PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division **RESOLUTION T-17625**
Carrier Oversight and Program Branch **November 8, 2018**

R E S O L U T I O N

Resolution T-17625. Approval of AT&T California's (U-1001-C) Advice Letter setting forth its annual fine and alternative proposal for mandatory corrective action for failing to meet required service quality performance standards in Year 2017 pursuant to General Order 133-D.

SUMMARY

This Resolution approves AT&T California's (U-1001-C) Advice Letter regarding substandard service quality performance in Year 2017 and fines pursuant to California Public Utilities Commission General Order 133-D § 9.6. AT&T California calculated its annual fines totaling $2,200,000 by applying the prescribed method for each month it failed to meet specific minimum standards for the *Out of Service Repair Interval* and *Answer Time* measures under GO 133-D §§ 3.4 and 3.5[1], respectively. In lieu of paying a fine, AT&T California requests approval to implement the alternative proposal for mandatory corrective action under § 9.7, which permits a carrier to invest no less than twice the amount of its annual fine in a project(s) that improves service quality in a measurable way within two years.

BACKGROUND

In General Order (GO) 133-D, *Rules Governing Telecommunications Services*, the California Public Utilities Commission (Commission) established uniform minimum standards of service for facilities-based wireline telephone carriers to achieve in their operations as public utility telephone corporations serving California customers. These minimum standards of service include quarterly reporting by some wireline carriers of five measures and near real-time reporting by all carriers of major outages.[2]

1. Procedural History of the General Order

[1] All sections (§) references are to GO 133-D unless otherwise noted.
[2] See the annual data in *Quarterly Service Quality Reports* posted at http://www.cpuc.ca.gov/General.aspx?id=1107 on the Communications Division *Telecommunications Carriers' Service Quality Reports* webpage. (Site last visited June 19, 2018.).

In March 2011, Staff issued a report detailing substandard levels of service quality reported by carriers for 2010. In response, the Commission opened Rulemaking (R.)11-12-001 to review carriers' performance, to assess the relevancy and effectiveness of GO 133-C[3] measures, and to determine the need for penalties for substandard performance.

On August 29, 2016, the Commission issued Decision (D.)16-08-021 which adopted GO 133-D. GO 133-D revised and replaced portions of GO 133-C by modifying and expanding on a number of its provisions and prescribing monetary penalties for violating the five service quality standards.[4] Carrier performance determines fines, which apply only to traditional voice telephone service.[5] GO 133-D became effective on August 18, 2016, with the exception of Section (§) 9 (*Fines*), which became effective January 1, 2017.

2. Service Quality Reporting and Standards of Performance

General Order 133-D stipulates five telephone service quality measures with minimum standards that operators of public utility telephone corporations must meet: *Installation Interval*, *Installation Commitments*, *Customer Trouble Report*, *Out of Service Repair Interval*, and *Answer Time*. Each measure has an assigned Minimum Standard Reporting Level. When a carrier's performance falls below any of the minimum standards, the carrier is out of compliance and must report this information to the Commission.[6]

Under GO 133-D § 9.3, a carrier is subject to fines upon reaching "chronic failure status," which is defined as a failure to meet a Minimum Standard Reporting Level for three (3) consecutive months. Fines begin to accrue in the third month. A carrier exits "chronic failure status" when it meets the standard for two consecutive months. Until then, the carrier incurs fines for the succeeding months it fails to meet the standard.

General Order 133-D, § 9.6 directs any telephone corporation whose performance does not meet the minimum standards to submit annually, by February 15 of the following year, a Tier II Advice Letter that shows by month each service quality measurement that it did not meet the minimum standard and the applicable fine. The Communications Division will then prepare a resolution that—if adopted by the Commission— instructs a telephone corporation to pay the fine to the Commission for deposit into the California General Fund.

GO 133-D § 9.7 allows carriers to file an alternative proposal for mandatory corrective action to suspend fine payments and instead invest no less than twice the fine amount in projects that will improve service quality in a measurable way within two years. Such investment(s) must demonstrate that 1) twice the amount of the fine is spent, 2) the project(s) is an incremental expenditure, 3) the project(s) design addresses service quality deficiencies, and 4) upon completion, the carrier will demonstrate the project results for the purpose proposed as approved by the Commission.

ADVICE LETTER

[3] The Commission approved GO 133-C in Decision 09-07-019 (July 9, 2009).
[4] Fines apply to facilities-based telephone corporations regulated under the Uniform Regulatory Framework that possess a franchise or a Certificate of Public Convenience and Necessity.
[5] GO 133-D defines time division multiplexing (TDM)-based voice service as "traditional telephone service."
[6] See *Appendix A* for a list of all carriers' annualized service quality data, 2014-2017.

