

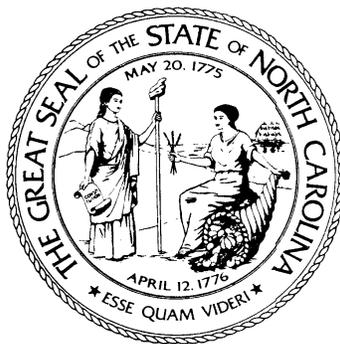
***REPORT OF THE
NORTH CAROLINA UTILITIES COMMISSION***

TO

***THE JOINT LEGISLATIVE
UTILITY REVIEW COMMITTEE***

RE:

***THE STATUS OF TELECOMMUNICATIONS SERVICE
IN A CHANGING COMPETITIVE ENVIRONMENT***



October 2009



State of North Carolina Utilities Commission

COMMISSIONERS
EDWARD S. FINLEY, JR., Chairman
ROBERT V. OWENS, JR.
LORINZO L. JOYNER

4325 Mail Service Center
Raleigh, N. C. 27699-4325

COMMISSIONERS
WILLIAM T. CULPEPPER, III
BRYAN E. BEATTY
SUSAN W. RABON
TONOLA D. BROWN-BLAND

October 1, 2009

Mr. Steven J. Rose, Committee Counsel
Joint Legislative Utility Review Committee
State Legislative Office Building
Raleigh, North Carolina 27611

Dear Mr. Rose:

The Utilities Commission hereby presents fifteen copies of its 2009 Report to the Joint Legislative Utility Review Committee regarding the status of telecommunications service in a changing competitive environment. I understand that you will distribute the copies to the members of the Committee.

The report is being provided pursuant to Section 6.1 of House Bill 161 (Chapter 27 of the 1995 Session Laws) requiring that "[O]n October 1, 1997, and every two years thereafter, the Utilities Commission and the Public Staff shall each provide a report to the Joint Legislative Utility Review Committee summarizing the procedures conducted pursuant to the provisions of this act during the preceding two years ending on July 1 immediately preceding the report date." Section 6.1 also directs the reports to recommend whether the provisions of House Bill 161 "should be continued, repealed, or amended."

Thank you for your assistance.

Respectfully submitted,

A handwritten signature in black ink that reads "Edward S. Finley, Jr." with a stylized flourish at the end.

Edward S. Finley, Jr.
Chairman

ESFjr/JDL

cc: Robert P. Gruber, Executive Director, Public Staff
The Honorable Roy A. Cooper, Attorney General

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PART I.

INTRODUCTION

On April 6, 1995, the General Assembly ratified House Bill 161 (HB 161). Section 6.1 of HB 161 provides that:

On October 1, 1997, and every two years thereafter, the Utilities Commission and the Public Staff shall each provide a report to the Joint Legislative Utility Review Committee summarizing the procedures pursuant to the provisions of this act during the preceding two years ending on July 1 immediately preceding the report date. The reports shall recommend whether the provisions of this act should be continued, repealed, or amended.

This Report has been prepared and is being submitted in compliance with this Section.

As with previous Reports, the North Carolina Utilities Commission (Utilities Commission or Commission) has not confined this Report to matters arising out of North Carolina's HB 161 alone but has addressed certain matters arising out of federal regulation pursuant to the Telecommunications Act of 1996 (TA96). This is necessary in order to gain a complete perspective on the ongoing evolution in telecommunications regulation.

It has now been more than 14 years since the passage of HB 161, and the regulatory environment in which the Utilities Commission operates in telecommunications has evolved considerably. In addition to intramodal landline competition from competing local providers (CLPs), incumbent local exchange companies (ILECs) under our jurisdiction face intermodal competition from wireless, cable, and Voice-over-Internet Protocol (VoIP). TA96 vests in the Commission authority to conduct arbitrations with respect to disputed terms and conditions in interconnection agreements and to approve those that have been negotiated; but the Federal Communications Commission (FCC) is empowered to promulgate the general framework in which those arbitrations and many other telecommunications matters take place. Because of provisions in federal and/or state law, the Commission does not regulate either wireless service, cable television, long distance service, or broadband service, reflecting a movement toward greater reliance on market forces.

Finally, the General Assembly in its 2009 Session passed House Bill 1180 (Session Law 2009-238). Called the "Consumer Choice and Investment Act of 2009", this law allows ILECs and CLPs to elect a new form of regulation that substantially deregulates their "rates, terms, and conditions", subject to certain specific exceptions. This new law is examined more closely in Part VII of this Report.

PART II.

PRICE REGULATION PLANS

Since HB 161 became effective on July 1, 1995, the Utilities Commission has authorized Price Regulation Plans for the following 13 regulated local exchange companies: Barnardsville Telephone Company (Barnardsville), BellSouth Telecommunications, Inc. (d/b/a AT&T of North Carolina), Carolina Telephone and Telegraph Company (Carolina), Central Telephone Company (Central), Concord Telephone Company (Concord), LEXCOM Telephone Company (LEXCOM), MEBTEL, Inc. (MEBTEL), North State Telephone Company (North State), Randolph Telephone Company (Randolph), Saluda Mountain Telephone Company (Saluda Mountain), Service Telephone Company (Service), Verizon South, Inc. (Verizon), and Windstream, Inc. (Windstream, f/k/a ALLTEL). The only ILECs that remain under rate-of-return regulation include Citizens Telephone Company (Citizens), Ellerbe Telephone Company (Ellerbe), and Pineville Telephone Company (Pineville).

Since our last Report, the Commission approved an initial price regulation plan for LEXCOM. This plan is similar to the modified plan in effect for Verizon.

Since our last Report, the Commission also approved a modified price regulation plan for AT&T which significantly reduced the regulatory constraints on the Company. In that regard, AT&T filed a Petition for Further Detariffing of Services and Modifications to Its Presently Approved Price Plan on April 23, 2007. In its Petition, AT&T sought Commission approval to:

- (A) move three specific types of services from their present price plan baskets to the Total Pricing Flexibility basket, including: (1) individual line residence (1FR) and individual line business (1FB) service for customers in Rate Group 10, defined as those with more than 150,000 exchange access lines within their basic local calling area; (2) stand-alone custom calling features for residential customers; and (3) local operator services (excluding verification and interrupt). All services in the Total Pricing Flexibility basket are detariffed;
- (B) allow automatic movement of headroom between service baskets; and
- (C) eliminate the penalty provisions associated with retail service quality measures at the conclusion of the 2007-2008 plan year (May 2008).

On May 2, 2007, the Commission issued its *Order on Procedure* wherein the Commission established a schedule for comments and affidavits to be filed on the Petition. The Public Staff, the Attorney General, the Department of Defense and all other Federal Executive Agencies (DOD/FEA), and Verizon filed comments in June 2007. AT&T filed responsive comments on July 27, 2007. The Public Staff and the DOD/FEA filed responsive comments on August 17, 2007. AT&T filed further comments on August 31, 2007. Briefs and Proposed Orders were filed on

October 5, 2008. An oral argument was held on November 27, 2007. AT&T filed a proposed revised price plan on December 10, 2007 and comments were received on the proposed revised plan.

By Order dated April 14, 2008, the Commission approved a revised plan which:

- Allowed AT&T to move residential basic local exchange service for Rate Group 10 from the Moderate Pricing Flexibility Services basket to the High Pricing Flexibility Services basket;
- Allowed AT&T to move business basic local exchange service for Rate Group 10 from the Moderate Pricing Flexibility Services basket to the Total Pricing Flexibility Services basket;
- Required AT&T to continue to maintain tariffs for all basic local exchange services in accordance with G.S. 62-133.5(d);
- Included an indefinite waiver of the ratchet provision of G.S. 62-133.5(c) as a condition precedent to the Commission's decision concerning the movement of basic local residential and business exchange services contained herein;
- Allowed AT&T to move its stand-alone custom calling (vertical) features and Touchstar^R services for all residential customers from the High Pricing Flexibility Services basket to the Total Pricing Flexibility Services basket;
- Allowed AT&T to move its local operator services (excluding verification and interrupt) from the High Pricing Flexibility Services basket to the Total Pricing Flexibility Services basket;
- Allowed a suspension of the operation of AT&T's self-effectuating service quality penalties provision until further Order of the Commission without the removal of existing Section XI from AT&T's price regulation plan;
- Included an indefinite waiver of the ratchet provision of G.S. 62-133.5(c) as a condition precedent to the Commission's decision to suspend operation of the self-effectuating penalties provision of AT&T's price regulation plan; and
- Denied AT&T's request to be allowed to automatically move headroom from the Moderate Pricing Flexibility Services basket to the High Pricing Flexibility Services basket.

AT&T agreed to the Commission's proposed price regulation plan and filed a compliant plan on May 16, 2008. AT&T's revised price regulation plan became effective on May 19, 2008.

