

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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June 11, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Joint Petition of Verizon Pennsylvania LLC and Verizon
North LLC for Competitive Classification of all Retail
Services in Certain Geographic Areas, and for a Waiver of
Regulations for Competitive Services
Docket No. P-2014-2446303; P-2014-2446304

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Comments Regarding the
Tentative Clarification Order, in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink that reads "Barrett C. Sheridan".

Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138

Enclosures

cc: Honorable Joel H. Cheskis
Derek Vogelsong, (TUS)
Lenora Best, (BCS)
Certificate of Service

193756

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Verizon Pennsylvania LLC and :
Verizon North LLC for Competitive Classification : Docket Nos. P-2014-2446303,
of all Retail Services in Certain Geographic Areas, : P-2014-2446304
and for Waiver of Regulations for Competitive :
Services :

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE
REGARDING THE TENTATIVE CLARIFICATION ORDER

The Office of Consumer Advocate (OCA) submits these Comments in response to the Public Utility Commission's (PUC's or Commission's) Tentative Implementation Opinion and Order, as entered June 1, 2015 (Tentative Order). The Tentative Order proposes certain clarifications, for the purpose of facilitating implementation of the Commission's March 4, 2015 Reclassification Order. Through the Reclassification Order, the Commission conditionally granted Verizon Pennsylvania LLC and Verizon North LLC (collectively Verizon) competitive classification of 153 Verizon wire centers for pricing of basic local exchange service. The Commission also conditionally waived certain Chapter 63 and Chapter 64 regulations all or in part, limited to Verizon's competitively classified wire centers, and subject to specific conditions.

The Commission issued the Tentative Order and has proposed certain clarifications "as necessary to facilitate implementation of the *Reclassification Order* and to achieve a more efficient transition of basic service to a competitive service in the relevant areas." Tentative Order at 4. In the Tentative Order, the Commission proposes clarifications regarding:

1) the interplay between Section 1501 and Verizon's Product Guide; 2) the interplay between Verizon's Carrier-of-Last-Resort (COLR) obligations and Verizon's Product Guide; 3) Section 64.201 reporting; and 4) the procedures for suspension, termination and restoration of residential basic service, as applied to the competitively classified wire centers.

The OCA appreciates the Commission's commitment to assuring that Verizon provides service to consumers in the competitively classified wire centers which complies with Section 1501 of the Public Utility Code and Chapter 63 and 64 protections, consistent with the Commission's limited and conditional regulatory waivers. The OCA agrees that points which may have been implicit within the Reclassification Order merit clarification, so that all parties understand the impact of the Commission's Reclassification Order. Through these Comments, the OCA supports the Commission's Tentative Order subject to certain refinements, to better reflect the interplay of not only Section 1501 but also other provisions of the Public Utility Code, prior Commission orders, and Verizon's own Chapter 30 Plan commitments. The OCA also accepts the Errata identified in the Tentative Order as appropriate.

I. COMMENTS

A. The Commission's Proposed Clarifications Related To The Interplay Between Section 1501 And Verizon's Product Guide Merit Adoption, Subject To Refinements

1. Introduction

The Tentative Order addresses the content and application of Verizon's Product Guide, as it relates to resolution of complaints by consumers in the competitive wire centers; the need for Verizon to review and modify its Product Guide "in addition to the Product Guide modifications required in the *Reclassification Order*;" and how and when Verizon "shall provide

a copy of the Product Guide applicable to stand-alone basic local telephone service” to Commission staff now and in the future. Tentative Order at 5-6. The OCA agrees with the Commission that clarification regarding the interplay between Section 1501, the Chapter 63 and 64 regulations not waived, and Verizon’s Product Guide is warranted. The OCA also supports that Commission’s directives that Verizon modify its Product Guide and provide advance copies of updated Product Guides to Commission staff. The OCA would also request that such advance copies be provided to the OCA so that it is aware of the updates as the OCA works to educate consumers and assist them with complaints. However, the OCA submits that some clarifications proposed by the Tentative Order should not become final as written. The OCA submits that important refinements are necessary as described below.