AT&T California submitted Advice Letter (AL) 47212 on February 16, 2018, summarizing its total year 2017 service quality reporting targets with the fine calculations for standards not met. In AL 47212, AT&T California calculated a total fine amount of $2,200,000. In lieu of paying this fine into the state General Fund, AT&T California requested approval of its alternative proposal for corrective action under § 9.7 to invest no less than twice the amount of its calculated fine in projects to improve its customers' service quality in measurable ways.

In AL 47212, AT&T California proposed investing $4,400,000 in projects to improve the communications infrastructure that is used to provide traditional telephone service. However, rather than include information regarding specific projects, AT&T California stated their investment projects would focus primarily on rehabilitating existing copper plant and direct any remaining funds towards constructing new fiber facilities in areas where the company has a higher number of reported trouble tickets and higher maintenance costs.

The Commission's Office of Ratepayer Advocates (ORA) filed a protest on March 7, 2018. The protest states that AT&T California's investment proposal fails to satisfy the requirements of GO 133-D § 9.7 by not identifying the specific project locations where it would direct funds and describing how those funds would improve service quality in a measurable way. ORA further states that the proposal lacks supporting financial documentations and that it is unclear whether AT&T California's investment would involve incremental expenditures that are in addition to money received from any other state or federal funds, including Connect America Fund (CAF) Phase II.[7]

On March 9, 2018, AT&T California responded to ORA's protest in a letter to the Communications Division. In the letter, AT&T California said they would meet regularly with Staff to provide updates on current projects, the amount of money spent, as well as the projects' estimated completion dates. They reiterated their plan to direct the $4,400,000 investment towards areas with increased trouble report rates and higher maintenance costs. AT&T California asserted that they will demonstrate the incremental nature of their investment as projects are completed, including how the investments are distinct from any projects funded by CAF Phase II or other state or federal program. AT&T said that even though their proposal includes deploying new fiber where copper plant exists, the availability of tariffed wireline voice services will not change.

In both AL 47212 and their reply to ORA's protest, AT&T California committed to hold regular meetings with Staff to review the progress of all projects and the impacts to service quality results. Upon completion of the projects, AT&T California also committed to further demonstrate improved service quality results through a Tier II advice letter filing.

DISCUSSION

[7] See ORA Protest pp. 1 and 3. The Connect America Fund is the FCC's program that provides funding to telephone companies to subsidize the cost of expanding network infrastructure and providing access to voice and broadband services in area where they are unavailable.

Throughout 2017, AT&T California submitted its quarterly service quality reports for *Customer Trouble Reports*, *Out of Service Repair Intervals*, and *Answer Time* standards in accordance with GO 133-D, § 3.[8] The monthly reported service quality data, compared to the Minimum Standard Reporting Levels, determines whether AT&T California is subject to fines.

Those monthly performance results and AT&T California's unique scaling factor determine the fine, which is described as follows:

1. 2017 Scaling Factor

GO 133-D assigns fine amounts using base values specified in §§ 9.3, 9.4, and 9.5, adjusted through a formula expressing the relative size of the carrier within the California market.[9] The scaling factor formula is as follows:

(Carrier's Access Lines / Total CA Access Lines) = **Carrier's Scaling Factor**

(Carrier's Scaling Factor) x (Monthly Base Fine per Measure) x (Number of Months Measure Was Not Met) = **Fine**

AT&T California reported 2,765,874 working lines, so its 2017 Scaling Factor is 41.36%.

2. GO-133-D Standards

A. <u>Installation Interval</u>

The standard for *Installation Interval*, defined in § 3.1, applies only to the GRC ILECs. AT&T California is an URF ILEC and thus this standard is not applicable.

B. <u>Installation Commitments</u>

The standard for *Installation Commitments*, defined in § 3.2, applies only to the GRC ILECs. AT&T California is an URF ILEC and thus the standard is not applicable.

C. <u>Customer Trouble Reports</u>

The *Customer Trouble Reports* standard, as defined in § 3.3, measures the number of reports a carrier receives from its customers regarding their dissatisfaction with telephone company services. The Minimum Standard Reporting Level for the *Customer Trouble Reports* standard varies based on the number of working lines per reporting unit.[10]

AT&T California met the *Customer Trouble Reports* standard in all twelve months of 2017.

	2017 Reporting for *Customer Trouble Reports*, GO 133-D, § 3.3 – Reports per 100 Working Lines

[8] GRC ILECs only must report *Installation Interval* and *Installation Commitment*, §§ 3.1 and 3.2, respectively.

