

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 24, 2001**

REGULAR AGENDA X CONSENT AGENDA EFFECTIVE DATE _____

DATE: July 17, 2001

TO: Phil Nyegaard through Dave Booth and Lance Ball

FROM: Irvin L. Emmons

SUBJECT: UM 1026, Performance Plan Request, Qwest Business Office Access

SUMMARY RECOMMENDATION:

Staff recommends approval of the attached performance plan and memorandum-of-understanding.

DISCUSSION:

Staff presented to the Commission at its June 19, 2001, Public Meeting a staff report recommending Qwest Corporation (Qwest) be directed to provide a six-month plan for improving its business office access performance, as required under ORS 759.450(5) and OAR 860-023-055(14). Qwest had been aggressively identifying the actions required to improve its business office access answering times and had its plan drafted prior to the public meeting. Staff voiced a concern at the meeting on what conditions had to be met by Qwest for it to be considered as meeting the plan goals. The Commission directed Qwest and Staff to develop a memorandum-of-understanding (MOU) to resolve the concern.

Staff and Qwest negotiated and have mutually agreed to the attached MOU that has a 17-month term. The main purpose of the MOU is to establish what business office access levels must be maintained by Qwest for the PUC to consider Qwest as meeting the plan's goal. The plan gives the carrier an opportunity to improve its performance so that the standard can be met. Staff wants to ensure that the standard is met beyond December 2001 and recommended to Qwest an additional 12-month monitoring period.

Staff and Qwest agreed on the following points:

- Failure to meet the monthly goal will not be considered a failure of the plan as long as the standard is met within the six-month period.
- The plan includes FORCE MAJEURE conditions with Qwest having the burden of proof.
- Qwest will provide a monthly progress reports to the PUC.
- The plan will be considered to meet its goals when:
 - Standard is met within the initial six-month period.
 - Qwest will continue to meet the standard for an additional three months.

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- Qwest cannot fall below 85% (standard in OAR 860-023-0055(8)) for more than three months during the final nine months of the 17-month term. NOTE: This is an additional nine months after meeting the standard for the three months.
- Qwest cannot fall below 75% (ORS 759.450, section 30 statutory level) during the above nine-month period.
- Qwest agrees that if it fails to meet the above requirements that the Commission may find that Qwest did not meet the goals of the six-month plan.

Also attached to this Staff Report is Qwest's performance plan. Staff has reviewed the plan and found it to be reasonable. Staff did not find any technically unsound information, therefore no changes were recommended. The plan provides steps that Qwest indicates will reverse a thirty-four month history of their business office access not meeting the standard. This plan provides Qwest an opportunity to improve performance within the statutory six-month period.

STAFF RECOMMENDATIONS:

Staff recommends that the Commission approve Qwest 's six-month plan to improve its business office access performance and the attached memorandum-of-understanding between Qwest and Staff.

Attachments