2. The Tentative Order’s Proposed Clarification Of Legal Authorities Should Start With The Affirmative Statement That Verizon Must Comply With Section 1501 Of The Public Utility Code.

The Tentative Order proposes that three “legal authorities will govern complaints filed by Verizon customers located in competitive wire centers” Tentative Order at 5. The three “legal authorities” identified by the Tentative Order are “(1) [t]he Regulations retained by the Reclassification Order; (2) [t]he Product Guide and any guidance that it may offer on whether Verizon’s conduct is reasonable under Section 1501 of the Code, 66 Pa. C.S. § 1501; and (3) [w]hat is reasonable based on the facts presented in a case in accordance with Section 1501 of the Code.” *Id.* As discussed below, the OCA submits that only two of these sources should be appropriately labelled and accorded status as “legal authorities.” Verizon’s Product Guide should not be accorded status as a “legal authority.”

The Tentative Order appears to suggest a hierarchy for the application of these three “legal authorities” when the Commission resolves a consumer complaint. The Tentative Order proposes that the reasonableness of Verizon’s conduct will be measured against Section 1501 of the Public Utility Code, “[i]f there is no applicable Regulation and the Product Guide does not address an issue or is ambiguous....” Tentative Order at 6, citing 66 Pa.C.S. § 1501. The Tentative Order proposes to clarify what “may have been implicit as a matter of law in the *Reclassification Order*,” that “[i]n the event of a conflict between the Verizon Product Guide and a retained Regulation, the Regulation trumps the Product Guide.” *Id.* at 6. Further, the Tentative Order suggests that the Verizon Product Guide “can be used as a reference when addressing a consumer complaint,” in the absence of an applicable regulation. *Id.*

The OCA agrees with this proposed clarification of the *Reclassification Order*, to assure that the implicit legal rule – that any Commission regulation that applies to Verizon’s competitive wire centers “trumps the Product Guide” – is explicitly stated. The OCA supports this clarification of the *Reclassification Order*.

The OCA disagrees, however, that in the context of a consumer complaint, the reasonableness and adequacy of Verizon’s conduct should be measured against Section 1501 only “[i]f there is no applicable Regulation and the Product Guide does not address an issue or is ambiguous....” See Tentative Order at 6. The OCA does not agree that there needs to be a regulatory void and/or lack of clear statement in Verizon’s Product Guide before the Commission may measure Verizon’s complained of conduct against Section 1501. As clearly and repeatedly stated in the *Reclassification Order*, Verizon’s conduct is always subject to review for compliance with Section 1501, whether or not a regulation may also apply and whether or not there is an applicable provision of the Product Guide. The OCA opposes any

clarification or modification of the Reclassification Order which would alter this aspect of the Reclassification Order, as reviewed below.

Specifically, the Reclassification Order granted Verizon conditional waiver of certain regulations “to streamline our regulation of Verizon’s basic local exchange service to reflect the environment that exists in the competitive wire centers” Reclassification Order at 76. The Commission made clear that it retained full authority to enforce Verizon’s compliance with Section 1501 of the Public Utility Code, without regard to the competitive classification of certain wire centers. Id. at 6-7, 48, 75-76, 86-87, 94. The Reclassification Order states:

[a]s with our waiver of the quality of service Regulations, waiving our Chapter 64 Regulations does not mean that we are abandoning our oversight of Verizon’s billing and collections practices in competitive wire centers. Similar to our ruling on quality of service, Verizon will still be required to abide by Section 1501 of the Code to provide reasonable service in competitive wire centers.