[9] Annually, the Communications Division prepares a list of the total number of working telephone access lines in California from carriers' subject to GO 133-D requirements. Based on carrier size relative to the number of access lines it serves at the end of June in the reporting year, a carrier receives its unique Scaling Factor, the percentage of its customers relative to all California telephone customers. The table of carriers, working lines, and the percentage of working lines served by each carrier appears as a PDF document titled *Total Number of Access Lines in California for June 2017 from Carriers Reporting Under G.O. 133-D* found under *Reference Information* at http://www.cpuc.ca.gov/General.aspx?id=1107. (Site last visited May 31, 2018.)

[10] According to GO 133-D § 3.3(c), the Minimum Standard Reporting Levels for the *Customer Trouble Reports* standard are as follows: Six trouble reports per 100 working lines (6%) for reporting units with 3,000 or more working lines, eight reports per 100 working lines (8%) for reporting units with 1,001-2,999 working lines, and 10 reports per 100 working lines (10%) for reporting units with 1,000 or fewer working lines.

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
AT&T California	3.4%	2.8%	2.0%	1.6%	1.4%	1.2%	1.3%	1.4%	1.3%	1.3%	1.5%	1.2%

D. Out of Service Repair Interval

The *Out of Service Repair Interval*, defined in § 3.4, measures the average interval between the time a carrier responds to an out of service trouble report and the restoration of the customer's service. A carrier measures its average interval by taking the sum of the total number of out of service repair tickets restored within 24 hours and dividing by the total number of reports received. The Minimum Standard Reporting Level for the *Out of Service Repair Interval* is 90% of outages restored within 24 hours or less.

The fine structure is as follows:

Base *Out of Service Repair Interval* Fine, GO 133-D, Section 9.3		
	1 or 2 Consecutive Months Standard Not Met	3 or more Consecutive Months Standard Not Met
Fine Per Day	$0 per day	$25,000 per day
Days in a Month (for all months)	30 days	30 days
Base Fine per Month	$0	$750,000 per month

AT&T California failed to meet the *Out of Service Repair Interval* standard for the following months in 2017:

	2017 Reporting for *Out of Service Repair Interval*, GO 133-D, Section 3.4 – 90% minimum											
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
AT&T California	43.2%	42.6%	45.3%	*40.8%*	*54.2%*	**49.0%**	**43.7%**	**51.0%**	**55.7%**	**61.7%**	**55.8%**	**47.2%**

AT&T California explained that due to severe winter storms in January and February, Governor Edmund G. Brown Jr. issued State of Emergency Proclamations. As a result, under GO 133-D § 3.4(b), AT&T California excluded the months of January through March when calculating its fine.[11] In the first quarter of 2017, AT&T California reported an average *Out of Service Repair Interval* of 43.5%, far below the standard 90% of tickets restored within 24 hours or less. In the 2nd quarter, AT&T California missed achieving the minimum performance standard for all three months. Missing the *Out of Service Repair Interval* for the third consecutive month in June, put AT&T California in "chronic failure status." AT&T California failed to achieve the minimum 90% standard for the 3rd and 4th Quarters and as a result, continued in "chronic failure status" for the remainder of 2017.

Consequently, AT&T California calculated its fine based on the seven months it was in "chronic failure status" for failure to meet the *Out of Service Repair Interval* standard from June through December in 2017. Staff agrees with AT&T California's fine calculation for its substandard performance, which is as follows:

(Scaling Factor 41.36%) X (Monthly Base Fine per Measure $750,000)

X (Number of Months Measure Was Not Met 7) = Fine of $2,171,400[12]

E. Answer Time for Trouble Reports and Billing and Non-Billing Inquiries

The *Answer Time* standard, defined in § 3.5, measures the amount of time it takes for an operator to answer the phone when customers call a business office for billing and non-billing inquiries or a repair office for trouble reports. The value is calculated as an average answer time of a sample of the answering interval of calls to business and repair offices that is representative of the reported period.

The Minimum Standard Reporting Level for *Answer Time* is 80% of calls answered by an operator within 60 seconds when speaking to a live agent, or 80% of calls answered within 60 seconds when speaking to a live agent after completing an interactive voice response or automatic response unit system.

Base *Answer Time* Fine, GO 133-D, Section 9.5

[11] Under § 3.4(b), a carrier may exclude months when a catastrophic event occurs, such as a declared state of emergency, which affects its ability to achieve the minimum standard(s). A catastrophic event ends when the trouble ticket level returns to the average level three months prior to the catastrophic event. The Governor issued two Emergency Proclamations on January 23, 2017, and another on March 19, 2017, due to the severe winter storms and significant rainfall.

[12] Staff calculated the actual fine amount as $2,171,400, however Advice Letter 47212 p.1 states, "AT&T has calculated its potential fine at $2,200.000, with a corresponding Alternative Investment amount of two times the fine, or $4,400,000." The difference is merely due to rounding.

