

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Petition of Vermont Department of Public Service	)	
for an investigation into the adequacy of Telephone	)	Docket No. 8390
Operating Company of Vermont LLC, d/b/a FairPoint	)	
Communications, provision of service quality	)	

**REDACTED DIRECT TESTIMONY OF**  
**AUTUMN BARNETT**  
**ON BEHALF OF THE**  
**VERMONT DEPARTMENT OF PUBLIC SERVICE**

MARCH 16, 2015

**SUMMARY:**

1 **Q. Please state your name and occupation.**

2 A. My name is Autumn Barnett. My business address is 112 State Street, Montpelier,  
3 VT 05620. I am the Director of the Consumer Affairs and Public Information division for  
4 the Vermont Department of Public Service.  
5

6 **Q. Please summarize your professional background and experience.**

7 A. I hold a Bachelor of Science in Social Work, a Certificate in Sustainable  
8 Business, and a Master of Public Administration, all from the University of Vermont.  
9 Prior to joining the Department in October 2013, I managed social service programs in  
10 the non-profit sector, including 9 years at Spectrum Youth & Family Services, where my  
11 last position was as manager of its 7-county batterer intervention program. Included in  
12 my duties there, I designed domestic violence behavior assessments, investigated and  
13 responded to participant grievances, testified before the criminal courts regarding  
14 program participants, and served on review teams for batterer intervention programs  
15 seeking certification under the Vermont Statewide Standards for Programming for Men  
16 Who Batter Women. During my Master's program, I worked for the Consumer  
17 Assistance Program at the Vermont Office of the Attorney General and for the  
18 Committee on Agriculture in the Vermont Senate  
19

20 **Q. Please describe the role of the Consumer Affairs and Public Information Division.**

21 A. The Consumer Affairs and Public Information (CAPI) division of the Vermont  
22 Department of Public Service informally investigates complaints from consumers  
23 regarding regulated utilities in Vermont.  
24

25 **Q. Please describe the focus of your testimony**

26 A. My testimony briefly reviews the history of service quality expectations to which  
27 FairPoint has been subject and the company's service quality performance results. It also  
28 discusses FairPoint compliance with Board Rule 7.609(C) and consumer complaints  
29 regarding disconnection of service without request by the consumer.

1  
2 **Q. What is the history of FairPoint's service quality expectations?**

3 A. In 1999, in Docket 5903, the Public Service Board (PSB or "Board") established  
4 generic retail service quality standards for telecommunications companies offering local  
5 exchange service. This included a Service Quality Stipulation with 9 performance areas  
6 as well as consumer protection standards with a customer Bill of Rights. These standards  
7 were not accompanied by automatic penalties for inadequate performance. Instead, they  
8 called for companies to submit an Action Plan to address performance that falls below an  
9 Action Level. It was at this time that, Verizon, which would later become FairPoint,  
10 became subject to these standards.

11 In 2000, the PSB granted Verizon approval to move to an incentive regulation  
12 plan (IRP), which was updated in 2005, in Docket 6959. The Board later amended this in  
13 2006 in Docket 7142. This Amended Verizon Retail Service Quality Plan was approved  
14 for the period 2005-2010. Some of the performance standards in this IRP were more  
15 stringent than were those in the 5903 standards, such as an expectation of 70% of  
16 residential troubles cleared in 24 hours, versus a 60% action level standard in 5903.  
17 Unlike the 5903 standards, this IRP included exposure of the company to up to \$10.5  
18 million annually in automatic penalties for failing to meet performance standards.

19 During the period of this IRP, FairPoint acquired Verizon's properties in  
20 Vermont, New Hampshire, and Maine. The Board approved this purchase in 2008 in  
21 Docket 7270. Under Condition 9 of the Certificate of Public Good issued to FairPoint in  
22 Docket 7270, the Board required that FairPoint continue to operate under the 2005  
23 Verizon IRP, set to expire in 2010. Docket 7270 also included a Performance  
24 Enhancement Plan (PEP), through which Verizon contributed \$25 million to a fund to  
25 improve facilities in the state. The PEP required reporting performance on troubles  
26 cleared within 24 hours on an exchange-level basis, which resulted in evidence that some  
27 exchanges experienced significantly worse repair times.

28 In 2010, the Board granted FairPoint an extension of the existing IRP, through  
29 March of 2011. Subsequently, in Docket 7724, the Board approved an Amended IRP and

1 Amended Retail Service Quality Plan (RSQP). The successor RSQP was substantially  
2 similar to the 2005-2010 RSQP, with some exceptions. For example, the 5903 standard  
3 related to service reliability (performance area #8) was removed, a performance area on  
4 bill accuracy was added, and penalties for failing to meet performance metrics were  
5 softened to a \$1.65 million annual maximum. In addition, a service guarantee was added  
6 that required FairPoint to provide a \$10 credit to any customer whose bill was not  
7 rendered within 7 days of the scheduled billing date or for payments posted inaccurately  
8 or out of compliance with Board rules.

9 The amended RSQP was to expire on March 31, 2013 or after FairPoint met the  
10 criteria for at least 8 of the 10 performance areas in the RSQP for three consecutive  
11 months, whichever came later. Upon expiration, FairPoint would revert to an obligation  
12 to meet the 5903 standards. As a result, beginning April 1, 2013, and continuing to the  
13 present, FairPoint has been expected to meet the performance standards of the 5903  
14 docket.

