

STATE OF VERMONT  
PUBLIC SERVICE BOARD

DOCKET NUMBER: 8390

PETITION OF VERMONT DEPARTMENT OF PUBLIC SERVICE  
FOR AN INVESTIGATION INTO THE ADEQUACY OF TELEPHONE  
OPERATING COMPANY OF VERMONT, LLC, d/b/a FAIRPOINT  
COMMUNICATIONS, PROVISION OF SERVICE QUALITY

February 4, 2015  
11:00 a.m.

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112 State Street  
Montpelier, Vermont

Status conference held before the Vermont  
Public Service Board, at the Public Service Board  
Hearing Room, Third Floor, People's United Bank  
Building, 112 State Street, Montpelier, Vermont on  
February 4, 2015 beginning at 11:00 a.m.

P R E S E N T

Board Members:           James Volz, Chairman  
                                  Margaret Cheney  
                                  John D. Burke

Staff:                   John Gerhard, Staff Attorney  
                              George E. Young, Policy Director  
                              Lynn Fabrizio, Staff Attorney

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A P P E A R A N C E S

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PARTICIPANTS:

22 BETH FASTIGGI

23 DAVID TUCKER

24 JIM PORTER

25 DAN BURKE

COREY CHASE

AUTUMN BARNETT

APPEARING BY TELEPHONE:

JUNE E. TIERNEY

FRED GOLDSTEIN

BARLOW KEENER

MICHAEL EISENBERG

1                   CHAIRMAN VOLZ: Good morning. We're here  
2 this morning in Docket Number 8390, which is the  
3 petition of Vermont Department of Public Service for an  
4 investigation into the adequacy of Telephone Operating  
5 Company of Vermont, LLC, d/b/a FairPoint  
6 Communications, provision of service quality. I'd like  
7 to start by taking notices of appearance.

8                   ATTORNEY KISICKI: On behalf of the  
9 Department of Public Service, Aaron Kisicki, and with  
10 me is the Senior Policy and Telecommunications Director  
11 Jim Porter; the Director of Consumer Affairs, Autumn  
12 Barnett; and also with us is Telecom Infrastructure  
13 Specialist Corey Chase and our newly minted  
14 telecommunications attorney Dan Burke. We also have a  
15 few consultants that are working on behalf of the  
16 Department on the phone line, but they'll identify  
17 themselves, I think, when we get to the end of this if  
18 that's better.

19                   MR. TUCKER: David Tucker, I'm the Executive  
20 Director of the 911 Board.

21                   ATTORNEY O'CONNELL: Alfred Gordon O'Connell,  
22 counsel for Local 2326 of the International Brotherhood  
23 of Electrical Workers.

24                   ATTORNEY ZAMORE: Peter Zamore and Sean  
25 Galvin on behalf of FairPoint, and with us today is

1 Beth Fastiggi.

2 CHAIRMAN VOLZ: Okay, thank you. Could the  
3 folks on the phone please identify yourselves?

4 ATTORNEY TIERNEY: Yeah, this is June  
5 Tierney, General Counsel Vermont Public Service Board.

6 MR. GOLDSTEIN: This is Fred Goldstein on  
7 behalf of the Department of Public Service.

8 MR. KEENER: Barlow Keener on behalf of the  
9 Department of Public Service.

10 MR. EISENBERG: Mike Eisenberg on behalf of  
11 the Department of Public Service.

12 CHAIRMAN VOLZ: Is that everybody? Okay.  
13 We're here today because the Department filed a letter  
14 on January 14th in which it asked us to hold a hearing,  
15 and so we decided to have a status conference to talk  
16 about what that hearing should entail and/or to see if  
17 the Department is still interested in having the  
18 hearing and then what it should entail if we do have  
19 one. So I was wondering if the Department wanted to  
20 let us know where we are at this point.

21 ATTORNEY KISICKI: Certainly. As you pointed  
22 out, we filed a letter on January 14th, the purpose of  
23 which was to outline a number of the steps that the  
24 Department had taken outside the scope of this  
25 investigation to sort of manage the troubles and the

1 calls that were mounting for FairPoint's complaints.  
2 In the letter we outlined a couple of steps that we had  
3 taken. We had initiated a prioritization schedule for  
4 sort of triaging a number of those complaints, and also  
5 we've been having regular meetings with FairPoint on  
6 the very least a weekly basis. Jim Porter has been  
7 part of those weekly meetings, and he can speak  
8 probably more on point to those.