	1 or 2 Consecutive Months	3 to 5 Consecutive Months	6 to 8 Consecutive Months	9 to 11 Consecutive Months	12 or More Consecutive Months
Fine Per Day	$0 per day	$500 per day	$1,000 per day	$1,500 per day	$2,000 per day
Days in a Month (for all months)	30 days	30 days	30 days	30 days	30 days
Base Fine per Month	$0	$15,000	$30,000	$45,000	$60,000

AT&T California's results for the Answer Time standard in 2017 are as follows:

	2017 Reporting for *Answer Time*, GO 133-D Section 3.4 – 80% minimum											
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
AT&T California	65.1%	68.8%	70.6%	82.8%	86.6%	83.1%	86.2%	89.0%	81.9%	88.3%	90.0%	85.6%

AT&T California failed to meet the *Answer Time* standard from January through March in 2017. The company excluded January through March from its reported *Answer Time* results per § 3.4(b) for catastrophic events due to the severe winter storms and the subsequent Governor's Emergency Proclamations. However, AT&T California met the *Answer Time* standard in the remaining months of a year and thus incurred no fine. Staff agrees with AT&T California's calculation for the *Answer Time* standard.

3. Staff Concerns with AT&T California's Initial Proposal

In lieu of paying a fine, AT&T California filed AL 47212, its alternative investment proposal allowed under Section 9.7 of GO 133-D. AT&T California asserted in AL 47212, that its investments would be "focused on projects that will improve the communications infrastructure over which traditional telephone service is provided." However, rather than identify a specific project area that would address a failed service quality measurement, AT&T California proposed to prioritize their investments by focusing on the top 20% of distribution areas with the highest maintenance costs resulting from trouble reports.[13] Staff shared its concern with AT&T California that their initial proposal failed to include a list of specific projects in the AL which addressed poor service quality in those central offices that have experienced lengthy and/or repeated outages.

On April 18, 2018, Staff sent a data request asking AT&T California to provide their original budgetary forecasts and schedule for construction and rehabilitation projects in 2018 and 2019. AT&T California replied to the data request on April 30, 2018 and provided the initial results

[13] Advice Letter 47212 p.3.

of repair work completed in the first quarter of 2018. Their reply, however, did not include a list of planned projects focused on the rehabilitation of poor performing central offices. The company stated they do not budget for specific projects; all project work is identified on a rolling basis and reprioritized based on the ability to reduce high maintenance costs.[14]

On June 28, 2018, Staff met with AT&T California to discuss staff's analysis of the worst performing central offices in 2017. Staff defined the "worst" based on the number of outages lasting more than 24 hours for every access line served by each central office, and then ranked each of these central offices by the "worst" over the years 2014-2017. Staff used AT&T California's reported Out of Service data to calculate and determine the list of the company's 50 worst performing central offices. Out of these central offices, 32 appeared in the category of "worst" for at least three of the four years. At the conclusion of the June 28 meeting, Staff advised AT&T California to file a supplemental advice letter containing a list of specific construction and rehabilitation projects based on these 32 central office areas.

4. Supplemental AT&T California's Revised Alternative Proposal for Mandatory Corrective Action

On July 31, 2018, AT&T California filed AL Supplement 47212A and committed to performing construction and engineering projects in each of the 32 central office areas previously identified by Staff.[15] In its revised proposal, AT&T California will identify specific projects using existing business practices previously mentioned and improve service quality by reducing the frequency of initial and repeat repair tickets. AT&T did not propose to spend the entire reinvestment amount in the "worst" central offices analyzed by staff. Staff believes the proposed $4,400,000 investment is significant and has the potential to improve AT&T California's service quality in a measurable way, albeit with the CPUC and AT&T California using different measurement methodologies.[16]

AT&T California explained that the projects comprising the $4,400,000 investment will be incremental expenditures because they would be above and beyond the company's current funding levels and would not otherwise be addressed. In addition, the total planned investment is twice the minimum fine amount of $2,200,000. After reviewing the submitted information, Staff accepts AT&T California's explanation regarding these future projects being incremental expenditures.

[14] Advice Letter 47212 p.3 and AT&T California Data Request Reply p.2.

[15] Under D.16-08-024, GO 66-D, and P.U. Code § 583, regarding the treatment of confidential treatment, AT&T California properly filed an Attestation to the sensitive nature of the Supplement's project information related to the network facilities, the specific investment improvements, and the financial information for the construction. Staff accepted the Attestation and, therefore, specific project information is excluded from this Resolution. *Appendix A-2* shows AT&T California's service area within which the company has planned its investment projects.

[16] In the meetings regarding this work, the CPUC will be monitoring the quarterly results of the out of service measure submitted by AT&T California, who will be fixing lines based on initial and repeat trouble tickets.

