff observed another increase in contacts regarding Verizon’s failure to restore out-of-service conditions and meet appropriate repair commitments and appointments.

Staff conducted an audit of Verizon in November 2006 that confirmed customer allegations and revealed that the company’s dispatch system scheduled repairs for out-of-service calls at least seven days from the initial trouble report, well beyond the 24 hour standard required by the MTSS.

Staff analysis of additional data provided by Verizon confirmed that the company failed to meet MTSS out-of-service and service affecting requirements as detailed in the staff’s report. Out-of-service is a condition where the customer is completely without service. A service affecting condition results in degraded service, but basic service is still available.
Discussions between Verizon and PUCO staff resulted in an action plan submitted by the company, followed by the stipulation approved today by the Commission.

If Verizon fully complies with the terms of the stipulation, all issues surrounding the company’s non-compliance with the MTSS will be resolved.

Copies of today’s Commission finding and order, the stipulation and the PUCO staff report are available at www.PUCO.ohio.gov. Click on the link to Docketing Information System and enter the case number 07-511-TP-UNC.

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The Public Utilities Commission of Ohio (PUCO) is the sole agency charged with regulating public utility service. The role of the PUCO is to assure all residential, business, and industrial consumers have access to adequate, safe, and reliable utility services at fair prices while facilitating an environment that provides competitive choices. Consumers with utility-related questions or concerns can call the PUCO hotline at (800) 686-PUCO (7826) and speak with a representative.

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