15  
16 **Q. Please discuss FairPoint's compliance with Board Rule 7.609(C), regarding bill**  
17 **credits.**

18 A. Rule 7.609(C) states, "Carriers shall provide customers with a credit allowance  
19 for service interruptions lasting more than twenty-four hours. The credit will be provided  
20 to customers who contact the carrier reporting the outage and also to customers that the  
21 carrier knows are affected by the outage." Based on information provided by FairPoint in  
22 its response to discovery in DPS.FP.1-16 (Exhibit DPS-AB-1), in its January 21 and  
23 February 10, 2015 responses to questions from the Board, during resolution of consumer  
24 complaints with CAPI, and in multiple in-person and over the phone conversations  
25 between the Department and FairPoint during the period of their employee strike, it  
26 appears that FairPoint may be out of compliance with Rule 7.609(C).

27 Instead of actively applying credits to customers with interruptions longer than 24  
28 hours, FairPoint states, in PSB.FP.2-7 (Exhibit DPS-AB-2) that, "A customer needs to  
29 call in and speak with a customer service representative to receive the credit...." Thus,

FairPoint's practices regarding bill credits require two phone calls from customers who have already been inconvenienced by a loss of phone service. Additionally, the Department is not aware of FairPoint making any attempts to publicize the availability of credits or that a customer must call to request one, except where stated in their tariff.

The result of this practice is that FairPoint has failed to provide an interrupted service credit to, at least, thousands of customers to whom the credit was potentially owed. FairPoint's response to Board questions on January 21, 2015 (Exhibit DPS-AB-3) provides data on the number of out of service bill credits given in the final six months of 2014. The table below compares this data to the number of troubles not cleared in 24 hours, as reported on FairPoint's quarterly Service Quality Performance Index. This then illustrates that a total of 10,611 customers who were owed a credit did not receive a credit from FairPoint, in just the last half of 2014.

Figure 1

<b>Month</b>	<b>Troubles not cleared in 24 hours</b>	<b>Customer receiving out of service credit</b>	<b>Customers eligible for credit but not provided credit</b>
July 2014	2,598	77	2,521
August 2014	2,479	141	2,338
September 2014	1,504	82	1,422
October 2014	1,113	49	1,064
November 2014	1,746	300	1,446
December 2014	3,043	1,223	1,820
		<b>Total</b>	10,611

Regarding the technological capabilities of the company to automatically apply credits, FairPoint states in DPS.FP.2-128 (Exhibit DPS-AB-4) that its systems do not have such capability. [REDACTED]

[REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]

7 I have focused here on the customers for whom FairPoint is, or should be, aware  
8 of their eligibility for a credit, because the company has opened a trouble ticket for them.  
9 However, there is an additional universe of customers who would potentially be eligible for a bill  
10 credit; those customers whose outage did not result in the creation of a trouble ticket. Therefore,  
11 the table above likely does not convey the full extent of the customer base who may have been  
12 eligible for a credit but did not receive one.

13  
14 **Q. Please discuss the results of FairPoint's service quality reporting for Performance**  
15 **Area 2: Troubles cleared within 24 hours.**

16 A. FairPoint has failed to meet the baseline standard for Performance Area 2,  
17 residential troubles cleared in 24 hours, in each of the 7 quarters since April 1, 2013. In 5  
18 of the 7 quarters FairPoint's results were below the Action Level (of 55% or 60%,  
19 depending on the time period) with results of 49%, 28%, 38%, 20%, and 15%. In the 4<sup>th</sup>  
20 quarter of 2014, FairPoint also missed the metric for troubles cleared in 24 hours-  
21 business, with a result of 28%.

22 When looking more granularly, on a monthly basis, there were 4 months during  
23 the 21 months beginning April 2013 during which FairPoint exceeded the baseline  
24 standard for residential troubles cleared and 6 months were it exceeded the action level.  
25 None of these months fell during summertime. In fact, looking at two years of data, as  
26 supplied in Exhibit DPS-AB-5, it is evident that trouble loads dramatically increase  
27 during the summer. The data also shows that FairPoint technicians are able to clear  
28 roughly the same number of troubles from month to month, except during the summer,  
29 when productivity drops – just as trouble loads increase. The data for residential troubles

1 cleared shows that at both the peak of FairPoint employee productivity and low of  
2 troubles, FairPoint staff are far from able to address the load. However, a very different  
3 picture emerges when looking at business trouble load and repair times. Here, the load  
4 and repair times track roughly together, with employee productivity increasing as the  
5 load demands, and FairPoint falls below the baseline standard in only one quarter.

6 The marked difference between repair times for business versus residential  
7 customers may be explained by FairPoint's Dispatch Priority Matrix, as provided in  
8 Exhibit DPS-AB-6 (DPS.FP.2-12 Confidential), which shows that business repairs [REDACTED]  
9 [REDACTED] residential repairs. In fact, residential repairs are [REDACTED].

10  
11 **Q. Are you aware of cases where FairPoint has disconnected service to a customer**  
12 **when there has been no request for disconnection?**

13 A. Yes. During the period April 1, 2013 to October 16, 2014, CAPI investigated 14  
14 instances of consumer complaints regarding disconnection without the consumer's  
15 request. One of those cases uncovered an additional 47 consumers who had been  
16 impacted by the same error that had caused the initial consumer's complaint. Following  
17 are examples of information provided by FairPoint to CAPI during investigation of these  
18 complaints:

19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23  
24 [REDACTED]  
25 [REDACTED]  
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27 [REDACTED]  
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[REDACTED]

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In discovery question DPS.FP.2-125 (Exhibit DPS-AB-7), CAPI requested information from FairPoint regarding disconnection when there has been no customer request. FairPoint objected to this question and did not provide any information. As a result, the Department is still reviewing this issue.

17 **Q. Does this conclude your testimony?**

18 **A.** Yes, it does.