Id. at 94. Further, the Commission declined to waive Section 63.20 (Line extensions) which the Commission deemed “is relevant to Verizon’s Section 1501-based COLR obligation that will in remain competitive wire centers.” Id. at 80-81. The Commission also declined to waive some Chapter 64 regulations which the Commission deemed “as necessary to assist the Commission in ensuring Verizon’s continued compliance with Section 1501 of Code and to manage reasonable customer expectations”¹ Id. at 87.

The Reclassification Order specifically considered the potential for complaints by consumers in competitive wire centers, as part of the Commission’s ruling on Verizon’s petition for waiver:

[n]otwithstanding the ability of customers in competitive wire centers to opt for other service providers if they find Verizon’s service unacceptable, these customers also have the option to

¹ No waiver of 52 Pa. Code §§ 63.55 (Surveillance reports); 63.56 (f), (g) (Measurements); and Section 63.57 (Trouble reports).

complain to the Commission about poor service. Waiving the regulations of [Chapter 63] Subchapter E does not, in any way, modify Verizon's statutory obligation under the Code to provide 'adequate, efficient, safe, and reasonable service,' to customers in competitive wire centers. This point has been confirmed in Verizon PA's and Verizon North's Chapter 30 Plans and also in the testimony in this case. See Verizon St. 1.0 at 41.

Reclassification Order at 86.

When the Commission resolves an informal or formal complaint raised by a consumer in a competitive wire center, the OCA submits that the Commission must consider whether Verizon's conduct violates Section 1501, even if there is some related regulation that also applies. Based on the OCA's reading of this Tentative Order's clarification, which proposes that the Commission would measure Verizon's complained of conduct against Section 1501 only "[i]f there is no applicable Regulation and the Product Guide does not address an issue or is ambiguous," the OCA submits that this clarification proposed by the Tentative Order should not be adopted by the Commission.

If the Commission adopts a hierarchy of legal authorities to consider when resolving a complaint regarding Verizon's provision of service in a competitive wire center, the OCA submits that the Commission should clarify that Section 1501 of the Public Utility Code is the first legal authority, that those Commission regulations not waived by the Reclassification Order are second, followed by relevant Commission orders and Verizon's Chapter 30 Plan commitments. See Reclassification Order at 86. As discussed below, the OCA submits that Verizon's Product Guide should be treated as a legal authority.

3. Verizon's Product Guide Cannot Be Treated As A "Legal Authority"

When The Commission Resolves Complaints By Consumers In A Competitive Wire Center.

In the Reclassification Order, the Commission directs Verizon “to use the Terms and Conditions of service contained in its ‘Product Guide’ as the governing document for basic local exchange service customers in the competitive wire centers in the Verizon PA and Verizon North service territories.” Reclassification Order at 65 [footnotes omitted], at 125, Ordering Para. 7. The Commission issued this direction “[t]o ensure that the terms and conditions of basic local exchange service are memorialized for customers in competitive wire centers....” *Id.* at 65. The Reclassification Order describes Verizon’s provision of competitive basic local calling service in these wire centers as “non-tariff agreements” that “become an implied-in-fact contract” *Id.* The Commission based some regulatory waiver decisions in part on whether Verizon’s Product Guide set forth terms and conditions governing the same topic as the waived regulation. See e.g. Reclassification Order at 80 (Waiver of Section 63.24 regarding bill credits for service interruptions), at 95 (Waiver of certain Chapter 64, Subchapter B payment regulations).

The Tentative Order proposes to clarify or modify the Reclassification Order so that, in a review of a consumer complaint regarding Verizon service in competitive wire center, the Commission may consult the “Product Guide and any guidance that it may offer on whether Verizon’s conduct is reasonable under Section 1501 of the Code, 66 Pa. C.S. § 1501.” Tentative Order at 5. The Tentative Order proposes to categorize Verizon’s Product Guide as a “legal authority,” akin to Section 1501 and the Commission’s retained regulations. *Id.* at 5-6.

