

COMMONWEALTH OF PENNSYLVANIA



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June 15, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Joint Petition of Verizon Pennsylvania LLC and Verizon
North LLC for Competitive Classification of all Retail
Services in Certain Geographic Areas, and for a Waiver of
Regulations for Competitive Services
Docket No. P-2014-2446303; P-2014-2446304

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Reply Comments Regarding
Data Collection and Reporting Obligations, in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink that reads "Barrett C. Sheridan".

Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138

Enclosures

cc: Honorable Joel H. Cheskis
Derek Vogelsong, (TUS)
Lenora Best, (BCS)
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Verizon Pennsylvania LLC and :
Verizon North LLC for Competitive Classification : Docket Nos. P-2014-2446303,
of all Retail Services in Certain Geographic Areas, : P-2014-2446304
and for Waiver of Regulations for Competitive :
Services :

REPLY COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE
REGARDING DATA COLLECTION AND
REPORTING OBLIGATIONS

The Office of Consumer Advocate (OCA) submits these Reply Comments in response to the Public Utility Commission's (PUC's or Commission's) March 4, 2015 Reclassification Order and May 20, 2015 Secretarial Letter regarding the appropriate scope and content of Verizon Pennsylvania LLC's and Verizon North LLC's (collectively Verizon) two year data reporting obligation. Three parties, the OCA, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), and Verizon filed comments. In its comments Verizon agrees to provide residential and business line count data in the manner and level of detail set forth in the Commission's proposed Microsoft Excel Workbook. Verizon contests disputes the scope, merit and level of detail addressed by the Quality of Service, Residential Account Data, and Warm Transfer categories. Verizon further suggests that the Commission may not legally require Verizon to collect and report more data than Verizon is willing to provide.

As described in detail in the OCA Comments, the OCA submits that the proposed Excel Workbook sets forth the minimum data that should be collected and reported by Verizon annually for two years, as a condition of the partial grant of Verizon's Petition. The OCA further submits that certain data should be reported on a more granular, wire center basis consistent with the Commission's review of Verizon's request for competitive classification. OCA Comments at 5-6, 8-9, 12. As discussed below, Verizon's proposed level of data collection and reporting is insufficient as to scope and detail to assist the Commission in assessing the quality of service, affordability, and market conditions relative to Verizon's basic service in the 153 competitive wire centers. *Id.* at 1-2; see Reclassification Order at 56. The Commission should not adopt Verizon's position.

I. REPLY COMMENTS

A. The Commission Has Authority To Request Information For The Protection of Consumers

In its comments, Verizon suggests that the Commission is overstepping its authority by to the extent that Verizon is required to report new data metrics, without a finding that the benefits outweigh the cost, referencing Section 3015(e) and (f) of the Public Utility Code. Verizon Comments at 4; 66 Pa. C.S. § 3015(e), (f).¹ By Verizon's estimate, the benefit of the new data to be collected and reported could not outweigh the expense to Verizon. *Id.* Verizon also suggests that the Commission is acting contrary to Commonwealth policy and Commission authority where the Commission seeks more data and information regarding Verizon's basic services in competitive exchanges, rather than reducing Verizon's regulatory

¹ Section 3015(e) enumerates the list of reporting requirements which apply to incumbent local exchange carriers and the strict limits on the Commission's expansion of those requirements. Section 3016(f) describes the circumstances under which the Commission may, after notice and an opportunity to be heard, and subject to written findings of a cost – benefit analysis, the Commission may add to the list or reporting requirements.

obligations closer to those imposed on competing alternative service providers. *Id.* at 3-4, citing 66 Pa. C.S. § 3011(13).

Contrary to Verizon's comments, the Commission's imposition of a two-year data collection and reporting requirement are an appropriate and critical element of the Reclassification Order. The Commission did base its grant of partial waiver of certain regulations in part on consideration of the Section 3011(13) policy goal of reducing regulatory obligations. Reclassification Order at 75, 76. The Commission exercised its discretion and waived some regulations and preserved others. *Id.* at 76. The Commission expressly linked the conditional waivers granted with the new data collection obligations:

... the waiver period for those specific Regulations that we shall waive will be for a period not to exceed five years, *pending data collection and a rulemaking to address the status of these chapters for noncompetitive and competitive services on a permanent and industry-wide basis.*

Id. at 76 (emphasis added), 103. The Commission granted Verizon waivers of certain regulations for up to five years in part “to allow Verizon and other parties to track data they believe pertinent to our review of those [competitive] operations, and to allow the Commission time to undertake a Rulemaking” *Id.* at 104. The Reclassification Order reflects the Commission's exercise of its retained powers and duties under Section 3019(b)(2) to take steps towards the review and revision of the Chapter 63 and 64 regulations. *Id.* at 76, fn. 62; 66 Pa. C.S. § 3019(b)(2). Section 3019(b) empowers the Commission to “seek information necessary to facilitate the exercise” of its powers and duties under Section 3019(b)(2). 66 Pa. C.S. § 3019(b). The Commission acted within its authority and discretion to require Verizon to collect and report to the Commission and interested parties information related to Verizon's provision of service in both wire centers subject to regulatory waivers and not.

