## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of an Investigation into the Quality of Wireline Telecommunications Services in the State of Missouri

Case No. TO-2011-0047

### SUMMARY REPORT AND REQUEST TO BE DISMISSED

COME NOW the Missouri Small Telephone Companies ("Small Companies")<sup>1</sup> and for their Summary Report and Request to be Dismissed, state to the Missouri Public Service Commission (Commission or "PSC") as follows:

### INTRODUCTION

1. For the purposes of this case, the Small Companies consist of the companies listed in Attachment A. The Small Companies are comprised of thirty-six (36) incumbent local exchange companies (ILECs) and four (4) facilities-based competitive local exchange companies (CLECs) that are affiliated with ILEC Small Companies. The Small Companies currently provide telecommunications services to members of the public (approximately 110,000 access lines) located in those areas certificated to them by the Commission.

2. Some of the Small Companies are telephone cooperatives and, as such, are locally owned by their customer/members, overseen by locally-elected boards, and operated by local management. Some of the other Small Companies are owned and operated by families that still live in the rural communities they serve. One of the Small Companies is owned by its employees through an Employee Stock Ownership Plan

<sup>&</sup>lt;sup>1</sup> See Attachment A.

(ESOP). The fact that most of the Small Companies are locally owned and managed means that customers can call or walk into a local office and receive immediate responses to their quality of service (and other) inquiries.

### BACKGROUND

3. This case was opened in response to a motion filed by the PSC Staff seeking information on quality of service in the state of Missouri. Staff specifically alleged concerns about degradation of quality of service following the waiver by many local exchange carriers (LECs) of the Commission's quality of service rules. The Commission granted Staff's motion, opened an investigation, and issued a press release that included the following language:

PSC staff expressed concern whether service quality issues exist due to a <u>lack</u> of proper testing, preventive maintenance and the timely replacement of telecommunications facilities since a change in state law which allowed most, if not all, telecommunications companies to obtain a waiver of PSC rules regarding service quality.

The PSC staff also indicated it had received <u>an increasing number of</u> <u>customer service complaints about the quality of telephone service</u> and wants to further investigate. Staff seeks to determine whether the reported service problems are isolated instances or <u>whether they indicate a systemic</u> <u>deterioration of facilities, which leads to a lower quality of service in large</u> <u>portions of the state</u>.

2

PSC Press Release, issued September 2, 2010 (emphasis added). The Commission also directed all facilities-based LECs to respond to a list of Staff questions by November 1, 2010.

4. The Small Companies have all filed responses to the Commission's Order. In addition, the Small Companies have requested and PSC Staff has provided in data request responses copies of all complaints and inquiries regarding the Small Companies' quality of service that have been filed over the last four years.

#### SUMMARY REPORT

#### 5. The Small Companies Remain Committed to Quality of Service.

Although the majority of the Small Companies have waived the PSC's quality of service reporting requirements,<sup>2</sup> the Small Companies' filings in this case demonstrate that the Small Companies all continue to monitor their quality of service. In fact, many companies continue to use the PSC's quality of service rule benchmarks<sup>3</sup> for this purpose, but because of the waiver they are simply no longer required to submit copies of these reports to PSC Staff.

6. <u>The Vast Majority of Small Companies Have Had No Quality of</u> <u>Service Complaints in the Last Four Years</u>. Over the last four years, there have been a total of only three (3) complaints regarding matters addressed by the PSC quality of service rules for the entire group of 40 companies. These results demonstrate that the Small Companies provide excellent quality of service. In sum, there is <u>no</u>

<sup>&</sup>lt;sup>2</sup> Citizens Telephone Company of Higginsville, Missouri, Grand River Mutual Telephone Company, and Lathrop Telephone Company have <u>not</u> waived the Commission's quality of service rules and continue to file quarterly quality of service reports with the Commission.

<sup>&</sup>lt;sup>3</sup> See Commission Rules 4 CSR 240-32.070 and 32.080.

evidence, anecdotal or otherwise, to suggest that the Small Companies provide anything but excellent quality of service.