This proposed clarification of the Reclassification Order raises several concerns for the OCA. The OCA does not support adoption of the Tentative Order’s proposal that “[t]he Product Guide and any guidance that it may offer on whether Verizon’s conduct is reasonable under Section 1501 of the Code, 66 Pa. C.S. § 1501” be counted as one of “the legal authorities [which] will govern complaints filed by Verizon customers located in competitive wire

centers....” Tentative Order at 5. The OCA does not agree that the Commission should accord Verizon’s Product Guide any deference or status as “legal authority,” when the Commission is asked to resolve an informal or formal complaint filed by a consumer in a competitive Verizon wire center. As the Commission declared in the Reclassification Order:

With the exception of rate regulation and tariffing, the Commission’s authority under the Public Utility Code is retained over landline telecommunications services determined to be competitive. This includes retaining jurisdiction over quality of service standards that address the safety, adequacy, reliability, and privacy of telecommunications services and the ordering, installation, suspension, termination, and restoration of any telecommunication service.

Reclassification Order at 63 [footnotes omitted](emphasis added). The Commission granted waiver of certain Chapter 63 service quality regulations but noted that such waivers do not:

in any way, modify Verizon’s statutory obligation under the Code to provide ‘adequate, efficient, safe, and reasonable service’ to customers in competitive wire centers. This point has been confirmed in Verizon PA’s and Verizon North’s Chapter 30 Plans and also in the testimony in this case. See Verizon St. 1.0 at 41.

Neither does a waiver of these Regulations impact the Commission’s ability to adjudicate a customer complaint alleging poor service quality. Verizon remains statutorily required to provide reasonable service in competitive areas. Granting Verizon’s waiver requests does not change this or the Commission’s ability to address a quality of service complaint. Thus, we view our Section 1501 jurisdiction and authority as a regulatory back-stop on quality of service.

Id. at 86. The OCA submits that the Tentative Order’s proposal to elevate Verizon’s Product Guide to status as a “legal authority” is improper and should not be adopted as a clarification or modification of the Reclassification Order. The Commission must view the reasonableness of Verizon’s conduct, including the accuracy and legality of information communicated through Verizon’s Product Guide, against Section 1501, any relevant, retained regulations, and other

relevant Commission orders. The Commission should not adopt this particular clarification proposed by the Tentative Order.

4. Verizon Should Revise Its Product Guide Language To Avoid Conflicts With Verizon's Obligation To Provide Reasonable And Adequate Service Consistent With Verizon's COLR Obligations, Section 1501, And Those Regulations That Apply In Competitive Wire Centers

The Tentative Order directs that:

“[i]n an attempt to avoid any conflicts and potential customer confusion, Verizon shall review its Product Guide applicable to stand-alone basic local telephone service and determine whether there are any conflicts with the retained Regulations in competitive wire centers. If so, Verizon is directed to modify its Product Guide so that it conforms to the retained Regulations. Verizon's Product Guide should also include references to the Commission's retained Regulations, where appropriate.

Id. at 6.

The OCA supports this directive and clarification as set forth in the Tentative Order. The OCA agrees that Verizon's Product Guide should be reviewed and modified to eliminate any statements that conflict with the Reclassification Order, retained Chapter 63 and 64, and Verizon's COLR obligations. Unlike tariff provisions, Verizon's Product Guide terms and conditions are not accorded the force of law. Pursuant to Section 1501, Verizon has an obligation to provide consumers, including consumers in competitive wire centers, with accurate information regarding Verizon's service obligations, prices, and terms and conditions of service. AT&T Communications of Pennsylvania LLC v. Pa. P.U.C., 568 A.2d 1362 (Pa. Commw. 1990)(Misrepresentation of rates is a violation of Sec. 1501). Thus, all reasonable care should be taken to assure that Verizon provides to consumers in competitive wire centers information regarding Verizon's terms and conditions of competitive services, whether basic local calling

service or non-recurring services such as installation, that is accurate and consistent with Verizon's COLR obligations, Section 1501, and other relevant legal authorities.