In summary, the following chart details the current regulatory status of the 16 ILECs in the State:

Company Name	Type of Regulation	Price Plan Docket Number
AT&T	Price Regulation Plan	P-55, Sub 1013
Barnardsville	Price Regulation Plan	P-75, Sub 63
Carolina	Price Regulation Plan	P-7, Sub 825
Central	Price Regulation Plan	P-10, Sub 479
Citizens	Rate-of-Return	Not Applicable
Concord	Price Regulation Plan	P-16, Sub 181
Ellerbe	Rate-of-Return	Not Applicable
Lexcom	Price Regulation Plan	P-31, Sub 145
Mebtel	Price Regulation Plan	P-35, Sub 96
North State	Price Regulation Plan	P-42, Sub 137
Pineville	Rate-of-Return	Not Applicable
Randolph	Price Regulation Plan	P-61, Sub 89
Saluda Mountain	Price Regulation Plan	P-76, Sub 53
Service	Price Regulation Plan	P-60, Sub 73
Verizon	Price Regulation Plan	P-19, Sub 277
Windstream	Price Regulation Plan	P-118, Sub 86

All 13 Commission-approved price regulation plans contain a section which institutes a self-enforcing penalties mechanism wherein a company's yearly average statewide service results must meet ten (Barnardsville, Concord, LEXCOM, Mebtel, Randolph, Saluda Mountain, Service, Verizon, and Windstream) or eight (AT&T¹, Carolina, Central, and North State) service quality objectives to avoid the imposition of monetary penalties.

¹ Under AT&T's currently approved price regulation plan, collection of any penalties has been suspended until the Commission, on its own motion or upon the petition of any other party, lifts the suspension and revives the assessment of penalties on a prospective basis.

Further, the following chart summarizes the pricing constraints for basic local residential and business exchange service in each of the 13 price regulation plans:

Company	Basic Residential Service Basket	Pricing Rules For Basic Residential Service ²	Basic Business Service Basket	Pricing Rules For Basic Business Service ²
AT&T	Moderate	1.5 x inflation / 10% ³	Moderate	1.5 x inflation / 10% ⁴
Barnardsville	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Carolina	Basic	% change in inflation / 12%	Basic	% change in inflation / 12%
Central	Basic	% change in inflation / 12%	Basic	% change in inflation / 12%
Concord	Moderate	1.0 x inflation / 12%	Moderate	1.0 x inflation / 12%
LEXCOM	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Mebtel	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
North State	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Randolph	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Saluda Mountain	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Service	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Verizon	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%
Windstream	Moderate	1.5 x inflation / 10%	Moderate	1.5 x inflation / 10%

PART III.

ARBITRATIONS AND INTERCONNECTION AGREEMENTS

G.S. 62-110(f1), in pertinent part, authorizes the Utilities Commission to adopt rules it finds necessary as follows:

- (1) To provide for the reasonable interconnection of facilities between all providers of telecommunications services;
- (2) To determine when necessary the rates for such interconnection;

² Price increases are limited annually, in the aggregate, as presented first in the chart. Price increases for individual rate elements are limited as presented secondly in the chart.

³ Pricing rules are for basic residential service in Rate Groups 1 through 9. Basic residential service in Rate Group 10 has been placed in the High Pricing Flexibility Services basket. The pricing rules for the High Pricing Flexibility Services basket include a basket cap of 2.5 times the rate of inflation and a 20% cap on individual rate elements.

⁴ Pricing rules are for basic business service in Rate Groups 1 through 9. Basic business service in Rate Group 10 has been placed in the Total Pricing Flexibility Services basket. Services in the Total Pricing Flexibility Services basket are not subject to any pricing constraints.

- (3) To provide for the reasonable unbundling of essential facilities where technically and economically feasible; and
- (4) To provide for the transfer of telephone numbers between providers in a manner that is technically and economically reasonable.

In addition, Section 251 of TA96 establishes various duties related to interconnection. Section 252 sets out the process for the approval of negotiated interconnection agreements and arbitrations for disputed interconnection agreements. Since 1996, the following negotiation and arbitration results have been achieved by the Commission:

- 1,192 negotiated interconnection agreements between companies have been approved by the Commission as of July 1, 2009 (not including amendments to existing interconnection agreements);
- 102 negotiated interconnection agreements (not including amendments to existing interconnection agreements), during the most recent two-year time period of June 30, 2007 through July 1, 2009, have been approved; and
- 29 petitions for arbitration have been decided by the Commission.

PART IV.

COMPETING LOCAL PROVIDER CERTIFICATIONS

On July 19, 1995, the Utilities Commission issued an Order in Docket No. P-100, Sub 133, promulgating interim rules for certification and regulation of competitive local service providers and posing questions for comments on the appropriate regulatory structure for competitive local providers, resale of local service, and interconnection. After a round of comments and reply comments from interested parties, the Utilities Commission adopted a revised and expanded set of provisions as Commission Rules R17-1 through R17-5, on February 23, 1996. These rules establish the basis on which the competitive local providers or CLPs, as the new entrants are called, are regulated. These include a detailed list of items to be considered in the application of a prospective provider for local exchange and exchange access authority and specific requirements on such things as billing and customer notice.

The Commission has since streamlined the certification process. During the certification process, the Public Staff analyzes the application to determine and assure that the applicant is qualified to provide service to the public and that it demonstrates an understanding of the provisions contained in Commission Rules R17-1 through R17-8. When the application has been sufficiently perfected, the Public Staff will so advise the Commission and the Commission will generally issue a certificate without a hearing. However, the Commission retains the option to hold a hearing should the application raise concerns which may adversely affect the public interest.

As of August 28, 2009, there were 185 certified CLPs. Further, based on the most recent data published by the FCC, CLPs served 887,960⁵ switched access lines in the state as of December 31, 2007.

PART V.

QUALITY OF SERVICE

A. – Docket No. P-100, Sub 99 – Service Quality Standards – Retail

Commission Rule R9-8: Companies are required to file quarterly reports with the Commission which detail monthly results on certain service quality measures as outlined in Commission Rule R9-8. (See **Appendix A** for a copy of Rule R9-8)

Website Posting of Service Quality Results: On June 3, 2005, the Commission ordered website posting on the Commission's website of service quality results which are updated quarterly and reflect a 12-month average of results. The results are presented in a pass/fail format. The current report, reflecting the 12 months ended June 30, 2009, can be found at www.ncuc.net/consumer/svcqlty.pdf. A copy of the current report is attached hereto as **Appendix B**.

Quality of Service Presentations: Quality of service presentations outlining service quality results from January 1, 2008 through December 31, 2008 were held before the Commission for AT&T, Carolina, Central, and Verizon on Tuesday, March 31, 2009.

B. – Docket No. P-100, Sub 133k – Service Quality Standards – Wholesale

The Commission has adopted service quality measurement plans for AT&T, Carolina, Central, and Verizon to respond to the requirements of TA96 which required ILECs to provide nondiscriminatory access to CLPs and their retail customers.

Verizon, Carolina, and Central continue to operate under a stipulated interim performance measurement plan approved by the Commission on April 13, 2000.

The Commission adopted a Service Quality Measurements (SQM) Plan and Self-Effectuating Enforcement Mechanism (SEEM) Plan effective August 1, 2003 for AT&T. In 2005, AT&T and a group of CLPs filed a new, stipulated SQM and SEEM Plan for AT&T. The Commission approved the stipulation by Order dated October 24, 2005. AT&T's new SQM and SEEM Plan became effective on January 1, 2006. By Order dated June 21, 2006, the Commission authorized AT&T to amend its Plan to remove certain Section 251 elements as a result of the FCC's *Triennial Review Order* and *Triennial Review Remand Order*.

⁵ 104,262 lines were provided via resale, 251,776 lines were provided via unbundled network elements, and 531,922 lines were provided via CLP-owned facilities.

PART VI.

NUMBERING

Area Codes:

The Commission continues to monitor the demand for telephone numbering resources which are used by telecommunications service providers to provide a host of telecommunications services. Although the most recent activation of a new area code was the implementation of the 980 Numbering Plan Area (NPA) overlay in the Charlotte area in 2001, an all-services distributed overlay has been approved for the 919 NPA by adding a 984 NPA for future use. Presently, implementation of the 984 NPA is not anticipated to be needed for an additional two years, based on the industry's current forecast.

An all-services distributed overlay creates a new area code in an existing geographical area. In the above case, the 984 NPA would use the existing 919 boundary lines as its service area. Existing customers would retain the 919 area code, and would not have to change their telephone numbers. As telephone numbers in the 919 area code are used, new customers from all industry segments would be assigned telephone numbers from the new 984 area code. The chief disadvantage to the implementation of an overlay is that it requires ten-digit dialing to complete local calls. Although the implementation of the all-services distributed overlay for the 919 area code has been deferred, preemptive ten-digit dialing currently is allowed within the 919 calling area.

Requests for "Safety Valve" Relief:

In the FCC's *Third Report and Order Second Order On Reconsideration* in CC Docket No. 96-98 and Docket No. 99-200, issued December 28, 2001, the FCC delegated authority to state commissions to hear claims that a "safety valve" should be applied when the North American Numbering Plan Administration (NANPA) or Pooling Administrator (PA) denies a specific request for numbering resources. FCC rules state that a service provider must be within six months of exhaust of its numbering resources and have achieved a 75 percent utilization of its numbering resources in a specified market area (i.e., rate center) before additional numbering resources are to be granted. The "safety valve" mechanism is a petition to the Commission made by the service provider in which it requests that numbering resources be provided to it to meet immediate and specific customer requirements which otherwise could not be met. The Commission has formally granted numbering resources through "safety valve" actions approximately 24 times during the past two years. The demand for "safety valve" relief is driven by a business client's internal telecommunications network or special numbering resources formatting requirements.