9 I'd like to also point out that yesterday we filed  
10 a letter with the Board, and in that letter it  
11 contained two charts that show overall trends both in  
12 the installation and maintenance load, the I&M load,  
13 and the trouble loads from October 20th, 2014 through  
14 January 26th of 2015, and as both charts indicate,  
15 there was a sharp rise in trouble and installs starting  
16 in early December, but there's, we've seen a  
17 significant drop-off. There was, a decline was  
18 starting by the time we wrote the letter on January  
19 14th, but we continue to see a decline to levels that  
20 are below sort of the pre-strike levels.

21 CHAIRMAN VOLZ: Well, I just had a question  
22 about your charts. The horizontal axis are dates, but  
23 the vertical axis has horizontal lines, but I don't  
24 know what the scale is for the vertical axis.

25 ATTORNEY KISICKI: Certainly. So the, the

1 charts that the Department has in its possession don't  
2 contain any of the underlying numbers associated with  
3 the trend. These charts were just to show the overall  
4 trend. With that being said, it's the Department's  
5 understanding that FairPoint is available and able to  
6 speak to the underlying numbers upon request from the  
7 Board.

8 CHAIRMAN VOLZ: Okay. So what the chart  
9 shows is that a trend going back to October of 2014 and  
10 then ending on January 26th 2015, and at where we are  
11 today the troubles and installs are below the levels  
12 that the chart's, than they were in October. So we're  
13 in a better position today than we've been between now  
14 and October; is that what the point of the chart is?

15 ATTORNEY KISICKI: Correct.

16 CHAIRMAN VOLZ: Okay thanks.

17 MR. BURKE: Mr. Kisicki, I'll ask you, but I  
18 may be asking Mr. Zamore. I don't know who I'm asking  
19 exactly with regard to this, but, you know, I've dealt  
20 in this sector for a while, and the term load escapes  
21 me here. I'm more familiar with that when I'm dealing  
22 with electric generation and use. What do we mean by  
23 load here? Do you know, or could Mr. Zamore enlighten  
24 me? Because that's out of my familiarity span.

25 ATTORNEY KISICKI: I think Mr. Zamore might

1 be more, he may be the more appropriate party. I will,  
2 I can tell you that my understanding of the term load  
3 in, with respect to these graphs is the number of  
4 installs, the number of troubles, the overall numbers  
5 that they are fielding.

6 MR. BURKE: The workload?

7 ATTORNEY KISICKI: Correct. That is my  
8 understanding of the term when I look at that.

9 CHAIRMAN VOLZ: Mr. Zamore?

10 ATTORNEY ZAMORE: I am going to defer to  
11 folks on this side of the table far more expert than me  
12 on the subject.

13 CHAIRMAN VOLZ: Okay.

14 MS. FASTIGGI: So this is Beth Fastiggi from  
15 FairPoint. When we see the one that says "Total I&M  
16 Load", I&M is our installation and maintenance  
17 workforce, and that's the total number of what we call  
18 the work tickets that they might have in a given day.  
19 So the one, the graph that just shows the trouble load  
20 would be for repairs, and the one that's combined would  
21 be repairs and installs, and that is a volume graph,  
22 and it measures the total volume in our workload for  
23 that day.

24 So what you can see is that total volume  
25 increasing pretty rapidly in the beginning, leveling

1 off, and then what you see in that big peak is right at  
2 that December storm, December, that happened, I think,  
3 December 9th, 10th, 11th timeframe. You can see that  
4 big peak and then leveling off to prestorm levels and  
5 then back down to, actually, levels that are lower than  
6 October, October 20th.

7 MR. BURKE: And let me ask another because  
8 I'm still not quite clear on it, Ms. Fastiggi. Is, by  
9 load, is that the number that you've dealt with that  
10 day or the number that have to be dealt with that are  
11 outstanding?

12 MS. FASTIGGI: The number that are  
13 outstanding.

14 MR. BURKE: Okay.

15 MS. CHENEY: I'm sorry. I'm still confused  
16 by the context here. So, if they're outstanding, is  
17 that measured by how many requests or complaints there  
18 are? So, in other words, the workload or the  
19 installation or maintenance load is only relevant to  
20 how many are, how many cases are successfully resolved.  
21 So the need, in other words, is relevant to the action.  
22 Here's just the action.