5. Advance Notice And Copies Of Updates To Verizon's Product Guide Should Be Provided To Commission Staff And The Office Of Consumer Advocate To Support Timely Consumer Education.

The Tentative Order proposes that Verizon distribute copies of the modified "Product Guide applicable to stand-alone basic local service" to Commission staff in Bureau Technical Utility Services and BCS and to provide notice of future changes to the Verizon Product Guide. Tentative Order at 6. The OCA supports this portion of the Tentative Order, subject to two refinements. First, the focus should be on Verizon's Product Guide and updates that cover basic service, whether offered on a stand-alone basis or as part of a bundle, as well as related services including installation, restoration, suspension and termination. See e.g., Reclassification Order at 96 (Retained Section 64.24, addressing preservation of basic local exchange service upon the termination of a bundled package). Second, the OCA submits that the Verizon should also be required to provide notice and copies of updated Verizon Product Guides to interested parties, including the OCA. As noted by Commissioner Witmer, consumer education and outreach is an important part of the transition to competitive markets. See, Reclassification Order, Statement of Commissioner Witmer. To support these endeavors, the OCA requires notice of changes to the Verizon Product Guide and updated copies.

B. The Commission's Clarification That Verizon's COLR Obligations Cannot Be Diminished By Verizon's Product Guide Is Well Supported.

In its Tentative Order, the Commission addresses the interplay or "potential conflict" between Ordering Paragraph numbers six and seven in the Reclassification Order. Tentative Order at 7. Ordering Paragraph 6 directs that Verizon's COLR obligations extend to

Verizon's offer of competitive local service in competitive wire centers.² Reclassification Order at 125. Ordering Paragraph 7 states that the terms and conditions provisions of Verizon's Product Guide will govern Verizon's provision of competitive local calling service in the competitive wire centers.³ Id.

In the Tentative Order, the Commission notes that "one interpretation" of Verizon's current Product Guide is that it "may" conflict with Verizon's COLR obligation in wire centers classified as competitive. Tentative Order at 7. Specifically, the Commission references a portion of Verizon's current Product Guide wherein Verizon states that it "will not provide service where providing the service is uneconomic or not justified based on economic factors or where otherwise provided by the Product Guide." Id., citing Section 1.2.G., 1st Revised Sheet 2 of the respective Verizon Pennsylvania and Verizon North Product Guides. The Tentative Order states "[t]o resolve this potential conflict, we clarify that the Product Guide governs only to the extent it is consistent with the applicable law." Id. The OCA notes that Section 1501 provides in part that:

Subject to the provisions of this part and the regulations and orders of the commission, every public utility may have reasonable rules and regulations governing the conditions under which it shall be required to render service.

66 Pa. C.S. § 1501 (emphasis added). The Tentative Order's finding and directive that Verizon must revise its Product Guide terms and conditions to conform with and remove any language that conflicts with Section 1501, the Commission's retained regulations, or relevant orders of the

² Ordering Paragraph 6. "That Verizon Pennsylvania LLC and Verizon North LLC shall continue to hold their obligations as the Carriers of Last Resort in those wire centers determined to be competitive in this Opinion and Order." Reclassification Order at 125.

³ Ordering Paragraph 7. "That Verizon Pennsylvania LLC and Verizon North LLC shall use the terms and conditions of service contained in its "Product Guide" as the governing document for basic local exchange service customers in those wire centers determined to be competitive in this Opinion and Order." Reclassification Order at 125.

Commission is supported by Section 1501. Section 1501 does permit Verizon to set forth terms and conditions in its Product Guide covering competitive services, but those terms and conditions must be “reasonable,” a determination within the Commission’s authority and discretion.