PART VII.

HOUSE BILL 1180

On June 30, 2009, House Bill 1180 (HB 1180) became law as set forth in Session Law 2009-238. Entitled “An Act Establishing The Consumer Choice and Investment Act of 2009,” the law creates a new category of price plan which any local exchange carrier (LEC) or CLP may opt into simply by “filing notice of its intent to do so with the Commission”, the election being effective immediately upon filing. The Commission has named such price plans “Subsection (h) price plans”, because the changes to the law were made under G.S. 62-133.5(h). A ratified copy of HB 1180 is attached as **Appendix C**.

Earlier price plans authorized under other provisions of G.S. 62-133.5 provided greater regulatory flexibility to LECs than under traditional rate base/rate-of-return regulation. Under those price plans, services were placed in various baskets and were subject to certain price constraints. Recognizing the advent of greater competition, the Commission has correspondingly granted the price plan LECs greater flexibility as conditions changed.

Subsection (h) price plans represent a dramatic new step in the progress toward deregulation. Subsection (h) price plans provide for deregulation of an eligible company’s “terms, conditions, rates, or availability” relating to retail services. However, the General Assembly also provided that, as a condition to electing a Subsection (h) price plan, the LEC or CLP must “continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service,” and the company may only increase rates for those lines annually by a percentage that does not exceed the percentage increase for the prior year in the Gross Domestic Product Price Index. Furthermore, a company is not allowed to make the Subsection (h) election unless “it commits to provide stand-alone basic residential lines to rural customers at rates comparable to those rates charged to urban customers for the same service.”

Procedurally speaking, the Commission’s main role in the new legislation is to receive compliant election notices from a LEC or CLP wishing to adopt a Subsection (h) price plan. Since one of the requirements of a Subsection (h) election is that the electing company be “open to competition from competing local providers,” the General Assembly has provided that the Commission is “authorized to resolve any dispute concerning whether a local exchange company is open to interconnection....” As of this writing, the Commission has opened a generic docket (Docket No. P-100, Sub 165) to address procedural matters and to establish in detail those statutes, Commission rules, and notice and reporting obligations that will no longer apply to companies that elect a Subsection (h) price plan.

It is important to note that the General Assembly set forth an extensive list of subjects that were specifically recognized as remaining under the jurisdiction of the Commission. These include authority over arbitrations, unbundled network elements,

and interconnection agreement enforcement; the right of a customer to seek assistance from the Public Staff to resolve complaints; enforcement of federal requirements relating to marketing activities; jurisdiction with respect to the telecommunications relay service; jurisdiction with respect to the Life Line and Link Up programs; universal service funding; carrier of last resort obligations; management of numbering resources; and matters concerning switched access and intercarrier compensation. One additional provision deals with the roles of the Public Staff and Commission with respect to complaints against providers of telephone service and another puts into a place “hold harmless” provision with respect to regulatory fees.

Finally, the Commission notes that, in order to “evaluate the affordability and quality of local exchange service provided to consumers,” any company which elects to be regulated under a Subsection (h) price plan is required to provide an annual report to the Joint Legislative Utility Review Committee “on the state of the company’s operations,” with specific reference to an analysis of telecommunications competition (including access line gain or loss) and the impact on consumer choice; an analysis of service quality based on customer satisfaction studies; and an analysis of the level of local exchange rates. All these analyses are to be “from the enactment of [HB 1180].” These reports are due from Subsection (h) price plan companies 30 days after the close of each calendar year and are to cover the period from January 1st through December 31st of the preceding year.

PART VIII.

RECOMMENDATIONS

Section 6.1 of HB 161 requests the Utilities Commission to recommend “whether provisions of this act shall be continued, repealed, or amended.” The Utilities Commission recommends no changes to HB 161 as amended at this time.

PART IX.

APPENDICES

- | | |
|--------------------|--|
| Appendix A: | Commission Rule R9-8
Service Objectives for Regulated Local Exchange Telephone
Companies and Competing Local Providers |
| Appendix B: | Website Service Quality Report for the 12 Months Ended
June 30, 2009 |
| Appendix C: | House Bill 1180 - <i>An Act Establishing The Consumer Choice
and Investment Act of 2009</i> |

Rule R9-8. Service objectives for regulated local exchange telephone companies and competing local providers (CLPs).

(a) Service Objectives. Each regulated local exchange telephone company and CLP shall perform and provide service in accordance with the following uniform service objectives:

<i>Measure No.</i>	<i>Description</i>	<i>Objective</i>
1	Intraoffice completion rate	99% or more
2	Interoffice completion rate	98% or more
3	EAS transmission loss	95% or more between 2 and 10 dB
4	EAS trunk noise	95% or more 30 dBrc or less
5	Operator "0" answertime	90% or more of calls answered within 10 seconds or ASA of 6 seconds
6	Directory assistance answertime	85% or more of calls answered within 10 seconds or ASA of 6 seconds
7	Business office answertime	ASA of 30 seconds
8	Repair service answertime	ASA of 30 seconds
9	Initial customer trouble reports	4.75 or less per 100 total access lines
10	Repeat reports	1.0 report or less per 100 total access lines
11	Out-of-service troubles cleared within 24 Hours	95% or more
12	Regular service orders completed within 5 working days	90% or more
13	New service installation appointments not met for Company reasons	5% or less
14	New service held orders not completed within 30 days	0.1% or less of total access lines

(b) This rule shall not preclude flexibility in considering future circumstances that may justify changes in or exceptions to these service objectives.

(c) Force Majeure. A company may seek a waiver of part or all of Rule R9-8 due to force majeure. To request a waiver, a company should file adjusted data and unadjusted data along with its waiver request. In order to secure Commission approval, the waiver request should clearly demonstrate that (1) the force majeure event was sufficiently serious and unusual to warrant adjustment of the monthly service quality

statistics, including a detailed description of the adverse consequences of the event on the ratepayers' service and the company's facilities; (2) to the extent reasonably foreseeable, the company prudently planned and prepared in advance for such emergencies; (3) despite these plans and preparations, and the best efforts of the company personnel before, during, and after the event, failures to satisfy the service objectives could not reasonably have been avoided; **and** (4) the extent and nature of the adjustments requested are appropriate for the circumstances. The Commission shall grant waiver requests if the Commission finds that all four criteria have been met.

(d) **Reporting Requirement.** Each regulated local exchange telephone company and CLP actually providing basic local residential and/or business exchange service to customers in North Carolina shall file an original, three (3) hard copies, and two electronic copies **in Excel** on diskette of a report each calendar quarter with the Chief Clerk of the Commission detailing the monthly results of its compliance with Measures 5 – 14 as set forth in this Rule. The Chief Clerk's Office shall forward one hard copy and one electronic copy to the Public Staff – Communications Division. Companies should reflect the company name as certified by the Commission. Additionally, the hard copies and electronic copies on diskette should be clearly marked with the company name, the docket number, and the reporting period. The Commission will specify the format of the report. **Companies not providing service in North Carolina or not providing basic local residential and/or business exchange service to customers in North Carolina shall file a letter, in lieu of a report, each quarter specifying why a report does not have to be filed.**

Each regulated local exchange company and CLP shall report its performance results for the following six objectives on an exchange level:

- Initial Customer Trouble Reports (Measure 9);
- Repeat Reports (Measure 10);
- Out-of-Service Troubles Cleared Within 24 Hours (Measure 11);
- Regular Service Orders Completed Within 5 Working Days (Measure 12);
- New Service Installation Appointments Not Met for Company Reasons (Measure 13); and
- New Service Held Orders Not Completed Within 30 Days (Measure 14).

[COMMISSION NOTE: After one year, companies may petition the Commission for exemption from the requirement to report these results on an exchange level.]

Each regulated local exchange company and CLP that uses separate call or service centers or service representatives to provide service to their business and residential customers shall file performance results for the following measures for the following categories of customers: (1) all North Carolina business⁶ customers; (2) all North Carolina residential customers; and (3) all North Carolina customers:

⁶ Companies are not required to report statistics for business customer groups that are not served by service or repair centers, but on an individual account basis. In the first report under the new rule, the company should note what business customer groups are excluded. If the company should thereafter change what business groups are excluded, it should notate the change on the first subsequent report.

- Business Office Answer time (Measure 7);
- Repair Service Answer time (Measure 8);
- Out-of-Service Troubles Cleared Within 24 Hours (Measure 11);
- Regular Service Orders Completed Within 5 Working Days (Measure 12);
- New Service Installation Appointments Not Met for Company Reasons (Measure 13); and
- New Service Held Orders Not Completed Within 30 Days (Measure 14).

If a company's residential call or service centers handle the calls or service for small businesses of five lines or less, the company may include the statistics for these small businesses in the residential customer category, but must note this inclusion and verify that there is no preferential treatment given to either class of customers in its quarterly report.