7. <u>Small Company Quality of Service Efforts</u>. As demonstrated by the Small Companies' responses to the Commission's questions on quality of service, the Small Companies regularly test their central office and switching equipment, monitor incoming and outgoing traffic, inspect outside plant, and perform immediate repairs and/or preventive maintenance where needed. The Small Companies' technical staffs are familiar with their rural service areas, and the responses to the Commission's questions demonstrate that the Small Companies respond to requests for installation and repair of service in a timely manner.

8. <u>Small Company Quality of Service Is Outstanding</u>. Again, over the last four years, there have been a total of only three (3) complaints regarding quality of service for the entire group of 40 Small Companies. In other words, thirty-seven (37) of the Small Companies have had <u>no</u> complaints regarding quality of service during the last four years. The other three companies have had only one complaint regarding quality of service in the last four years, and those complaints have been resolved quickly to the satisfaction of both the customer and the PSC Staff. Based on a rough average of 110,000 total access lines per year over the last four years, this number of complaints is insignificant (i.e. 3 complaints divided by 440,000 = **0.0007%**). Thus, contrary to Staff's concerns about "systemic" degradation of facilities and quality of service, the Commission's own records demonstrate that the Small Companies' quality of service has been and remains exemplary.

4

### **REQUEST TO BE DISMISSED**

#### 9. The Small Companies Should Now Be Excused From This Case. The

Small Companies have expended considerable time and expense in responding to the Commission's Questions regarding Quality of Service. The Small Companies have also expended time and expense in requesting and reviewing PSC Staff data responses regarding all Small Company complaints or inquiries regarding quality of service over the last four years. All of the data in this case demonstrates that the Small Companies continue to provide excellent quality of service. Accordingly, the Small Companies should be excused from this case to avoid any further expenditure of funds and time and allow the Small Companies to continue focusing on providing high quality service. Because the PSC's Press Release identified concerns about deteriorating facilities and degraded quality of service, dismissal will also make clear to any customers of the Small Companies concerned by the PSC's Press Release that the Commission has reviewed the record and determined that there is no quality of service problem in the Small Company service areas.

WHEREFORE, the Small Companies respectfully requests that the Commission: (a) accept this summary report, (b) grant the Small Companies' request to be dismissed, and (c) grant such other orders as are reasonable in the circumstances.

5

Respectfully submitted,

## /s/ W.R. England, III\_

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Attorneys for the Small Companies

# **Certificate of Service**

I hereby certify that a true and correct copy of the above and foregoing document was mailed, served electronically, or hand-delivered, this 1<sup>st</sup> day of December, 2010, to:

Office of Public Counsel P.O. Box 7800 Jefferson City, MO 65102 PSC General Counsel P.O. Box 360 Jefferson City, MO 65102

/s/ Brian T. McCartney\_\_\_\_\_

### ATTACHMENT A

Alma Communications d/b/a Alma Telephone Company **BPS** Telephone Company Chariton Valley Telephone Corporation Chariton Valley Telecom Corporation **Choctaw Telephone Company** Citizens Telephone Company Craw-Kan Telephone Cooperative, Inc. Ellington Telephone Company Farber Telephone Company Fidelity Telephone Company Fidelity Communications Services I, Inc. Fidelity Communications Services II, Inc. Goodman Telephone Company, Inc. Granby Telephone Company Grand River Mutual Telephone Corporation Green Hills Telephone Corporation Green Hills Telecommunications Services Holway Telephone Company IAMO Telephone Company Kingdom Telephone Company KLM Telephone Company Lathrop Telephone Company Le-Ru Telephone Company McDonald County Telephone Company Mark Twain Communications Company Mark Twain Rural Telephone Company Miller Telephone Company MoKAN Dial, Inc. New Florence Telephone Company New London Telephone Company Northeast Missouri Rural Telephone Company **Orchard Farm Telephone Company Oregon Farmers Mutual Telephone Company** Otelco/Mid-Missouri Division Ozark Telephone Company Peace Valley Telephone Company **Rock Port Telephone Company** Seneca Telephone Company Steelville Telephone Exchange, Inc. Stoutland Telephone Company