The OCA supports the Tentative Order’s clarification and directive that Verizon must review and modify its Product Guide language to conform with Section 1501, retained regulations, and Verizon’s COLR obligations. See Tentative Order at 6, 7. The OCA also supports the Tentative Order’s clarification that Verizon’s Product Guide “also does not trump the requirement of 52 Pa. Code § 63.20, to ‘make reasonable line extensions[,]’ which remains in effect in competitive wire centers.” *Id.* Both of these clarifications are legally correct and consistent with the Reclassification Order’s clear statement that Verizon’s COLR obligations as an incumbent local exchange carrier subject to Section 1501 are not diminished by the competitive classification of Verizon wire centers.

The Reclassification Order clearly states that Verizon’s obligation to provide reasonable, adequate and safe service and Verizon’s COLR obligations are unchanged by the classification of Verizon wire centers as competitive. The Commission held as follows:

Any determination we reach under this proceeding also will not diminish Verizon’s statutory duty to provide “adequate, efficient, safe, and reasonable service and facilities” as well as service that is “reasonably continuous and without unreasonable interruptions or delay[.]” In any wire center that we determine to be competitive, Verizon will remain fully obligated to comply with this important consumer protection. Further, as part of its obligation under Section 1501 of the Code, **Verizon also remains the carrier of last resort (COLR) in the entirety its service territories, including in any wire centers deemed to be competitive.** As we have previously found, an ILEC’s COLR obligation is rooted in this important statutory section.

Reclassification Order at 7 (Emphasis added). The Reclassification Order cited the Commission's 2011 description of the COLR obligations of rural local exchange carriers:

RLECs are required *universally* to provide adequate, safe and reliable service and facilities for the convenience of the public *and* the interconnected telecommunications carriers *throughout* their respective service areas. Such COLR obligations extend to the provision of retail telecommunications services anywhere within the RLEC's service territory, include service quality requirements and public safety obligations in terms of handling 911/E911 call traffic, and telecommunications carrier connectivity requirements that are governed by both Pennsylvania and federal law.

Id., citing Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers, Docket Nos. I-00040105, C-2009-2098380, Opinion and Order at 105-106 (July 11, 2011)[subsequent history omitted].

The OCA submits that these Tentative Order directives and clarifications regarding the interplay between Verizon's Product Guide language and Verizon's COLR and Section 1501 obligations are important and should be adopted by the Commission. Any doubt or potential for a reading of Ordering Paragraph 7 in a way that conflicts with Ordering Paragraph 6 should be resolved, consistent with the Reclassification Order's discussion of Verizon's COLR and Section 1501 obligations.

Key among the consumer safeguards identified in the Reclassification Order was the recognition that Verizon must continue to meet its COLR obligation as it stands today. The pricing flexibility that results from the Commission's grant of competitive classification does not include permission for Verizon to abrogate or contract away its COLR obligations. Indeed, in the Reclassification Order, the Commission recognized that maintaining universal service through access to Verizon's network is a requirement under Chapter 30. Reclassification Order at 60; citing 66 Pa. C.S. §3011(2), (8), and (12). The OCA submits that Verizon's obligation to

connect customers to its wireline service is at the heart of its COLR obligation under Section 1501 and Chapter 30.

The OCA notes further that the Reclassification Order clearly stated what is not within the scope of Verizon's Petition proceeding, where Verizon's Petition:

is not a request by Verizon to cease offering its basic local exchange service in the wire centers for which it seeks competitive determination. Under its Petition, Verizon does not seek to abandon any of its service offerings, and we grant no such permission. Likewise, Verizon has not presented any plans to cease operation of its legacy copper network.

Reclassification Order at 6 [footnotes omitted]. Should Verizon desire to cease offering basic local exchange service or cease to operate its copper network, the Reclassification Order reminds Verizon that it must first make the appropriate filings under applicable state or federal law and obtain regulatory approval. Id.

The Commission took note of Verizon's affirmative commitment to continuing to connect all customers and to continuing to offer basic local services as developed on the record.

The Commission held as follows:

Consistent with this obligation, Verizon affirmed that each Verizon Company will continue to connect all customers located in their service territories upon request. Verizon also points out that in other states where it has been granted pricing flexibility for basic local exchange service, it has not changed its product offerings.