Companies are not required to report statistics for customer groups that are not served by call or service centers, but on an individual account basis. In the first report following the effective date of the amendments to this rule, each company should note which customer groups are excluded from the report and notify the Commission if customer groups that are excluded should change.

COMMISSION NOTE: After one year, companies may petition the Commission for exemption from the requirement to separately report residential, business, and combined residential and business results for these six objectives.]

The quarterly report shall be filed no later than twenty (20) days after the last day of the quarter covered by the report and the person submitting the report shall verify its accuracy under oath. Such verification shall be in the following form:

VERIFICATION UNDER OATH
REGARDING ACCURACY OF SERVICE OBJECTIVES REPORT

I, _____, state and attest that the attached Service Objectives Report is filed on behalf of _____ (Name of Public Utility as certificated) as required by North Carolina Utilities Commission Rule R9-8; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.

Signature of Person Making Verification

Job Title

Date

Subscribed and sworn before me this the _____ day of _____ ,
200____.

Notary Public

My Commission Expires: _____

COMMISSION NOTE: A website reporting section will be added by the Commission at a later date after the Parties have negotiated all of the specific details.

(e) Data Retention. Each local exchange company and CLP is required to retain complete records of the data collected and procedures used to calculate each service quality performance result for a minimum of one year from the date a report is filed with the Commission. Within this one-year period, local exchange companies and CLPs will provide, upon reasonable request by the Public Staff or Commission, breakdowns by wire center of their monthly service quality results for Measures 9 -14. If a company can show that it is unable to provide wire center level data, it may provide data at the most granular level possible, such as at the switch level.

(f) Uniform Measurement Procedures. Each company shall adhere to the following uniform measurement procedures when calculating its service objectives:

Answertimes - General Considerations

Companies are expected to engineer the switching and interoffice facilities they use to provide operator “O”, directory assistance, business office services, and repair services to customers in order to minimize the possibility of lost, misdirected, or abandoned calls and to keep customer delays to a minimum, consistent with Commission requirements and industry standards. All facilities, including network, ports, and trunks, used for provision of these services shall be engineered to provide a maximum blocking probability of one percent (1%) or less. No call that has been directed to a live operator or service representative queue should be blocked from entering the queue or deflected (abandoned by company action without consent of the calling party) after it has entered a queue.

Callers to operator “O”, directory assistance, business office, and repair service must be explicitly advised that they may press a “O” at any time during the call and have the call transferred to a live attendant if the respective menus exceed 45 seconds. All menu options, including any sub-menus, must be used in the calculation of the 45 seconds.

Where an opt-out message is required, the option must be offered within the first 45 seconds of the initial menu. There is no requirement for offering the opt-out message when a menu, including sub-menus, is 45 seconds or less. Calls initially directed to a menu shall be transferred to a live attendant or a live attendant queue immediately if the customer presses a key to request the transfer or within 10 seconds if the customer fails to interact with the menu system following any prompt by pressing a key of a Dual-Tone Multi-Frequency (DTMF) telephone keypad or providing a voice response.

Any company that obtains its operator “O” service, directory assistance, business office service, or repair service from another source shall identify the company that actually provides the service in its monthly report. The company that provides service to the customer is responsible for selecting a service provider that furnishes answertime service that satisfies Commission requirements.

Companies must ensure that the monthly service quality statistics they report to the Commission reflect the performance they provide to North Carolina customers. Companies that submit performance results to the Commission reflecting regionwide or nationwide performance must be prepared to demonstrate to the Commission that the performance they provide to their North Carolina customers is equivalent to the performance they report on a regionwide or nationwide basis.

Companies without automatic answertime testing may evaluate their answertime performance by manually placing test calls as long as they place a sufficient number of calls at appropriate times to ensure that a statistically valid and representative sample is obtained each month. These companies should notate on their reports that their answertimes are calculated through random sampling and should describe the methodology used, including the number of test calls completed per month and the times such calls were made.

Operator “O” Answertime (Measure 5):

Measured quantity: (a) The percentage of operator “O” calls from North Carolina each month that reach a live operator within 10 seconds; or (b) the average length of time it takes for calls from North Carolina to operator “O” telephone numbers to be answered each month.

Measurement procedures:

(1) For calls routed directly to live operators (no initial menu): Each answertime measurement shall begin at the instant the call arrives at the switch serving the operator service positions and continue until a live operator prepared to offer immediate assistance answers the call. The answertime for the call is the interval between these two time measurements. Companies may utilize a recorded branding announcement, not over 10 seconds in length, after the call has reached the switch. The timing for a branded call will begin at the end of the recorded announcement and continue until a

live operator prepared to offer immediate assistance answers the call. The answer time for the call is the interval between these two time measurements.

(2) For calls initially routed to an automated menu: Each answer time measurement shall begin at the instant the call enters the queue leading to a live operator and continue until a live operator prepared to offer immediate assistance answers the call. The answer time for the call is the interval between these two time measurements.

(3) For calls initially routed to an automated menu and handled without the intervention of a live operator: The answer time for these calls should be counted as one second.

The monthly performance figure reported to the Commission may be calculated as a % in x seconds or as an average speed of answer.

(a) % in x seconds format: Operator “O” answer time =

$$\frac{100 \times \text{Total Operator "O" calls with answer times of 10.0 seconds or less}}{\text{Total calls routed to live "O" operators}}$$

Companies shall exclude from the numerator and denominator of this calculation data for all calls in which the caller abandons the call within 10 seconds after it (1) arrives at the switch serving the operator service positions (for calls routed directly to a live operator) or (2) enters the queue leading to a live “O” operator (for calls initially routed to a menu). The operator “O” answer time calculation shall reflect all other “O” calls that are routed to live operators, including calls abandoned after 10 seconds.

(b) Average speed of answer format: Operator “O” answer time =

$$\frac{\text{Sum of queue holding times for all Operator "O" calls}}{\text{Total Operator "O" calls}}$$

Monthly reporting requirement: Companies shall report either the percentage of Operator “O” calls from North Carolina answered within 10 seconds by a live “O” Operator or their Operator “O” average speed of answer using the appropriate formula set forth above to the nearest tenth of a percent.

Directory Assistance (DA) Answer time (Measure 6):

Measured quantity: (a) The percentage of calls from North Carolina to all publicly available local DA telephone numbers each month that access a live DA operator within 10 seconds; or (b) the average length of time it takes for calls from North Carolina to all publicly available local DA telephone numbers to be answered each month.

Measurement procedures:

(1) For calls routed directly to live DA operators (no initial menu): Each answer time measurement shall begin at the instant the call arrives at the switch serving the DA operator positions and continue until a live DA operator prepared to offer immediate assistance answers the call. The answer time for the call is the interval between these two time measurements. Companies may utilize a recorded branding announcement, not over 10 seconds in length, after the call has reached the switch. The timing for a branded call will begin at the end of the recorded announcement and continue until a live DA operator prepared to offer immediate assistance answers the call. The answer time for the call is the interval between these two time measurements.

(2) For calls initially routed to an automated menu: Each answer time measurement shall begin at the instant the call enters the queue leading to a live DA operator and continue until a live DA operator prepared to offer immediate assistance answers the call. The answer time for the call is the interval between these two time measurements.

(3) For calls initially routed to an automated menu and handled without the intervention of a live DA operator: The answer time for these calls should be counted as one second.

The monthly performance figure reported to the Commission may be calculated as a % in x seconds or as an average speed of answer.

(a) % in x seconds format: DA answer time =

$$\frac{100 \times \text{Total number of DA calls with answer times of 10.0 seconds or less}}{\text{Total calls made to DA and routed to live operators}}$$

Companies shall exclude from the numerator and denominator of this calculation data for all calls in which the caller abandons the call within 10 seconds after it (1) arrives at the switch serving the live DA operator positions (for calls routed directly to a live DA operator) or (2) enters the queue leading to a live DA operator (for calls initially routed to a menu). The DA answer time calculation shall reflect all other DA calls that are routed to live DA operators, including calls abandoned after 10 seconds.

(b) Average speed of answer format: DA answer time =

$$\frac{\text{Sum of queue holding times for all DA calls}}{\text{Total DA calls}}$$

Monthly reporting requirement: Companies shall report either the percentage of DA calls from North Carolina answered within 10 seconds by a live DA operator or their DA average speed of answer using the appropriate formula set forth above to the nearest tenth of a percent.

Business Office Answertime (Measure 7):

Measured quantity: The average length of time it takes for calls from North Carolina to all publicly available company business office telephone numbers to be answered each month.

Measurement procedures:

(1) For calls routed directly to live business office representatives (no initial menu): Each answertime measurement shall begin at the instant the call arrives at the switch serving the business office representative positions and continue until a live business office representative prepared to offer immediate assistance answers the call. The answertime for the call is the interval between these two time measurements.

(2) For calls initially routed to an automated menu and then routed to a live business office representative: Answertime measurement shall begin at the instant the call enters the queue leading to a live business office representative and continue until a live business office representative prepared to offer immediate assistance answers the call. The answertime for the call is the interval between these two time measurements.

(3) For calls initially routed to an automated menu and handled without the intervention of a live business office representative: The answertime for these calls should be counted as one second.