The Commission granted Verizon competitive classification and pricing flexibility over the offering of basic local calling service in 153 wire centers pursuant to Section 3016(a) and other subparts. See 66 Pa.C.S. § 3016(a), (d)(1), (e)(1), (f)(1). The Commission reasoned that competitive market forces may keep Verizon's basic local service prices in check. Reclassification Order at 55. Even so, based on consideration of the Commonwealth's policy to "[m]aintain universal telecommunications service at affordable rates," the Commission committed:

to monitor this issue on a going forward basis. For this reason, we intend to commence a collection of data to aid in our assessment of the market conditions present in the aftermath of the competitive reclassification that we permit to occur herein, including the impact of our decision, if any, on the affordability of basic local exchange service. As part of this data collection, we shall instruct Verizon to continue to comply with the annual reporting requirements set forth in Section 64.201 of our Regulations for basic local exchange service customers that are not waived

Id. at 56 (emphasis added); 52 Pa. Code § 64.201. To help the Commission "and other interested parties assess the market conditions present in the 153 wire centers," the Commission gave notice that Verizon may be required, after the comment process, to provide data regarding affordability that would be in addition to price lists and Section 64.201 Annual Report information. Id.

The OCA submits that the Commission's two-year data collection and reporting obligation, imposed as a condition to Verizon's implementation of competitive pricing in the 153 wire centers and Verizon's implementation of the temporary waivers of certain Chapter 63 and 64 regulations, is within the Commission's authority under Sections 501, 1301, 1501 and Chapter 30 of the Public Utility Code. 66 Pa.C.S. §§ 501, 1301, 1501, 3011, et seq. The information to be collected is necessary to assess affordability, quality of service, and market

conditions consistent with the Commission's obligation to ensure universal service and with the Reclassification Order.

B. Access Line Count Worksheets

Verizon agrees that the reporting of residential and business Access Line Counts, on a monthly basis, and broken out between the categories of non-competitive and competitive wire centers may provide useful information. Verizon commits to report this information, as set forth in the draft Excel Workbook.

The OCA Comments support this level of account data collection and reporting as the minimum baseline information. OCA Comments at 5-6. For the reasons set forth in the OCA Comments, the OCA submits that Verizon should report Access Line Count data on a more granular level, by wire center, and also broken out between stand-alone basic service and basic service as part of a bundle. Id.

C. Quality of Service Worksheets

Verizon opposes the scope and detail of Quality of Service information set forth in the Excel Workbook, as requiring information that Verizon is not currently required to track and report. In place of the Trouble Report and Trouble Report Rates per 100 Access Lines data collection and reporting requirement, Verizon proposes to report "for all jurisdictional services taken together," for the two-year period, Verizon's trouble reports and surveillance reporting that Verizon already conducts pursuant to Sections 63.57(f) and 63.55. Verizon Comments at 2; 52 Pa. Code §§ 63.55, 63.57(f). Verizon opposes three Out-of-Service metrics set forth in the Excel Workbook as unrelated and not useful to the Commission's assessment of the affordability and quality of service. Verizon suggests that Verizon's restoration of service and installation of

service intervals are impacted by consumer preference, such as when a consumer already has wireless service in addition to Verizon wireline service. Id. at 3-5.

The OCA supports the proposed Quality of Service data collection and reporting as set forth in the Excel Workbook as the basic minimum information to be elicited and reported. OCA Comments at 7-9. The OCA further recommends that Verizon report this information at the wire center level and add Repeat Trouble Report and Repair Time data as additional line items. Id. at 8-9.

In reply to Verizon's comments, the OCA submits that the Commission is within its authority to require Verizon to provide more information for the protection of consumers, to assess affordability and market conditions, and Verizon's quality of service. See Sec. I.A., *supra*; OCA Comments at 1-2, 4-5. The Commission has predicted that "the discipline afforded by competition, *coupled with Verizon's continued commitment to maintaining its COLR obligation*, helps ensure that all consumers located in the wire centers subject to the Petition will have access to affordable basic local exchanges service." Id. at 37-38 (emphasis added). The Commission has recognized, however, that this proposition must be fully evaluated. As the Commission has clearly stated and Verizon has acknowledged, Verizon is obligated to comply with Section 1501 in all wire centers, even those classified as competitive for pricing. OCA Comments at 5; Reclassification Order at 6-7, 48, 75-76, 86-87, 94. The OCA submits that these statements by the Commission regarding the interrelationship of competitive pressures and Verizon's quality of service support the need for Verizon to provide Quality of Service information which is broad in scope and reported at a sufficient level of detail to allow the Commission and interested parties to assess whether competition has in fact provided this competitive discipline.

