



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

Press Release

FOR IMMEDIATE RELEASE

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PUC ORDERS PENALTY FOR AT&T FOR FAILURE TO MEET OUT OF SERVICE STANDARDS

SAN FRANCISCO, November 1, 2007 - The California Public Utilities Commission (PUC) today directed AT&T California to pay a penalty of \$300,000 per month for three months (a total of \$900,000) for failing to meet the PUC established out of service standard in 2006 to repair and restore customers' services after a first time outage.

In November 2000, the PUC opened a proceeding (C.00-11-018) to examine whether AT&T's (then Pacific Bell) service quality had deteriorated as a result of a complaint filed by the PUC's Division of Ratepayer Advocates. The PUC subsequently issued a decision (D.01-12-021) to establish annual standards for AT&T's average repair time to restore a customer's services after a customer experiences an outage (loses a dial tone).

The standards are 29.3 hours for an initial outage and 39.4 hours for a repeat outage within 30 days after the initial outage. In D.01-12-021, the PUC ordered Pacific Bell, now AT&T, to file an annual Advice Letter on its performance in repairing residential outages. If AT&T failed to meet the set standards, it could be penalized up to \$600,000 (\$300,000 per standard) for each month it was out of compliance. AT&T met the out of service standards in years 2003 and 2004. For year 2005, the PUC fined AT&T \$900,000 for three months of failing the initial out of service standard. For year 2006, AT&T met the standard for repeat outages, but it fell short in three months of meeting the initial outage standard. In determining the penalty level, the PUC adjusted for weather abnormalities that occurred last year.

For more information on the PUC, please visit www.cpuc.ca.gov.

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