The monthly performance figure reported to the Commission shall be calculated as follows:

Business office answertime =

$$\frac{\text{Sum of queue holding times for all business office calls}}{\text{Total business office calls}}$$

Live business office representatives are expected to be available to handle incoming calls from North Carolina for a minimum of nine hours per day Monday through Friday, excluding company holidays.

Monthly reporting requirement: Companies shall report their business office average speed of answer using the formula set forth above to the nearest tenth of a percent.

Repair Service Answertime (Measure 8):

Measured quantity: The average length of time it takes for calls from North Carolina to all publicly available company repair service telephone numbers to be answered each month.

Measurement procedures:

(1) For calls routed directly to live repair service representatives (no initial menu): Each answertime measurement shall begin at the instant the call arrives at the switch serving the repair service representative positions and continue until a live repair service representative prepared to offer immediate assistance answers the call. The answertime for the call is the interval between these two time measurements.

(2) For calls initially routed to an automated menu and then routed to a live repair service representative: Answertime measurement shall begin at the instant the call enters the queue leading to a live repair service representative and continue until a live repair service representative prepared to offer immediate assistance answers the call. The answertime for the call is the interval between these two time measurements.

(3) For calls initially routed to an automated menu and handled without the intervention of a live repair service representative: The answertime for these calls should be counted as one second.

The monthly performance figure reported to the Commission shall be calculated as follows:

Repair service answertime =

$$\frac{\text{Sum of queue holding times for all repair service calls}}{\text{Total repair service calls}}$$

For carriers with 10,000 access lines or more, live repair service representatives are expected to be available to handle incoming calls from North Carolina customers 24 hours a day, seven days a week.

Monthly reporting requirement: Companies shall report their repair service average speed of answer using the formula set forth above to the nearest tenth of a percent.

Trouble Reports, Service Orders, and Customer Appointments – General Considerations

A trouble report is defined as “any report from a subscriber or end user of telephone service to the telephone company indicating improper functioning or defective conditions with respect to the operation of telephone facilities over which the telephone company has control.” Such reports shall be date and time stamped immediately upon receipt and date and time stamped again immediately after the troubles have been cleared by company personnel. **Note:** Whenever Rule R9-8 requires a date and/or time stamp, the date and/or time stamp may be recorded electronically or otherwise so long as the date and/or time is saved for future reference.

Service orders and new service installation appointment requests shall also be date and time stamped immediately upon receipt and again after the service order has been completed or the new service installation appointment has been met.

Reported troubles that involve different access lines shall be regarded as separate troubles, even if the access lines terminate at the same premises, and/or the troubles result from a common cause, such as damaged cable or defective common equipment at a central office.

Each company shall file with its initial quarterly report a detailed list of the specific categories of troubles, service orders, and appointments it considers excludable for purposes of reporting trouble reports, service ordering, or appointment statistics. This list should reflect exclusion of such categories as inside wiring, terminal equipment, voice mail, and long distance services. Each company shall notify the Commission promptly in writing of any changes to this list.

Subsequent reports and duplicate reports of previously reported troubles that have not been cleared by the company shall not be included in either initial or repeat trouble report totals.

Initial Customer Trouble Reports (Measure 9):

Measured quantity: The number of initial troubles reported by telephone company subscribers in proportion to the number of total company access lines.

Company measurement procedures: Companies should continuously track the initial trouble reports that are received by their trouble reporting center(s). The statistic reported to the Commission shall be computed by taking the count of initial troubles reported in a given area between 12:00 midnight at the beginning of the first day of the calendar month and 12:00 midnight at the end of the last day of the same month, dividing this figure by the total access lines in service in that same area at the end of the last day of the month, and multiplying the quotient by 100.

Initial customer trouble reports =

$$\frac{100 \times \text{initial trouble reports received during month}}{\text{Total access lines in service at the end of month}}$$

Troubles associated with nonregulated equipment, products, or services, and subsequent reports of the same trouble that are made after the initial report has been received but before the company has cleared the trouble condition should be excluded from the numerator of this formula. Companies shall identify in their quarterly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for initial trouble reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown.

In the event a company systematically excludes the initial troubles reported by a class or classes of customers (for example, large business customers) from the troubles counted in the numerator of this calculation, the company shall also exclude the access lines for the same class(es) of customers from the total access lines figure appearing in the denominator. The company shall explain in its quarterly service quality report any deviation between the access line count used for monthly reporting of initial troubles per 100 access lines and the total access line count which it furnishes each month in its access line report.

Reporting requirement: All companies shall file statistics on initial customer trouble reports per 100 total access lines. Figures shall be reported to the nearest hundredth of a percent. Each company shall report a separate figure for its entire North Carolina service area and each exchange. If the monthly figure for any exchange exceeds 7.125 per 100 access lines, a brief explanation should be provided for the failure to meet this objective.

Repeat Reports (Measure 10):

Measured quantity: The number of repeat troubles reported by telephone company subscribers in proportion to the number of company access lines.

Company measurement procedures: Companies should continuously track the repeat trouble reports that are reported to their trouble reporting center(s). A repeat trouble is a trouble reported on an access line for which another trouble or troubles has been reported within the preceding 30 days and subsequently cleared. The statistic reported to the Commission shall be computed by taking the count of repeat troubles reported in a given area between 12:00 midnight at the beginning of the first day of the calendar month and 12:00 midnight at the end of the last day of the same month, dividing this figure by the total access lines in service in that same area at the end of the last day of the month, and multiplying the quotient by 100.

Repeat customer trouble reports =

$$\frac{100 \times \text{repeat trouble reports received during month}}{\text{Total access lines in service at end of month}}$$

Repeat troubles associated with nonregulated equipment, products, or services shall be excluded from the count appearing in the numerator of this formula. Companies shall identify in their quarterly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for repeat trouble reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown.

In the event that a company systematically excludes the repeat troubles reported by a class or classes of customers (for example, large business customers) from the troubles counted in the numerator of this calculation, the company shall also exclude the access lines for the same class(es) of customers from the total access lines figure appearing in

the denominator. The company shall explain in its quarterly service quality report any deviation between the access line count used for monthly reporting of repeat troubles per 100 access lines and the total access line count which it furnishes each month in its access line report.

Monthly reporting requirement: All companies shall file statistics on repeat customer trouble reports per 100 access lines. Figures shall be reported to the nearest hundredth of a percent. Each company shall report a separate figure for its entire North Carolina service area and for each exchange. If the monthly figure for any exchange exceeds 1.5 per 100 access lines, a brief explanation should be provided for the failure to meet this objective.

Out-of-Service Troubles Cleared Within 24 Hours (Measure 11):

Measured quantity: The percentage of total out-of-service troubles that are cleared within 24 hours during the reporting month.

Company measurement procedures: Companies should continuously track the out-of-service troubles (troubles involving inability to make outgoing calls or receive incoming calls, or line impairments so severe that they render voice communication impossible) that are reported by company subscribers and end users. Each out-of-service trouble report should be date and time stamped immediately upon receipt and date and time stamped immediately after the trouble condition is cleared. The time taken to clear the trouble is the difference between these two times. To obtain the reported statistic, the company shall count the number of out-of-service troubles that was cleared during the calendar month and within 24 hours of their receipt, divide this figure by the total number of out-of-service trouble reports cleared during the calendar month, and then multiply by 100 to obtain the percentage cleared within 24 hours:

Out-of-service troubles cleared within 24 hours =

$$\frac{100 \times \text{total out-of-service troubles cleared within 24 hours during month}}{\text{Total out-of-service troubles cleared during month}}$$

Troubles associated with nonregulated equipment, products, or services and troubles that do not involve out-of-service conditions shall be excluded from the troubles counted in the numerator and denominator of this formula. Companies shall identify in their monthly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for out-of-service trouble reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown. Troubles in which the customer specifically requested an appointment beyond 24 hours shall be excluded from the troubles counted in the numerator and denominator of this formula.

Monthly reporting requirement: All companies shall file statistics on out-of-service troubles cleared within 24 hours of receipt, reported to the nearest tenth of a percent. Each company shall report a separate figure for its entire North Carolina service area

and for each exchange. If the monthly figure for any exchange is below 80%, a brief explanation should be provided for the failure to meet this objective.

Regular Service Orders Completed Within 5 Working Days (Measure 12):

Measured quantity: The percentage of regular service orders that are completed during any calendar month within five working days of receipt by the company.

Company measurement procedures: Companies should continuously track the receipt and completion dates and times of all regular service orders (service orders placed by residential customers and by business customers with five or fewer access lines). Each regular service order should be date and time stamped immediately upon receipt by the company and date and time stamped immediately after the order has been completed. The reported statistic shall be calculated as follows:

Regular service orders completed within 5 working days =

$$\frac{100 \times \text{regular service orders completed during month within 5 working days of receipt}}{\text{Total regular service orders completed during month}}$$

For purposes of this calculation, “working days” shall be considered to be all days except Saturdays, Sundays, New Year’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, provided these are observed as paid company holidays.

Orders for nonregulated equipment, products, or services shall be excluded from both the numerator and denominator of this formula. Companies shall identify in their quarterly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for regular service order reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown. Orders wherein a customer specifically requests an appointment beyond 5 days and/or the delay was specifically and solely caused by the customer should be excluded from both the numerator and denominator of this formula.