We interpret this testimony to be a commitment by Verizon to continue serving all customers in competitive wire centers and to continue offering basic local exchange services to customers in competitive wire centers. We view offering basic local exchange service as part of Verizon's COLR obligation existing under state and federal law. We shall require this result absent a clear, future ruling by this Commission or the FCC to the contrary.

Reclassification Order at 61; see also Feb. 26, 2015 Statement of Commission Witmer (Supports the Reclassification Order which maintains the Commission's statutory obligation under Section 1501).

The Commission's interpretation of the COLR obligation applied to Verizon in this case is unambiguous. Verizon must continue to comply with its current COLR and Section 1501 obligations to provide consumers in competitive wire centers with basic local calling service over Verizon's wireline facilities which is safe, adequate and reasonably continuous. The Tentative Order's proposal that conflicting provisions of the Product Guide should be removed is well supported.

C. The Tentative Order's Proposed Modification Of Verizon's Section 64.201 Reporting Obligations May Be Adopted, Subject To Refinements

In its Reclassification Order, the Commission approved a waiver of certain Chapter 63 and Chapter 64 regulations until December 2020 in the 153 wire centers that the Commission deemed to be competitive. The Commission retained limited regulations governing Verizon's conduct in these 153 wire centers. Section 3015(e)(4) of the Public Utility Code requires Verizon to file an annual service report with the Commission, referred to as the Section 64.201 annual report. The Commission in the Reclassification Order waived some of the Section 64.201 residential account data reporting requirements for activities in competitive wire centers, but the Commission did not waive reporting regulations in wire centers that the Commission deemed to be non-competitive. The Commission's rationale for granting the partial waiver for competitive wire centers was to keep requirements that could assist with assessing the impact of the reclassification on standalone basic local telephone service rates in competitive wire centers.

The Commission's Tentative Order proposes a further waiver of regulations beyond those granted by the Commission in the Reclassification Order. Specifically, the

Tentative Order proposes to modify the grant of waiver of portions of Section 64.201 so that Verizon's preserved reporting obligations will be uniform across all wire centers, including those non-competitive wire centers that were not covered by Verizon's Petition. The OCA submits that the Commission should waive any reporting requirements for non-competitive wire centers through this Order.

The OCA further submits that the Section 64.201 annual report should be broken down between competitive wire centers and non-competitive wire centers, as the OCA read the Reclassification Order. The Commission's proposed reduction of Verizon's retained reporting requirements under Section 64.201, creates a conflict with the Commission's commitment to require Verizon, for a two-year period, to collect and report data covered in part by Section 64.201 and broken out, at a minimum between competitive and non-competitive wire center areas. The break out of this information is critical to determining whether the competitive classification of Verizon's 153 wire centers is achieving the goals and requirements of Chapter 30.

Second, the OCA submits that the waivers of the majority of the Section 64.201(b) reporting items, including total uncollectible account information, will not allow the Commission to properly assess telecommunications service in Pennsylvania. The Commission remains under an obligation to ensure affordable telecommunications service. The provision of this service – whether through a bundle or basic stand-alone service subject to pricing flexibility or whether as basic service at rates adjusted pursuant to Verizon's Chapter 30 Plan – must be periodically assessed. The information in Section 64.201(b) is critical for the Commission to meet this obligation under Chapter 30.

Finally, the OCA supports the Commission's determination to require Verizon to report the total number of disputes handled, not just the count of Chapter 64 disputes, under the Tentative Order's proposed clarification of the Commission's partial waiver of Section 64.201. With many provisions of Chapter 64 waived as to the 153 competitively classified wire centers, and the extension of the "warm transfer" process for the hand off to Verizon of informal consumer disputes that include Chapter 64 type issues, the OCA submits that a reporting requirement limited to Chapter 64 would not be representative.