23 MS. FASTIGGI: So each day customers call  
24 out, call us to say, My phone is not working, or, My  
25 broadband is not working, and that's reported as a

1 trouble in this, so and then each day we repair some of  
2 those. So this is the trend showing, Is that total  
3 volume increasing or decreasing? Did we make progress  
4 that day in reducing that load, or did that load  
5 increase?

6 MS. CHENEY: So in a perfect world the red  
7 bar would be equal to the blue bar?

8 MS. FASTIGGI: The red bar and the blue bar  
9 are two separate things. One is installation volume,  
10 and, actually, in a perfect world we would like the red  
11 bar to be really high, which means that a lot of people  
12 are ordering services from FairPoint.

13 MS. CHENEY: But, since blue is troubles, am  
14 I to infer that the red is troubles solved, or is it --

15 MS. FASTIGGI: No, the red is --

16 MS. CHENEY: They're not related?

17 MS. FASTIGGI: The red are new orders,  
18 customers calling in and saying, I want a phone service  
19 at my house. So the same work crew, the installation  
20 and maintenance technicians, perform that work.

21 MS. CHENEY: So the blue bar is not just  
22 calls received, but it's calls addressed?

23 MS. FASTIGGI: It is not a graph that has  
24 anything to do with the call volume. A customer might  
25 call in three times that day to report the same

1 trouble. That's only going to be reflected as once,  
2 one trouble, in that graph.

3 CHAIRMAN VOLZ: And the graph only shows the  
4 amount of troubles reported; it doesn't show the amount  
5 of fixes that the company accomplished each day?

6 MS. FASTIGGI: Correct, right.

7 MS. CHENEY: That's my question.

8 CHAIRMAN VOLZ: It doesn't show that?

9 MS. FASTIGGI: Right.

10 MR. BURKE: If you close an order -- let me  
11 just take a look on the color code. If there's a  
12 ticket and an order out and that order gets closed,  
13 whether or not the problem gets fixed but the order  
14 gets closed, it comes off the blue chart; is that true?

15 MS. FASTIGGI: Yes.

16 MR. BURKE: So, if the, if the ticket is  
17 closed mistakenly, it still comes off, and that would,  
18 in essence, at least in theory, decrease the blue bar,  
19 correct?

20 MS. FASTIGGI: Yes. However, the next day it  
21 would come right back on if it wasn't repaired because  
22 --

23 MR. BURKE: There would be a new order --

24 MS. FASTIGGI: -- there would be a new, yes.

25 MR. BURKE: -- for the same thing?

1 MS. FASTIGGI: Right.

2 MR. YOUNG: This shows -- when you're  
3 counting here, are you counting customers, or are you  
4 counting lines?

5 MS. FASTIGGI: Lines.

6 MR. YOUNG: This is lines? So a multi-line  
7 customer would show up as multiple installs here?

8 MS. FASTIGGI: I was thinking more on the  
9 trouble lines.

10 MR. YOUNG: On the trouble?

11 MS. FASTIGGI: On the installation, I would  
12 have to check on that.

13 MR. YOUNG: What about -- you mentioned  
14 broadband. Does this include -- is this regulated  
15 only, or does it include broadband?

16 MS. FASTIGGI: It includes everything.

17 MR. YOUNG: It includes broadband services?

18 MR. BURKE: In another question you indicated  
19 that you'd actually like to see installs, but I'm  
20 right, you really don't want to see that red line  
21 growing dramatically because you'd like to think that  
22 you're really doing these installs, too, so that  
23 there's lots of installs, but that the line's not  
24 getting bigger; isn't that true?

25 MS. FASTIGGI: Correct.

1 MR. BURKE: But yet it does appear that they  
2 were getting bigger for a time too.

3 MS. FASTIGGI: Yes.

4 CHAIRMAN VOLZ: And I thought the chart, each  
5 line on the chart reflects the number of troubles or  
6 installs for that day that came in --

7 MR. BURKE: Outstanding.

8 CHAIRMAN VOLZ: -- that are outstanding?

9 MS. FASTIGGI: That's in the whole bucket of  
10 workload to do, whether we can tackle it all that day.

11 CHAIRMAN VOLZ: So it's a cumulative?

12 MS. FASTIGGI: It's cumulative.

13 CHAIRMAN VOLZ: Okay. I misunderstood.

14 Thank you.

15 MS. CHENEY: So, in a situation where someone  
16 calls in a problem, say, on December 15th but it's not  
17 resolved as of January 1st, does that continue to be  
18 reflected here --