Monthly reporting requirement: All companies shall report the percentage of regular service orders completed during the calendar month within five working days of receipt by the company. Figures shall be reported to the nearest tenth of a percent. Each company shall report a separate figure for its entire North Carolina service area and for each exchange. If the monthly figure for any exchange is below 80%, a brief explanation should be provided for the failure to meet this objective.

New Service Installation Appointments Not Met for Company Reasons (Measure 13):

Measured quantity: The percentage of new service installation appointments that are scheduled to be completed during the calendar month but are missed due to company reasons.

Company measurement procedures: Companies shall maintain a record of the new service installation appointments that are scheduled to be completed during each calendar month. The company shall track the scheduled dates and times for these appointments and the actual completion dates and times and, for those appointments that are not kept, shall maintain a detailed record of the reason(s) for failure to keep them. The percentage of new service installation appointments missed during the calendar month due to company reasons shall be calculated as follows:

New service installation appointments not met for company reasons =

$$\frac{100 \times \text{new service installation appointments not met because of company reasons}}{\text{New service installation appointments scheduled to be met}}$$

Any new service installation appointment missed due to customer actions shall be excluded from the numerator of this formula.

Appointments associated with installation or moving of, or changes or repairs to, nonregulated equipment, products, or services shall be excluded from the numerator and denominator of this formula. Companies shall identify in their quarterly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for customer appointments reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown.

Companies, at a minimum, shall offer customers scheduling premises appointments the opportunity to select from a set of two or more four-hour appointment “windows” that will be made available for each day that appointments are being scheduled. An appointment will be considered “missed” if the company representative responsible for performing the premises work fails to arrive at the premises and begin work within the appointment window, or if the representative fails to complete the requested work by 12:00 midnight at the end of the appointment date.

Monthly reporting requirement: Companies shall file the percentage of total new service installation appointments not met during the month for company reasons to the nearest tenth of a percent. Each company shall report a separate figure for its entire North Carolina service area and for each exchange. If the monthly figure for any exchange exceeds 7.5%, a brief explanation should be provided for the failure to meet this objective.

New Service Held Orders Not Completed Within 30 Days (Measure 14):

Measured quantity: The number of new access line orders that, at any time during the calendar month, have been held for over 30 calendar days following receipt, in proportion to the total company access lines in service.

Company measurement procedures: Companies shall date and time stamp each new service order immediately upon receipt and shall identify and count all orders during the calendar month that have not been completed within 30 days from the date and time they were received. Each such order shall be counted as a new service held order not completed within 30 days. The total number of new service held orders not completed within 30 days shall be reported to the Commission as a percentage of total company access lines as of midnight at the end of the last day of the month:

New service held orders not completed within 30 days =

$$\frac{100 \times \text{new service orders not completed within 30 days at any time during month}}{\text{Total access lines in service at the end of month}}$$

Delays caused by the customer that prevent the company from completing an order within 30 days of receipt shall be excluded from the numerator of this formula. Further, orders with customer-requested appointments beyond 30 days shall be excluded from the numerator of this formula.

New service orders for nonregulated equipment, products, or services shall be excluded from the numerator of this formula. Companies shall identify in their monthly reports the specific categories of equipment, products, or services that they consider nonregulated and exempt from Commission jurisdiction for new service held order reporting purposes. Carriers may request a waiver of this requirement, and the Commission may grant such a waiver for good cause shown.

In the event a company systematically excludes the new service held orders for a class or classes of customers (for example, large business customers) from the held orders counted in the numerator of this calculation, the company shall also exclude the access lines for the same class(es) of customers from the total access lines figure appearing in the denominator. The company shall explain in its quarterly service quality report any deviation between the access line count used for monthly reporting of held orders and the total access line count which it furnishes each month in its access line report.

Monthly reporting requirement: Companies shall report the percentage of new service held orders not completed within 30 days, to the nearest hundredth of a percent. Each company shall report a separate figure for its entire North Carolina service area and for each exchange. If the monthly figure for any exchange is above 0.15% of total access lines, a brief explanation should be provided for the failure to meet this objective.

(g) Directory Assistance Listing Updates. Carriers must update their DA customer listings in any directory database the company maintains and/or controls within 48 hours

of a service order resulting in a new or changed listing, excluding Saturdays, Sundays, and holidays or within 48 hours excluding Saturdays, Sundays, and holidays of either notification of such a new or changed listing or receipt of a completed service order from another carrier or DA provider. Carriers that provide DA to their customers from a third party should select a provider that updates new or changed listings within 48 hours of notification; these carriers must provide updated information to the third party provider within 24 hours of receipt.

(h) Directory Assistance Refunds. Carriers are required to provide DA refunds, upon request, for an incorrect listing provided to a DA customer. Carriers are further required to provide annual notification to customers either by bill message, direct mail, or email (when email is affirmatively selected by the customer) informing them of the uniform DA refund policy and to publish the uniform DA policy permanently in the directory assistance section of the local telephone directory.

(NCUC Docket No. P-100, Sub 99, 12/20/88; 09/20/00; 11/29/00; 03/22/01; NCUC Docket No. M-100, Sub 128, 11/30/01; NCUC Docket No. P-100, Sub 99, 09/11/02; NCUC Docket No. P-100, Sub 99 and P-100, Sub 99a, 06/04/04; NCUC Docket No. P-100, Sub 99 and P-100, Sub 99a, 06/11/04; NCUC Docket No. P-100, Sub 99, 09/13/05; NCUC Docket No. P-100, Sub 99, 07/06/09.)

Service Quality Report

Period Covered: July 1, 2008 - June 30, 2009

REPORTING COMPANY	ANSWERTIMES				TROUBLE REPORTS, SERVICE ORDERS, AND CUSTOMER APPOINTMENTS						
	Operator "0"	Directory Assistance	Business Office	Repair Service	Initial Customer Trouble Reports	Repeat Customer Trouble Reports	Out-of-Service Troubles Cleared within 24 Hours	Regular Service Orders Completed within 5 Working Days	New Service Installation Appointments Not Met for Company Reasons	New Service Held Orders Not Completed within 30 Days	
@ Communications, Inc.	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	
Access Point, Inc.	DNR	DNR	DNR	DNR	N/A	N/A	N/A	N/A	N/A	N/A	
Affordable Phones Services, Inc.	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	
Alternative Phone, Inc.	N/A	N/A	✓	✓	✓	✓	N/A	✓	✓	✓	
American Fiber Network, Inc.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Aspire Telecom, Inc.	N/A	N/A	✓	✓	✓	✓	N/A	N/A	N/A	N/A	
AT&T Comm. of the So. States, LLC	✓	✓	X	✓	✓	✓	X	N/A	N/A	N/A	
Barnardsville Telephone Company	N/A	N/A	✓	✓	✓	✓	X	✓	✓	✓	
BellSouth Telecommunications, Inc.	✓	✓	X	X	✓	✓	X	✓	✓	✓	
Budget PrePay, Inc.	N/A	N/A	DNR	DNR	DNR	DNR	DNR	DNR	✓	✓	
BullsEye Telecom, Inc.	DNR	DNR	✓	✓	<12	DNR	DNR	DNR	DNR	DNR	
Business Telecom, Inc.	✓	✓	X	✓	N/A	N/A	N/A	X	N/A	N/A	
Carolina Telephone and Telegraph Co.	✓	✓	X	X	✓	✓	X	✓	✓	✓	
Central Telephone Company	✓	✓	X	X	✓	✓	X	✓	✓	✓	
Charter Fiberlink NC - CCO, LLC	N/A	N/A	✓	✓	X	X	<12	<12	<12	N/A	
Citizens Telephone Company	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	
ComTech21, LLC	N/A	N/A	DNR	DNR	✓	✓	✓	✓	✓	✓	
Comtel Telcom Assets LP	<12	DNR	DNR	DNR	X	X	X	X	<12	<12	
Covista, Inc.	✓	✓	DNR	DNR	✓	✓	✓	✓	✓	✓	
DeltaCom, Inc.	✓	✓	X	✓	N/A	N/A	N/A	X	N/A	N/A	
Dialog Telecommunications, Inc.	N/A	N/A	X	X	✓	✓	X	✓	N/A	N/A	
Ellerbe Telephone Company	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	
Ernest Communications, Inc.	N/A	N/A	DNR	DNR	✓	✓	X	✓	✓	X	
EveryCall Communications, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓	

KEY TO SYMBOLS USED IN THIS TABLE

✓	The company's average statewide performance met the objective during the report period.	<12	Results were reported for fewer than 12 months; however, no waiver was requested from the Commission.
X	The company's average statewide performance failed to meet the objective during the report period.	DNR	The reported data for this objective for one or more months were inconsistent with Rule R9-8 and Commission orders in Docket No. P-100, Sub 99, rendering the data unusable.
N/A	The company reported that the results for this objective were not within its control. This typically means that another company provided the associated service.		