The Commission should not adopt Verizon's counter proposal regarding Quality of Service data collection and reporting nor Verizon's theory as to the limited merit of the information and metrics identified in the Excel Workbook for collection and reporting.

D. Residential Account Data Worksheets

Verizon opposes the collection and reporting of Residential Account Data on a monthly basis and broken out between non-competitive and competitive wire centers. Verizon Comments at 5-6. Verizon suggests the Commission's Reclassification Order and June 1, 2015 Tentative Implementation and Clarification Opinion and Order (Tentative Order) have granted Verizon a partial waiver of the Section 64.201 annual reporting obligation and set the boundaries for Verizon's two-year data collection and reporting obligation with regard to Residential Account Data. Verizon Comments at 5-6. The OCA disagrees. Verizon's Comments ignore the Commission's clear statement in the Tentative Order that:

[t]he Section 64.201 waivers shall remain in place until no later than March 4, 2020, subject to the rulemaking contemplated by the *Reclassification Order*. The issue whether each Verizon Company must file a separate Section 64.201 or Section 64.201-like report, broken down by competitive versus noncompetitive wire centers, will be addressed by the Commission in an action implementing the data collection directive in Ordering Paragraph No. 15 and Ordering Paragraph No. 16 of the *Reclassification Order*.

Tentative Order at 9.

The OCA submits that the Commission should reject Verizon's proposal to limit the Residential Account Data reported as part of its two-year reporting obligation to the Residential Account Data reflected in Verizon's Section 64.201 Annual Report, as modified by the Commission's grant of partial waiver in the Reclassification Order and Tentative Order. See Verizon Comments at 6. Verizon is incorrect that no additional information is needed by the Commission and other interested parties, including the OCA, to assess the affordability of

Verizon's residential basic service in the competitive wire centers. Instead, Verizon should be required to report Residential Account Data at the more detailed and granular level supported in the OCA Comments, including additional information related to Verizon Pennsylvania's Universal Telephone Assistance Program, Verizon's Average Residential Customer Bills, Total Bill for Residential Basis Service, charges for installation and restoration, and other data elements and details of Verizon's resolution of Chapter 63, Chapter 64 and other disputes. OCA Comments at 9-15.

E. Warm Transfer Data Collection

Verizon opines that four of the six categories of data identified in the Excel Workbook regarding consumer informal complaints that are transferred from the Commission's Bureau of Consumer Services (BCS) to Verizon as part of the "warm transfer" process, as expanded by the Reclassification Order, may be useful for the Commission in monitoring the affordability of Verizon's service. Verizon Comments at 6-7. Verizon proposes to classify warm transfer informal complaints "(1) billing and/or collections; (2) repair/maintenance; (3) installation; or (4) other." Id. at 7.

The OCA submits that the Commission should not adopt Verizon's proposal. The OCA submits that the Excel Workbook reasonably would require Verizon to track and tally the nature of informal complaints warm transferred among the following categories: Annoyance calls; Billing Disputes; Credit & Deposits; Discontinuance/Transfer; Non-recurring Charges; Rates; Service Delivery; Service Terminations; Toll Services; and Unsatisfactory Service. Further, Verizon would be required to break-out this data between competitive and non-competitive wire centers. OCA Comments at 15-17. The OCA supports adoption of the more detailed categories for classifying warm transferred informal complaints and the obligation to

break out in the report warm transfer complaints from competitive wire centers and non-competitive wire centers. Id. The OCA submits that this information will assist the Commission in reviewing all aspects of service provided by Verizon as well as the market conditions and affordability of Verizon's service in the competitive wire centers, during the two-year reporting period and pending the Commission's future rulemaking.

II. CONCLUSION

Consistent with the OCA Comments and Reply Comments, the OCA respectfully requests that Verizon's two-year data collection and reporting requirements be more detailed and inclusive of information necessary to assist the Commission in review of Verizon's quality of service, affordability and market conditions, in the initial period following implementation of the Reclassification Order. For the reasons discussed in these OCA comments, the Commission should not adopt Verizon's Comments and counter-proposals.

Respectfully Submitted,



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DATE: June 15, 2015
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CERTIFICATE OF SERVICE

Joint Petition of Verizon Pennsylvania LLC :
And Verizon North LLC for Competitive : Docket Nos. P-2014-2446303
Classification of all Retail Services in Certain : P-2014-2446304
Geographic Areas, and for a Waiver of :
Regulations for Competitive Services :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Reply Comments Regarding Data Collection and Reporting Obligations, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 15th day of June 2015.

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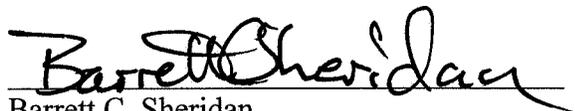
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