Staff accepts AT&T California's commitments in AL 47212A to complete all service quality improvement projects within the two years specified by GO 133-D, as well as to hold quarterly meetings with Staff to review the progress of all the projects.[17]

AT&T California will demonstrate improved results from the project areas to the Commission through its quarterly GO 133-D service quality reports. In two years, AT&T California will file a Tier II advice letter demonstrating the results of their proposed projects to measurably improve service quality in its network.

If any of the project areas approved by the Commission are not addressed, or otherwise fail to improve AT&T California's service quality in a measurable way, the Commission may consider further penalties and other enforcement actions. The Commission may also choose to reject a later years' proposal for suspension of the fine using the § 9.7 Alternative Proposal for Mandatory Corrective Action.

SAFETY CONSIDERATIONS

Failure to meet the GO 133-D service quality standards limits customers' ability to contact E9-1-1 services and restricts public safety personnel from communicating with each other in the event of emergencies or major disasters. This proposal may improve safety by increasing network reliability.

CONCLUSIONS

Staff recommends Commission approval of AT&T California's AL 47212 for Year 2017 GO 133-D fines according to its submitted plan of an alternative proposal for mandatory correction action. AT&T California will commence projects worth $4,400,000 to be completed within 2 years.

COMMENTS

In compliance with Public Utility Code § 311(g), the Commission emailed a notice letter on August 24, 2018, informing all parties on the carrier service list of the availability of this

[17] And, although we do not require it at this time, we strongly encourage—and may take future steps to require—AT&T California to ensure that it has an adequately-sized workforce of experienced employees with the appropriate training and skills to provide uninterrupted telecommunications service. The California Legislature recently required as much of electric and gas utilities (see Sen. Bill No. 901 (2017-2018 Reg. Sess.) § 34), and we see no reason why the conclusions reached there would not hold for communications utilities too. Thus, we encourage AT&T California to limit its use of outside contractors to situations where AT&T California technicians are unavailable, or where they lack the necessary skills or equipment to do the work.

We also encourage AT&T California to report its use of outside contractors to Communications Division staff. It would be most useful if those reports contained information such as (1) which projects used outside contractors; (2) the name of the contracting companies; (3) the type of work performed; (4) the dollar amount spent by AT&T California on contracted work; (5) the number of contracted employees performing the work; (6) the total contracted work hours performed; (7) the wages paid to contracted employees; and (8) the cost and terms of employee benefit plans (e.g. medical, savings, pension) offered to contracted employees. Communications Division staff may issue data requests if these reports are not forthcoming, or to supplement the information these reports contain.

Resolution for public comments at the Commission's website www.cpuc.ca.gov. The notice letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

Comments were filed on September 17, 2018 by the Public Advocates (PA) Office. The PA Office had three recommendations.

> First, the PA Office recommends the Commission require AT&T to invest in the areas that are the leading causes of non-compliance with GO 133-D. These areas include those with the highest rate of repeat trouble reports, as well as those experiencing lengthy and/or repeat outages.
>
> Second, the PA Office recommends the Commission require AT&T to file supporting documents along with its Tier II Advice Letter demonstrating improved service quality results. These supporting documents are to include a list of completed projects, financial data to demonstrate that the project investments were incremental expenses and GO 133-D reports to demonstrate improved service quality in the areas of investment.
>
> Third, the PA Office recommends the Commission consider further penalties if AT&T does not carry out investments in the locations agreed upon or if service quality does not improve in a measurable way, as would be indicated in AT&T's GO 133-D reports.

In response to the PA Office's comment that AT&T be compelled to invest in specific central offices areas, Staff notes that Ordering Paragraph 4 requires that AT&T shall, at minimum, perform service quality improvement projects in each of the thirty-two central office areas identified in AL 47212A. Furthermore, AT&T has committed to prioritizing their investments by focusing on the top 20% of distribution areas with the highest maintenance costs resulting from trouble reports.[18]

Staff supports the recommendation to require AT&T to include supporting financial documentation and GO 133-D reports in their Tier II Advice Letter. This will allow for a more thorough analysis of AT&T's investments and help Staff determine whether the company's projects improved service quality in a measurable way.
Lastly, Staff agrees with the PA Office to consider further penalties or other enforcement action if AT&T does not complete their projects in the thirty-two central office areas identified in AL 47212A and/or fails to improve service quality in a measurable way within two years.

FINDINGS

1. General Order 133-D, § 9.6 directs any telephone corporation whose performance does not meet the minimum standards to submit annually by February 15 of the following year a Tier II Advice Letter that shows by month each service quality measurement that it did not meet the minimum standard and the applicable fine.

[18] Advice Letter 47212 p. 3.