Service Quality Report

Period Covered: July 1, 2008 - June 30, 2009

REPORTING COMPANY	ANSWERTIMES				TROUBLE REPORTS, SERVICE ORDERS, AND CUSTOMER APPOINTMENTS					
	Operator "0"	Directory Assistance	Business Office	Repair Service	Initial Customer Trouble Reports	Repeat Customer Trouble Reports	Out-of-Service Troubles Cleared within 24 Hours	Regular Service Orders Completed within 5 Working Days	New Service Installation Appointments Not Met for Company Reasons	New Service Held Orders Not Completed within 30 Days
Flatel, Inc.	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
France Telecom Corp. Solutions L.L.C.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Global Connection, Inc. of America	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	N/A
Global Crossing Local Services, Inc.	N/A	N/A	✓	✓	✓	✓	✗	N/A	N/A	N/A
Global Crossing Telemangement, Inc.	N/A	N/A	✓	✓	✓	✓	N/A	✓	✓	✓
Interlink Telecommunications, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
LEXCOM Telephone Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lightyear Network Solutions, LLC	✓	✓	✓	✓	✓	✓	N/A	✗	N/A	✓
LTS of Rocky Mount, LLC	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Madison River Communications, LLC	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
MCImetro Access Trans. Services, LLC	✓	✓	✗	✓	N/A	N/A	N/A	N/A	N/A	N/A
MEBTEL, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Metropolitan Telecom. of NC, Inc.	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Mitel NetSolutions, Inc.	N/A	N/A	DNR	DNR	✓	✓	✗	✓	✓	✓
Navigator Telecommunications, LLC	N/A	N/A	✗	✗	N/A	N/A	N/A	N/A	N/A	N/A
North State Telephone Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NOS Communications, Inc.	✓	✓	DNR	DNR	✓	✓	✓	✓	✓	✓
NuVox Communications, Inc.	✓	✓	✓	✓	✓	✓	✓	N/A	✗	✓
Pineville Telephone Company	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Qwest Communications Corporation	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Randolph Telephone Company	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Saluda Mountain Telephone Company	N/A	N/A	✓	✓	✓	✓	✗	✓	✓	✓
Service Telephone Company	N/A	N/A	✓	✓	✓	✓	✗	✓	✓	✓
Shentel Converged Services, Inc.	N/A	N/A	✗	✗	✓	✓	✗	✓	✓	✓

KEY TO SYMBOLS USED IN THIS TABLE

✓	The company's average statewide performance met the objective during the report period.	<12	Results were reported for fewer than 12 months; however, no waiver was requested from the Commission.
✗	The company's average statewide performance failed to meet the objective during the report period.		
N/A	The company reported that the results for this objective were not within its control. This typically means that another company provided the associated service.	DNR	The reported data for this objective for one or more months were inconsistent with Rule R9-8 and Commission orders in Docket No. P-100, Sub 99, rendering the data unusable.

Service Quality Report

Period Covered: July 1, 2008 - June 30, 2009

REPORTING COMPANY	ANSWERTIMES				TROUBLE REPORTS, SERVICE ORDERS, AND CUSTOMER APPOINTMENTS					
	Operator "0"	Directory Assistance	Business Office	Repair Service	Initial Customer Trouble Reports	Repeat Customer Trouble Reports	Out-of-Service Troubles Cleared within 24 Hours	Regular Service Orders Completed within 5 Working Days	New Service Installation Appointments Not Met for Company Reasons	New Service Held Orders Not Completed within 30 Days
SkyBest Communications, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
South Carolina Net, Inc.	N/A	N/A	DNR	✓	✓	✓	✓	✗	✓	N/A
Spectrotel, Inc.	<12	<12	DNR	DNR	<12	<12	<12	<12	<12	<12
Springboard Telecom, LLC	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
Surry Telecommunications, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✗	✓
Talk America, Inc.	N/A	N/A	✓	✓	DNR	DNR	N/A	N/A	N/A	N/A
TCG of the Carolinas, Inc.	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓
TelCove Operations, Inc.	✓	✓	✓	✓	DNR	DNR	DNR	DNR	N/A	N/A
Tennessee Telephone Services, LLC	N/A	N/A	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
The Other Phone Company	N/A	N/A	✓	✓	DNR	DNR	N/A	N/A	N/A	N/A
Town of Pineville	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓
UNICOM Communications, LLC	N/A	N/A	✓	✓	✓	✓	✗	✗	✓	✓
US LEC of North Carolina, Inc.	N/A	N/A	✓	✗	✓	✓	✓	N/A	✓	N/A
Verizon South, Inc.	✓	✓	✗	✓	✓	✓	✗	✓	<12	✓
Wilkes Communications, Inc.	N/A	N/A	DNR	DNR	✓	✓	✓	✓	✓	✓
Windstream Communications, Inc.	✓	✓	N/A	✓	✓	✓	✗	✓	✓	✓
Windstream Concord Telephone, Inc.	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓
Windstream North Carolina, LLC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
XO Communications Services, Inc.	N/A	N/A	✗	✗	DNR	DNR	DNR	N/A	N/A	N/A
Yadkin Valley Telecom, Inc.	N/A	N/A	✓	✓	✓	✓	✓	✓	✓	✓

KEY TO SYMBOLS USED IN THIS TABLE

✓	The company's average statewide performance met the objective during the report period.	<12	Results were reported for fewer than 12 months; however, no waiver was requested from the Commission.
✗	The company's average statewide performance failed to meet the objective during the report period.	DNR	The reported data for this objective for one or more months were inconsistent with Rule R9-8 and Commission orders in Docket No. P-100, Sub 99, rendering the data unusable.
N/A	The company reported that the results for this objective were not within its control. This typically means that another company provided the associated service.		

The following companies filed letters stating that they either did not provide service in North Carolina or did not provide basic local residential and/or business exchange service to customers in North Carolina during the period covered by this report.

360NETWORKS (USA) INC.	FRC, LLC	Peerless Network of North Carolina, LLC
Abovenet Communications, Inc.	Global Capacity Group, Inc.	Preferred Long Distance, Inc.
AGL Networks, LLC	Hotwire Communications, Ltd.	Randolph Telephone Telecommunications, Inc.
ALEC, Inc.	Hypercube Telecom, LLC	Reliance Globalcom Services, Inc.
ATC Outdoor DAS, LLC	IDT America, Corp.	Sage Telecom, Inc.
BalsamWest FiberNET, LLC	iNETWORKS Group, Inc.	SBC Long Distance, LLC
Bandwidth.com CLEC, LLC	Infotelecom, LLC	SCANA Communications, Inc.
BellSouth Long Distance, Inc.	Inteltrace, Inc.	School Link, Inc.
Broadplex, LLC	Intellicall Operator Services, Inc.	Sprint Communications Company, L.P.
Brydels Communications, LLC	Intrado Communications, Inc.	Star Wireless, Inc.
BT Communications Sales LLC	IPC Network Services, Inc.	Sunesys, LLC
Buggs Island Telephone Cooperative	Juice Marketing, Inc.	SunGard NetWork Solutions, Inc.
Campus Communications Group, Inc.	KBSL Telecom, Inc.	Syniverse Technologies, Inc.
Caw Caw Communications, LLC	Kentucky Data Link, Inc.	TDPC, Inc.
Cbeyond Communications, LLC	Legacy Long Distance International, Inc.	The New Telephone Company, Inc.
Cebridge Telecom NC, LLC	Level 3 Communications, L.L.C.	Time Warner Cable Information Services (N. C.), LLC
CND Acquisition Corporation	LMK Communications, LLC	T-NETIX, Inc.
CommPartners, LLC	Looking Glass Networks, Inc.	Touchtone Communcations Inc.
Computer Central of Wilson, Inc.	Managed Services, Inc.	tw telecom of north carolina l.p.
ComScape Communications, Inc.	Network Innovations, Inc.	UCN, Inc.
Custom Teleconnect, Inc.	Network Telephone Corporation	Unite Private Networks, L.L.C.
Dabney/Strawn, LLC	Neutral Tandem - North Carolina, LLC	Vanco Direct USA, LLC
DIECA Communications, Inc.	New Edge Network, Inc.	Velocity.Net Communications, Inc.
DSLnet Communications, LLC	New Horizons Communications Corp	Verizon Select Services, Inc.
DukeNet Communications, LLC	NextG Networks of NY, Inc.	Victory Communications, Inc.
ElanticTelecom, Inc.	Nexus Communications, Inc.	Wave Telecom, Inc.
Embarq Communications, Inc.	Norlight Telecommunications, Inc.	Wholesale Carrier Services, Inc.
FeatureTel, LLC	Norlight, Inc.	Ymax Communications Corp.
Fiber Technologies Networks, L.L.C.	North State Communications Advanced Services, LLC	Zaida Communications Corporation
Fiberlincs, LLC	Pac-West Telecomm, Inc.	
Fidelity Communication Services III, Inc.	PaeTec Communications, Inc.	

The data reported by the following companies for each objective for one or more months were inconsistent with Rule R9-8 and Commission orders in Docket No. P-100, Sub 99, rendering the data unusable.

