

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE INVESTIGATION ON)
THE MOTION OF THE COMMISSION INTO THE)
ADEQUACY OF BASIC TELECOMMUNICATIONS) PSC DOCKET NO. 08-194
SERVICES PROVIDED BY VERIZON DELAWARE)
LLC (OPENED AUGUST 19, 2008))

ORDER NO. 7433

AND NOW, to-wit, this 19th day of August, 2008, the Commission, upon its own motion, for the reasons set forth herein below, enters the following Order:

WHEREAS, Commission Staff conducts periodic reviews of the service quality performance of Verizon Delaware LLC ("Verizon"), especially regarding complaints of outages in areas served by older, copper telecommunications facilities; and

WHEREAS, on July 8, 2008, Staff presented to the Commission the results of its latest periodic review of Verizon's service quality, as reflected in Staff's July 8, 2008 memorandum to the Commission; and

WHEREAS, the results indicate that while "service quality issues have improved on the whole, with few exceptions, since Staff and Verizon started [the review] process,"¹ the number of service complaints have trended upward since 2002² and, since 2006, Verizon has consistently failed to meet the Commission-established service

¹Staff's July 8, 2008 memorandum, at 2.

²Staff's July 8, 2008 memorandum, at first attached graph.

objective³ for "out-of-service trouble reports cleared in 24 hours"⁴ and, at times, has missed the established objective for "repeated trouble reports;"⁵ and

WHEREAS, the Commissioners individually continue to hear complaints from Verizon customers concerning service quality and, at times, have experienced Verizon service quality incidents firsthand;⁶ and

WHEREAS, under 26 Del. C. § 201(a), the Commission has exclusive original supervision and regulation over all jurisdictional public utilities and that such authority encompasses supervision over the utility's property rights, equipment, facilities, and franchise; and

WHEREAS, under 26 Del. C. §§ 206 and 308, the Commission may, upon its own motion, at any time it deems such action to be in the public interest, institute a proceeding to consider the efficiency, sufficiency, and adequacy of the facilities and services of a public utility and, if it finds that such facilities or services are inefficient, insufficient, or inadequate, may impose such penalty upon

³See the Commission's *Regulations Governing the Minimum Service Requirements for the Provision of Telephone Service for Public Use within the State of Delaware* PSC Order No. 3232 (Jan. 15, 1991); PSC Regulation Docket No. 20 ("*Service Rules*").

⁴Staff's July 8, 2008 memorandum, at 6th attached graph (marked as proprietary by Verizon). The Commission's *Service Rules*, at Section 5.5(5)(C), call for at least 90% of out-of-service trouble reports to be cleared within 24 hours of notification.

⁵Staff's July 8, 2008 memorandum, at 5th attached graph (marked as proprietary by Verizon). The Commission's *Service Rules*, at Section 5.5(5)(D), call for a maximum of 20% for the ratio of repeated trouble reports to the total customer trouble reports for residential lines.

⁶July 8, 2008 Commission meeting transcript, at 10, 11, 18, 29, 31.

the public utility as may be necessary to restore such facilities and services to a state of efficiency, sufficiency, or adequacy; and

WHEREAS, despite Verizon's election, under 26 Del. C. § 704 (as amended by 76 Del. Laws ch. 272 (June 30, 2008)), to be regulated as to its rates and prices under the *Telecommunications Technology Investment Act*,⁷ Verizon remains subject to 26 Del. C. §§ 201, 206 and 308 regarding its offering of basic services;⁸ and

Now, therefore, **IT IS HEREBY ORDERED**:

1. That the Commission, finding such action to be in the public interest, hereby establishes this docket for an investigation into the efficiency, sufficiency, and adequacy of basic services provided by Verizon Delaware LLC over its copper facilities and to consider whether or not the Commission should, pursuant to 26 Del. C. § 308, upon a finding that such facilities or services are inefficient, insufficient, or inadequate, impose upon Verizon such penalty deemed necessary to restore such facilities and services to a state of efficiency, sufficiency, and adequacy.

2. That the Commission, as a part of the proceedings in this Docket, will also investigate the extent to which Verizon Delaware LLC has met, and will in the future comply with, the objectives and reporting requirements set forth in the Commission's *Regulations Governing the Minimum Service Requirements for the Provision of Telephone Service for Public Use within the State of Delaware*, including (but not limited to) a review of customer service practices

⁷Codified at 26 Del. C. § 704, et. seq.

utilized by call center customer service representatives and, in particular, how Verizon "closes out" customer complaints.

3. That, pursuant to 26 Del. C. § 502 and 29 Del. C. ch. 101, Ruth Ann Price is designated as Hearing Examiner for this matter, to conduct such proceedings as may be necessary to afford Verizon Delaware LLC a fair opportunity to present evidence intended to show that its facilities and basic services should not be found to be insufficient and inadequate so as to cause the Commission to impose such penalty as the Commission may deem necessary to restore such service and facilities to a state of adequacy. The Hearing Examiner shall, on the basis of the evidence presented, recommend proposed findings and conclusions for consideration by the Commission, to include what penalty, if any, should be imposed by the Commission pursuant to 26 Del. C. §§ 207 or 308, or whether or not the utility is in compliance with the provisions of the Commission's *Regulations Governing the Minimum Service Requirements for the Provision of Telephone Service for Public Use within the State of Delaware*. During such proceedings, the Hearing Examiner may specifically consider any service complaints by customers of Verizon Delaware LLC relating to its copper facilities or related service quality for basic services. Senior Hearing Examiner Price is specifically delegated the authority to grant or deny petitions seeking leave to intervene and to determine the form and manner of public notice under 26 Del. C. § 102A. Francis J. Murphy, Esquire, is designated as Rate Counsel.

⁸See 26 Del. C. § 707(a), as amended.