19 MS. FASTIGGI: Yes.

20 MS. CHENEY: -- or is it only reflected on  
21 December 15th?

22 MS. FASTIGGI: It's reflected every day until  
23 the day it's repaired.

24 CHAIRMAN VOLZ: Okay. Any more questions?

25 MR. BURKE: Yeah, I have a -- bill credits,

1 let me talk to you about those for a minute. We issued  
2 some questions early on that asked about bill credits  
3 and how they were being applied, and the answer that we  
4 got actually led to another set of questions that we  
5 asked that I think there's an extension, and they  
6 haven't been answered yet, but let me see if I can fish  
7 for one of those at the moment, anyway.

8 If the company is aware of outages that have  
9 occurred and are -- let's say you've got the same order  
10 back for the third or fourth time and you're working on  
11 that. You would presumably then, as a company, know  
12 that there was an outage that had gone on for a while.  
13 Do you automatically credit then, or does the customer  
14 have to ask for a credit?

15 MS. FASTIGGI: The customer calls us to  
16 determine so that we can determine the proper amount of  
17 the credit.

18 MR. BURKE: So, even if you know that there's  
19 an outage, you, as a company, know that there's an  
20 outage because the repeated ticket over and failure to  
21 get the problem fixed, you still don't grant a credit;  
22 is that what you're telling me?

23 CHAIRMAN VOLZ: In other words, does the  
24 company, do you automatically grant credits to  
25 customers who are eligible for credits, or do you wait

1 for the customer to call in order for the customer to  
2 get the credit?

3 MS. FASTIGGI: The customer calls to get the  
4 credit.

5 CHAIRMAN VOLZ: Okay.

6 MR. BURKE: Mr. Porter wants to say  
7 something.

8 MR. PORTER: Can I say one thing?

9 CHAIRMAN VOLZ: Yeah, sure.

10 MR. PORTER: Fundamentally, these charts  
11 reflect that we're basically back to where we were when  
12 the Department was ready to initiate a service quality  
13 investigation. As I think you know, during the months  
14 of November and December, the situation became so  
15 horrific that we contemplated asking the Board for some  
16 type of emergency relief. Basically, what we did was  
17 ask FairPoint, and they agreed to implement certain  
18 priorities until things got back to a less critical  
19 juncture. It may be helpful, and I'm just for -- if  
20 we, if -- and we may have to have a sealed record, but  
21 to hear some of the numbers, just sort of -- FairPoint  
22 has the numbers. We talk about them three times a  
23 week. I'm just offering that just to kind of give you  
24 a better perspective.

25 The one -- and things are back now to where I

1 think we can have a regular service quality  
2 investigation as to literally a, what I think came very  
3 close to an emergency type situation. We still may  
4 have a little issue with some of the medical  
5 priorities, but I did just want to offer. We do have  
6 the numbers if it would be at all helpful, you know, to  
7 have a discussion about them just so you can get a  
8 little better idea.

9 CHAIRMAN VOLZ: This is a status conference  
10 in an ongoing case, so, which have hearings scheduled,  
11 and as far as I know, we're still on schedule with that  
12 in that docket. No one's asked us to change the  
13 schedule. So, arguably, we could hear about that in  
14 the technical hearings, yeah, rather than today.

15 MR. PORTER: Right, and you will. Just  
16 fundamentally, I don't think we see this as the  
17 emergency situation that it was, certainly, a month  
18 ago.

19 CHAIRMAN VOLZ: I mean, if it was an  
20 emergency, then we might want to have a hearing today,  
21 but you're suggesting we don't need to?

22 MR. PORTER: Yes.

23 MS. CHENEY: But, getting to one of the  
24 things you just said, it is hard, I must say, from this  
25 chart and also from some of the answers that we

1 received from FairPoint to find the direct answer. It  
2 requires a lot of digging through tiny, you know,  
3 six-point type and doing the analysis oneself, and I  
4 just would like to urge that there be a little more  
5 essentially executive summary of what the answer  
6 actually is.

7 CHAIRMAN VOLZ: Well, I had a question that I  
8 think will help elucidate Board Member Cheney's  
9 question, which is, I take it that the reason there are  
10 no numbers on the chart that you submitted is because  
11 you consider it to be proprietary information. Is that  
12 the reason?