1-800-RECONEX, Inc.	Granite Telecommunications, LLC	One Voice Communications, Inc.
ACN Communications Services, Inc.	GSC Telecommunications, Inc.	OneTone Telecom, Inc.
Airespring, Inc.	IDS Telecom Corp.	PNG Telecommunications, Inc.
BCN Telecom, Inc.	Image Access, Inc.	Quality Telephone, Inc.
Birch Communications, Inc.	Lifeconnex Telecom, LLC	QuantumShift Communications, Inc.
Birch Telecom of the South, Inc.	Matrix Telecom, Inc.	R.T.O. Communications, L.L.C.
BLC Management, LLC	Metrostat Communications, Inc.	Ready Telecom, Inc.
Connect Communications, LLC	Midwestern Telecommunications, Inc.	Trans National Communications International, Inc.
dPi-Teleconnect, L.L.C.	Momentum Telecom, Inc.	Universal Telecom, Inc.
Epicus Communications Group, Inc.	New East Telephony, Inc.	
Global NAPs North Carolina, Inc.	Now Communications, Inc.	

The following companies have not filed a service quality report.

Broadvox-CLEC, LLC	McGraw Communications, Inc.	RidgeLink, LLC
Cypress Communications Operating Company, LLC	NET TALK.COM, INC.	Talkspan Inc.
Fast Phones, Inc.	Port City Multimedia, Inc.	Tele Circuit Network Corporation

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

**SESSION LAW 2009-238
HOUSE BILL 1180**

AN ACT ESTABLISHING THE CONSUMER CHOICE AND INVESTMENT ACT OF 2009.

Whereas, the technology used to provide communications services has evolved and continues to evolve at an ever-increasing pace; and

Whereas, the resulting competition between traditional telephone service providers, cable companies offering communications services, Voice-over Internet Protocol (VoIP) providers, wireless communications service providers, and other communications service providers promotes and continues to promote additional consumer choices for these services; and

Whereas, traditional telephone service providers remain subject to certain antiquated statutory and regulatory restrictions that do not apply to other communications service providers; and

Whereas, this disparity may deprive consumers of traditional telephone companies of the full range of timely and competitive options and offerings that otherwise would be available to them; and

Whereas, the General Assembly finds that relaxing certain restrictions for traditional telephone companies will relieve consumers of unnecessary costs and burdens, encourage investment, and promote timely deployment of more innovative offerings at more competitive prices for customers; and

Whereas, in order to make the full range of competitive options and offerings available to consumers of communications services while maintaining inflation-based price controls for those existing customers who currently receive and wish to continue receiving only stand-alone basic residential lines from traditional telephone companies, the General Assembly hereby enacts the "Consumer Choice and Investment Act of 2009"; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-133.5 is amended by adding a new subsection to read:

"(h) Notwithstanding any other provision of this Chapter, a local exchange company that is subject to rate of return regulation or subject to another form of regulation authorized under this section and whose territory is open to competition from competing local providers may elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in this subsection by filing notice of its intent to do so with the Commission. The election is effective immediately upon filing. A local exchange company shall not be permitted to make the election under this section unless it commits to provide stand-alone basic residential lines to rural customers at rates comparable to those rates charged to urban customers for the same service.

(1) Definitions. – The following definitions apply in this subsection:

- a. Local exchange company. – The same meaning as provided in G.S. 62-3(16a).
- b. Single-line basic residential service. – Single-line residential flat rate basic voice grade local service with touch tone within a traditional local calling area that provides access to available emergency services and directory assistance, the capability to access interconnecting carriers, relay services, access to operator services, and one annual local directory listing (white pages or the equivalent).
- c. Stand-alone basic residential line. – Single-line basic residential service that is billed on a billing account that does not also contain



- another service, feature, or product that is sold by the local exchange company or an affiliate of the local exchange company and is billed on a recurring basis on the local exchange company's bill.
- d. Open to competition from competing local providers. – Both of the following apply:
1. G.S. 62-110(f1) applies to the franchised area and to local exchange and exchange access services offered by the local exchange company.
 2. The local exchange company is open to interconnection with competing local providers that possess a certificate of public convenience and necessity issued by the Commission. The Commission is authorized to resolve any disputes concerning whether a local exchange company is open to interconnection under this section.
- (2) Beginning on the date that the local exchange company's election under this subsection becomes effective, the local exchange company shall continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service, and the local exchange company may increase rates for those lines annually by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index as reported by the United States Department of Labor, Bureau of Labor Statistics, unless otherwise authorized by the Commission. With the sole exception of ensuring the local exchange company's compliance with the preceding sentence, the Commission shall not:
- a. Impose any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's stand-alone basic residential lines.
 - b. Otherwise regulate any of the local exchange company's stand-alone basic residential lines.
- (3) Except to the extent provided in subdivision (2) of this subsection, beginning on the date the local exchange company's election under this subsection becomes effective, the Commission shall not do either of the following:
- a. Impose any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's retail services.
 - b. Otherwise regulate any of the local exchange company's retail services.
- (4) A local exchange company's election under this subsection does not affect the obligations or rights of an incumbent local exchange carrier, as that term is defined by section 251(h) of the Federal Telecommunications Act of 1996 (Act), under sections 251 and 252 of the Act or any Federal Communications Commission regulation relating to sections 251 and 252 of the Act, nor does it affect any authority of the Commission to act in accordance with federal or State laws or regulations, including those granting authority to set rates, terms, and conditions for access to unbundled network elements and to arbitrate and enforce interconnection agreements.
- (5) A local exchange company's election under this subsection does not prevent a consumer from seeking the assistance of the Public Staff of the North Carolina Utilities Commission to resolve a complaint with that local exchange company, as provided in G.S. 62-73.1.
- (6) A local exchange company's election under this subsection does not affect the Commission's jurisdiction concerning the following:
- a. Enforce federal requirements on the local exchange company's marketing activities. However, the Commission may not adopt, impose, or enforce other requirements on the local exchange company's marketing activities.
 - b. The telecommunications relay service pursuant to G.S. 62-157.
 - c. The Life Line or Link Up programs consistent with Federal Communications Commission rules, including, but not limited to, 47

C.F.R. § 54.403(a)(3), as amended from time to time, and relevant orders of the North Carolina Utilities Commission.

- d. Universal service funding pursuant to G.S. 62-110(f1).
- e. Carrier of last resort obligations pursuant to G.S. 62-110.
- f. The authority delegated to it by the Federal Communications Commission to manage the numbering resources involving that local exchange company."

SECTION 2. G.S. 62-133.5 is amended by adding a new subsection to read:

"(i) To the extent applicable, a competing local provider authorized by the Commission to do business under the provisions of G.S. 62-110(f1) may also elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in subsection (h) of this section."

SECTION 3. G.S. 62-133.5 is amended by adding a new subsection to read:

"(j) Notwithstanding any other provision of this Chapter, the Commission has jurisdiction over matters concerning switched access and intercarrier compensation of a local exchange company that has elected to operate under price regulation, as well as a local exchange carrier or competing local provider operating under any form of regulation covered under this Article or G.S. 62-110(f1)."

SECTION 4. G.S. 62-133.5 is amended by adding a new subsection to read:

"(k) To evaluate the affordability and quality of local exchange service provided to consumers in this State, a local exchange company or competing local provider offering basic local residential exchange service that elects to have its rates, terms, and conditions for its services determined pursuant to the plan described in subsection (h) of this section shall make an annual report to the General Assembly on the state of its company's operations. The report shall be due 30 days after the close of each calendar year and shall cover the period from January 1 through December 31 of the preceding year. The Joint Legislative Utility Review Committee must review the annual reports and decide whether to recommend that the General Assembly take corrective action in response to those reports. The report shall include the following:

- (1) An analysis of telecommunications competition by the local exchange company or competing local provider, including access line gain or loss and the impact on consumer choices from enactment of the Consumer Choice and Investment Act of 2009.
- (2) An analysis of service quality based on customer satisfaction studies from enactment of the Consumer Choice and Investment Act of 2009.
- (3) An analysis of the level of local exchange rates from enactment of the Consumer Choice and Investment Act of 2009."

SECTION 5. Article 4 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-73.1. Complaints against providers of telephone services.

(a) A local exchange company or competing local provider that is unable to resolve a customer complaint shall (i) provide notice to the consumer of the consumer's right to contact the Public Staff of the Commission and (ii) provide to the consumer, in writing, contact information for the Public Staff, including both a toll-free telephone number and an electronic mail address.

(b) The Public Staff shall keep a record of all complaints received pertaining to the provider, including the nature of each complaint and the resolution thereof. If the Public Staff determines that it cannot reasonably resolve the matter, the matter shall be referred to the Commission. The standard for review by both the Public Staff and the Commission shall be whether the action or inaction of the provider is reasonable and appropriate."

SECTION 6. G.S. 62-302(b)(4) reads as rewritten:

"(b) Public Utility Rate. –

- ...
- (4) As used in this section, the term "North Carolina jurisdictional revenues"
~~means~~ means:
 - a. ~~all~~ All revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction.

b. All revenues derived from retail services no longer otherwise regulated by the operation of G.S. 62-133.5(h) for a local exchange company or competing local provider that has elected to be regulated under that subsection."

SECTION 7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2009.

s/ Walter H. Dalton
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 6:15 p.m. this 30th day of June, 2009