2. On February 16, 2018, AT&T California (U-1001-C) filed Advice Letter 47212, which calculated a total fine amount of $2,200,000 and included its alternative proposal for mandatory corrective action under General Order 133-D § 9.7.
3. The total calculated fines for each of the service quality standards are as follows:

Service Quality Standard	AT&T California (U-1001-C)
Installation Interval	$0
Installation Commitments	$0
Customer Trouble Reports	$0
Out of Service Repair Interval	$2,200,000
Answer Time	$0
TOTAL	$2,200,000

4. In Advice Letter 47212, AT&T California proposed to invest $4,400,000 on projects that would improve the communications infrastructure used to provide traditional telephone service.
5. On March 7, 2018, the Office of Ratepayer Advocates filed a protest stating the alternative proposal for mandatory corrective action did not satisfy the requirements of GO 133-D § 9.7.
6. On March 9, 2018, AT&T California replied to the protest from the Office of Ratepayer Advocates by stating the proposed $4,400,000 investment will be directed towards projects in areas with higher trouble report rates and maintenance costs. AT&T California also stated their investment will not change the availability of tariffed wireline services.
7. AT&T California's investment priority for selecting projects will be determined by focusing on their top 20% of distribution areas with the highest maintenance costs resulting from trouble reports.
8. On April 18, 2018, Staff sent a data request asking for AT&T California's budgetary forecasts and schedule for construction and rehabilitation projects in 2018 and 2019.
9. AT&T California replied to Staff's data request on April 30, 2018, but did not include a list of current or planned projects for 2018 and 2019. AT&T California stated they do not budget for specific projects because they are identified on a rolling basis and reprioritized based on greater effects and returns.
10. On June 28, 2018, Staff advised AT&T California to file a supplemental advice letter containing a list of specific projects based on those thirty-two central offices with the highest number of outages lasting more than 24 hours for every access line served over the years 2014 – 2017.

11. On July 31, 2018, AT&T California filed Advice Letter Supplement 47212A, in which it committed to performing service quality improvement projects in each of the thirty-two central office areas previously identified by Staff. However, AT&T California is not required to spend the entire $4,400,000 investment solely within these thirty-two areas.
12. Staff determined that even though AT&T California did not include specific projects in Advice Letter Supplement 47212A, the $4,400,000 investment is significant and has the potential to improve the company's service quality in a measurable way.
13. AT&T California stated their projects could be completed within two years, are incremental compared to the company's normal level of funding, and would not otherwise be addressed.
14. AT&T California agreed to hold regular quarterly meetings with Staff in order to review the progress of all projects and ensure they remain on schedule.
15. AT&T California will demonstrate improved service quality results upon completion of the projects through a Tier II advice letter filing.
16. If AT&T California's service quality in the thirty-two project areas approved by the Commission does not improve in a measurable way within two years, the Commission may consider proposing further penalties or other enforcement actions.
17. On August 24, 2018, the Commission emailed a draft of this Resolution to all parties in the carrier service list for public comments. The Communications Division received comments on this resolution from the Public Advocates (PA) Office.

THERFORE, IT IS ORDERED that:

1. The California Public Utilities Commission approves AT&T California's (U-1001-C) Advice Letter 47212 which calculates its total fine amount of $2,200,000 and includes its alternative proposal for mandatory corrective action under General Order 133-D for Year 2017.
2. Under General Order 133-D § 9.7, AT&T California shall invest no less than twice the amount of its calculated $2,200,000 on projects that will improve service quality in a measurable way within its service territory.
3. All service quality improvement projects, with a total estimated investment of $4,400,000, shall be completed within two years of the adoption of this Resolution.
4. AT&T California shall, at minimum, perform service quality improvement projects in each of the thirty-two central office areas identified in AL 47212A.
5. AT&T California shall hold quarterly meetings with Staff to review the progress of all projects and ensure they remain on schedule.
6. AT&T California shall file a Tier II advice letter upon completion of all projects to demonstrate improved service quality results.

This Resolution is effective today.

I hereby certify that the California Public Utilities Commission adopted this Resolution at its regular meeting on __________. The following Commissioners approved it:

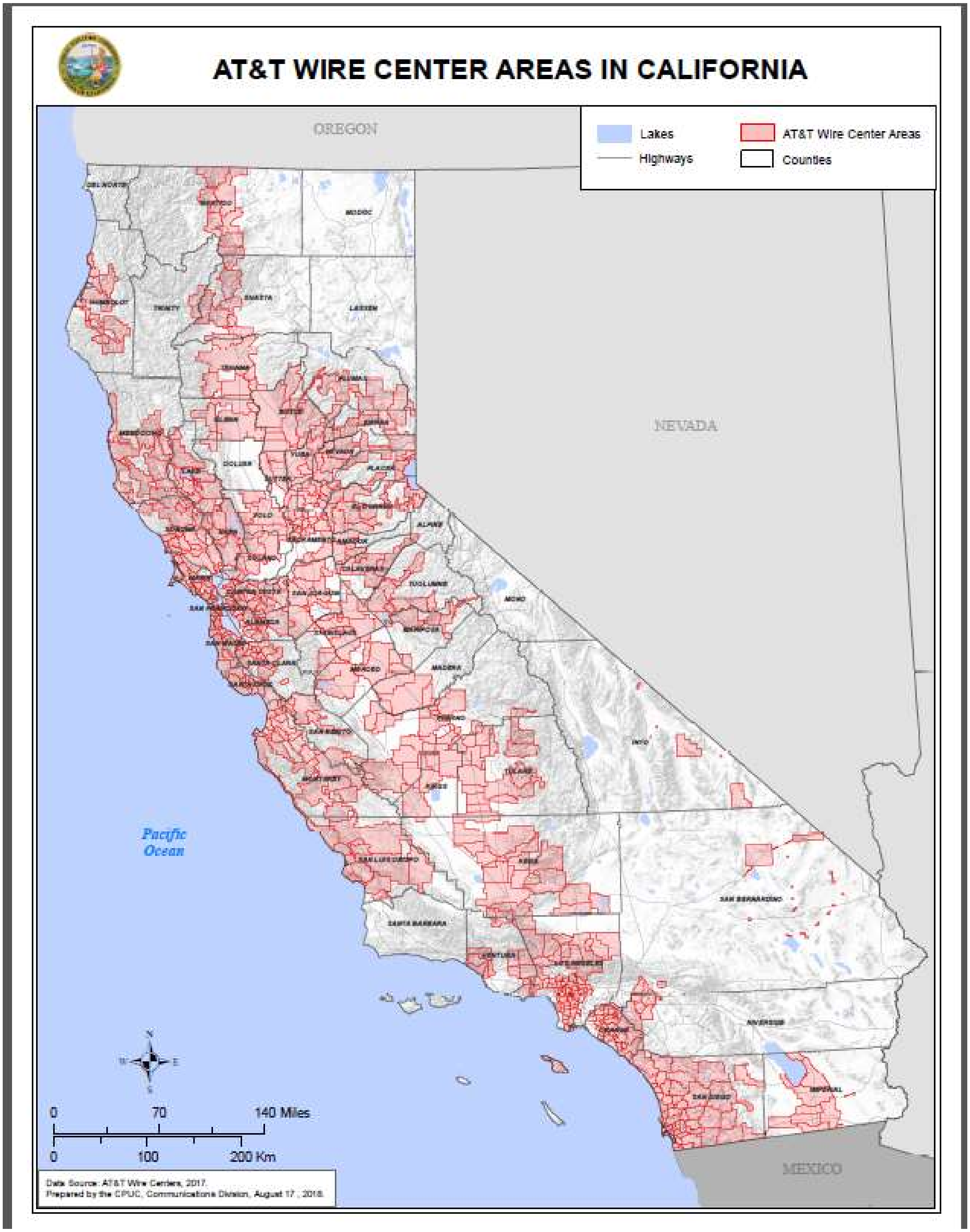
Alice Stebbins
Executive Director

APPENDIX

Annualized GO 133-C and GO 133-D Reported Service Quality Results, 2014 - 2017

			2014					2015					2016					2017				
Type	Company Name	Utility Number	Installation Interval (days)	Installation Commitment	Customer Trouble Reports	Out of Service Repair Interval	Answer Time	Installation Interval (days)	Installation Commitment	Customer Trouble Reports	Out of Service Repair Interval	Answer Time	Installation Interval (days)	Installation Commitment	Customer Trouble Reports	Out of Service Repair Interval	Answer Time	Installation Interval (days)	Installation Commitment	Customer Trouble Reports	Out of Service Repair Interval	Answer Time
URF ILEC	AT&T California	U-1001-C			1.45%	60%	79%			1.39%	65%	88%			1.50%	56%	82%			1.72%	48%	81.5%
	Frontier Citizens	U-1024-C			0.88%	82%	74%			0.86%	77%	71%			0.78%	83%	70%			0.82%	65%	71%
	Frontier Southwest	U-1026-C			1.15%	83%	74%			0.97%	88%	71%			1%	84%	70%			1.1%	75%	71%
	Surewest/Consolidated	U-1015-C			1.28%	93%	89%			0.77%	86%	53%			0.85%	87%	71%			0.79%	93%	77%
	Verizon/Frontier California	U-1002-C			0.98%	68%	64%			0.90%	73%	72%			0.77%	57%	56%	Exempt		0.82%	63%	71%
URF CLEC	ACN Communications	U-6342-C			1.08%	5%	63%			0.72%	3%	60%			1.12%	5%	64%			1.17%	5%	58%
	Advanced Telecom	U-6083-C			0.65%	70%	--			--	--	--			--	--	--			--	--	--
	Astound	U-6184-C			2.27%	94%	48%			--	--	--			--	--	--			--	--	--
	AT&T Corporation	U-5002-C	Exempt		1.52%	76%	80%	Exempt		1.60%	72%	71%	Exempt		2.45%	75%	--			1.65%	52%	91%
	Time Warner Cable	U-6674-C			--	--	--			--	--	--			0.51%	91%	94%	8.10	99%	.70%	85%	93%
	Charter Fiberlink	U-6878-C			--	--	--			--	--	--			--	--	--	5.58	98%	4.19%	72%	73%
	Bright House	U-6995-C			--	--	--			--	--	--			--	--	--	2.73	95%	.25%	64%	80%
	Cox California	U-5684-C			2.30%	92%	--			1.70%	89%	86%			1.70%	88%	--			1.46%	95%	93%
	Electric Lightwave	U-5377-C			0.92%	73%	--			--	--	--			--	--	--			--	--	--