D. The Commission's Proposed Clarifications And Modifications Regarding Protection Of Verizon Residential Consumers In Competitive Wire Centers When Facing Suspension, Termination, And Restoration Of Service.

In the Reclassification Order, the Commission granted Verizon waiver, all or in part, of a number of Chapter 64 regulations that govern termination and restoration of service as well as suspension of service, limited to the competitive wire centers and for a term of five years, pending further rulemaking. Reclassification Order at 98-101. The Reclassification Order retained specific regulatory provisions that help consumers with medical conditions receive notice and avoid suspension of service. *Id.* at 99. The Commission also retained the Section 64.24 regulation that Verizon may not terminate basic service purchased as part of a competitively priced bundle, without first converting the consumer's service to basic local service. *Id.* at 95-96.

The Tentative Order sets forth a more refined explanation of the Commission's intent and oversight of Verizon's suspension and termination of services in the competitive wire centers, under the Commission's conditional grant of regulatory waivers. Tentative Order at 9-12. The Tentative Order describes a "one-tier notification process prior to suspension and termination of service in competitive wire centers; a seven-day advanced written notice process,"

intended to substitute for the two-tier notification process applicable to non-safety related suspension/termination under the waived regulations. Id. at 10-11. The OCA appreciates this clarification and modification of the Reclassification Order, as it provides to Verizon more specific guidance as to how Verizon must, at a minimum, implement this one-tier notification process to alert consumers in competitive wire centers of the potential suspension or termination of service.

The OCA agrees with the Tentative Order's direction that Verizon's transition to this one-tier notification process is subject to the requirement that Verizon "provide at least thirty days' advanced notice to the Commission, in writing, prior to implementing the one-tier advanced written notice process...." Tentative Order at 11. The Tentative Order modifies the Reclassification Order by stating that "[u]ntil such a filing is made and effective, Verizon shall follow the existing two-tier suspension/termination process in competitive wire centers." Id. The Tentative Order also clarifies that certain waivers granted in the Reclassification Order are conditioned on Verizon's providing the advanced written notice to convey specific information as spelled out in the Tentative Order. Id. The Tentative Order offers certain other clarifications regarding the interplay between the Reclassification Order's determination to retain certain Chapter 64 provisions such as Section 64.24 or grant of waiver of other regulations such as Section 64.109 regarding suspension. Id. at 11-12.

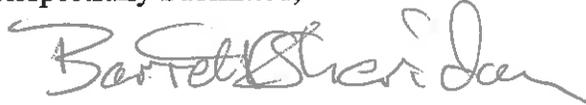
The OCA submits that, notwithstanding Verizon's existing Product Guide terms and conditions that may address suspension and termination, the modifications proposed in the Tentative Order and the Commission's clear intent to oversee how Verizon implements a new, one-tier process for providing notice of suspension and termination is appropriate and reasonable to protect consumers in the competitive wire centers and better preserve universal service.

Consistent with other portions of these OCA Comments, the OCA submits that Verizon should modify its Product Guide language to be consistent with the directives and one-tier notification process mapped out by the Tentative Order, once final and after Verizon provides the Commission the required written notice. Additionally, the OCA submits that Verizon should provide the OCA and other interested parties with a copy of Verizon's written, advance notice of its intent to transition to the one-tier notification process.

II. CONCLUSION

The Office of Consumer Advocate submits that the Commission should adopt only those Tentative Order clarifications and modifications as supported by these Comments or as revised consistent with these Comments.

Respectfully Submitted,



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DATE: June 11, 2015
208327

CERTIFICATE OF SERVICE

Joint Petition of Verizon Pennsylvania LLC :
And Verizon North LLC for Competitive : Docket Nos. P-2014-2446303
Classification of all Retail Services in Certain : P-2014-2446304
Geographic Areas, and for a Waiver of :
Regulations for Competitive Services :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Comments Regarding the Tentative Clarification Order, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 11th day of June 2015.

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

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