13 MS. FASTIGGI: Yes.

14 CHAIRMAN VOLZ: Okay. And that is probably  
15 why the information you have provided us so far that  
16 Board Member Cheney was referring to is not as clear as  
17 it might be, because you're not providing us with  
18 actual numbers because you -- now, you could have  
19 provided it under seal, I suppose.

20 ATTORNEY ZAMORE: That's right. This issue  
21 of the chart came up yesterday, and, as a result, we've  
22 had internal discussions, but we believe that, at least  
23 for now, that, if we were going to go deeper into these  
24 charts, that it would need to be under seal.

25 CHAIRMAN VOLZ: Okay. I'm sorry I

1 interrupted you.

2 MS. CHENEY: No. You put it in context, yes.

3 CHAIRMAN VOLZ: Okay. So we have a schedule  
4 in the case, and that's going forward. Is there  
5 anything else we needed to take up today? Yes?

6 ATTORNEY O'CONNELL: Mr. Chairman, just as a  
7 point of information, in establishing what these charts  
8 or the numbers may or may not say, please keep in mind  
9 that the strike began on October 17th. So what you're  
10 seeing here is not anything that occurred prior to the  
11 strike. The 17th was a Friday. The strike was  
12 declared at midnight, so it started at 12:01 a.m. on  
13 that day. So any troubles that built up on Friday or  
14 on Saturday over the weekend would already be reflected  
15 in this chart. So that was just a point of order that  
16 it might be worthwhile to ask for information that  
17 predates.

18 CHAIRMAN VOLZ: Okay. Well, certainly, in  
19 the docket parties can do that, and we may explore  
20 that.

21 MS. CHENEY: Yeah, I agree. It's more  
22 useful, I think, to have a longer term of context.

23 CHAIRMAN VOLZ: Any other matters we need to  
24 take up today? All right. Thank you very much. We're  
25 done, right? Oh, wait one second.

1 MS. CHENEY: Well, George asked me a good  
2 question, which is, you know, I was just saying longer  
3 term context, what does that mean? I think a year  
4 would be helpful.

5 MR. YOUNG: Is it possible to get these  
6 charts, do you have the data for, you know, to present  
7 them basically as a year as opposed to right now we're  
8 going back to October 20th?

9 MS. CHENEY: Or did you just start collecting  
10 it in this way in October?

11 MS. FASTIGGI: I'll have to check. Yeah.

12 CHAIRMAN VOLZ: All right. Anyway, so, if  
13 possible, we'd like to see a year's worth of data  
14 before the hearings.

15 MR. BURKE: Well, Ms. Fastiggi, let me ask  
16 you this. You didn't just worry about troubles and  
17 load from the time the strike started; you were worried  
18 about it before that, I assume. Isn't that true?

19 MS. FASTIGGI: Yes.

20 MR. BURKE: So it should be somewhere,  
21 shouldn't it?

22 MS. FASTIGGI: I don't know if it's available  
23 in this fashion.

24 CHAIRMAN VOLZ: Anyway, we hope to see it in  
25 some fashion.

1 MS. FASTIGGI: I'm sure that we can find a  
2 trend.

3 CHAIRMAN VOLZ: That would be useful. Yeah,  
4 great. Anything else? Okay, thank you.

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10 (Whereupon at 11:28 a.m. the conference was adjourned.)  
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## C E R T I F I C A T E

1  
2  
3 I, Sunnie Donath, do hereby certify that  
4 I recorded by stenographic means the Status Conference  
5 Re: Docket Number 8390 at the Hearing Room  
6 of the Public Service Board, 112 State Street,  
7 Montpelier, Vermont, on February 4, 2015, beginning at  
8 11:00 a.m. I further certify that the foregoing  
9 testimony was taken by me stenographically and  
10 thereafter reduced to typewriting, and the foregoing  
11 19 pages are a transcript of the stenographic notes  
12 taken by me of the evidence and the proceedings, to the  
13 best of my ability. I further certify that I am not  
14 related to any of the parties thereto or their Counsel,  
15 and I am in no way interested in the outcome of said  
16 cause. Dated at Westminster, Vermont, this 6th day  
17 of February, 2015.

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23 Sunnie Donath, Notary Public  
24  
25