	Paetec Communications	U-6097-C			0.94%	94%	64%			0.96%	95%	56%			0.98%	94%	--			.04%	94%	62%
	Sonic Telecom	U-7002-C			0.93%	59%	62%			0.13%	43%	78%			0.34%	56%	82%	Exempt		.42%	48%	94%
	Telscape Communications	U-6589-C			4.40%	40%	61%			3.19%	25%	60%			--	--	--			--	--	--
GRC ILEC	Calaveras Telephone	U-1004-C	1.18	100%	0.43%	100%	--	2.21	100%	0.29%	100%	--	1.46	100%	0.19%	100%	--	1.37	100%	.12%	98%	--
	Cal-Ore Telephone	U-1006-C	2.39	97%	1.67%	95%	--	2.15	99%	1.94%	95%	--	1.96	98%	1.82%	98%	--	2.11	97%	1.33%	100%	--
	Frontier West Coast	U-1020-C	2.22	98%	0.72%	83%	74%	2.31	98%	0.68%	84%	--	--	--	--	--	--	--	--	--	--	--
	Ducor Telephone	U-1007-C	1.93	100%	0.86%	95%	--	0.22	100%	0.89%	98%	--	2.4	100%	0.13%	99%	--	0.14	100%	.92%	99%	--
	Foresthill Telephone	U-1009-C	1.49	100%	0.99%	98%	--	1.5	100%	1.06%	99%	--	1.54	100%	1.14%	95%	98%	1.83	97%	1.44%	93%	--
	Happy Valley Telephone	U-1010-C	2.66	99%	1.33%	94%	75%	2.74	100%	3.05%	95%	85%	2.8	100%	1.11%	92%	--	3.0	100%	1.60%	94%	--
	Hornitos Telephone	U-1011-C	4.07	96%	2.53%	95%	75%	2.89	99%	4.82%	94%	85%	2.72	100%	3.39%	92%	--	3.32	100%	2.7%	94%	--
	Kerman Telephone	U-1012-C	3.52	99%	0.90%	99%	--	2.86	100%	0.76%	97%	--	1.95	98%	1.54%	97%	99%	1.60	98%	1.03%	93%	--
	Pinnacles Telephone	U-1013-C	0.52	100%	0.16%	100%	--	0.71	100%	0.50%	100%	--	0.45	100%	0.24%	100%	--	1.14	100%	.80%	100%	95%
	Ponderosa Telephone	U-1014-C	2.36	100%	0.79%	93%	--	2.51	100%	0.68%	97%	--	2.27	100%	1.28%	91%	--	2.32	99%	1.47%	98%	--
	Sierra Telephone	U-1016-C	1.08	100%	0.58%	98%	91%	1	100%	0.65%	98%	--	0.96	99%	0.82%	98%	88%	2.16	99%	.99%	99%	93%
	Siskiyou Telephone	U-1017-C	0.93	100%	0.31%	98%	--	0.91	100%	0.26%	100%	--	0.74	100%	0.25%	100%	--	0.70	100%	.004%	98%	--
	Volcano Telephone	U-1019-C	1.02	100%	0.54%	95%	92%	1.3	100%	0.30%	89%	90%	1.44	100%	0.29%	76%	83%	1.20	100%	.88%	71%	85%
	Winterhaven Telephone	U-1021-C	1.96	100%	1.99%	96%	76%	2.18	100%	1.89%	98%	89%	3.17	100%	1.82%	98%	--	3.29	98%	2.52%	98%	--

Reported data is **In Compliance** or **Out of Compliance**



(End of Appendices)