

## **Attachment A**

AT&T California Investment Plan,  
Pursuant to G.O. 133-D, Rule 9.7  
2021 Service Quality Results

### **Overview**

Pursuant to Decision 16-08-021<sup>1</sup> and General Order 133-D, Rule 9.6, AT&T California (“AT&T”) submitted the Tier II Advice Letter No. 49018 on February 15, 2022, relating to its service quality results under G.O. 133-D for calendar year 2021. The advice letter and accompanying information provides a calculation of the fine potentially applicable to AT&T under G.O. 133-D Rule 9.6 (Advice Letter Tabulating Fine), as well as notice of intention to propose an alternative investment plan permitted under Rule 9.7 (Alternative Proposal for Mandatory Corrective Action).

As discussed below, AT&T submits this Supplemental Advice Letter 49018-A to provide additional detail on its proposal to make an investment of twice its potential fine in projects to improve service quality. Under this plan, AT&T proposes to make an incremental investment of almost \$6.2M in projects that will benefit service quality in the areas targeted by such investment. G.O. 133-D, Rule 9.7 provides “carriers may propose in their annual fine filing, to invest no less than twice the amount of their annual fine in a project(s) which improves service quality in a measurable way within 2 years.” Consistent with Rule 9.7, AT&T’s proposed investment will “benefit service quality in the areas of such investment” by reducing the incidents of trouble reports, one of the Commissions service quality metrics. Though the Out-of-Service (“OOS”) metric is the reason for the fine, G.O. 133-D does not require the investment improve that metric, only that it “improves service quality,” which will happen through reduced trouble reports in the targeted areas. Additionally, because the areas for investment, detailed below, have OOS results that exceed the statewide average, the reduction in trouble reports in these areas will reduce the number of above average incidents of OOS and improve statewide OOS results. Finally, the public benefit of bringing fiber investment to these communities cannot be ignored. Not only will it result in improved quality of service, but it will allow the citizens in these areas to access advanced services, most notably internet access. The Commission should approve AT&T investment in lieu of paying the fine to California’s State Treasury.

### **Description of Projects and Benefits**

In response to the Commission’s G O. 133-D Rule 9.7, AT&T proposes to invest at least \$6,184,800 in its networks in California, which would be an incremental increase to its 2022 budget for California.

In lieu of paying to the California State Treasury the \$3,092,400 fine (calculated pursuant to G.O. 133-D), which would not improve the quality of service AT&T’s customers experience nor improve the ability the affected customers to connect to their communities and beyond, AT&T proposes to

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<sup>1</sup> As corrected by Decision 16-10-019.

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spend double that amount as an investment to improve service quality performance in the targeted areas in California. AT&T proposes to accomplish this goal by deploying optical fiber cable in areas that AT&T currently serves using copper lines. This is expected to improve the quality of service customers will experience in the targeted areas because customers served by these new fiber cables will experience fewer outages.<sup>2</sup> In addition to improving service quality performance, the deployment of fiber optic cable will provide access to AT&T's advanced broadband services (currently from 300 to 1 gig Mbps) service to the customers in the target areas, which were selected, in part, on the basis that a portion of each area is either currently unserved or lack adequate broadband service.

AT&T's proposed investment is focused on projects to improve the infrastructure that provides its traditional phone service subject to G.O. 133-D's rules and is also able to provide highspeed internet access. These projects will target network plant where AT&T is experiencing high levels of reported trouble, repair dispatches, and/or maintenance costs. Most of the incremental expenditures will be dedicated to placing new fiber cables and the remaining incremental expenditures will be spent placing the equipment necessary to support services on these fiber cables. AT&T's experience is that using fiber infrastructure leads to improved overall service quality due to reduced service issues for fiber-based services.

Under the proposed plan, AT&T will meet with Commission Staff periodically to report on projects completed and the effect on service quality.

### Specific Projects

If approved, these projects will be paid for directly by AT&T using the investment in lieu of a fine allowed by G.O. 133-D.

#### Petaluma/Sonoma

AT&T proposes to spend approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** to build fiber optic cable to serve 1,532 Living Units (LUs) in the Petaluma and Sonoma wire centers. In 2021, approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** of OOS trouble tickets were resolved within 24 hours in these two wire centers. **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\***

#### Dixon

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<sup>2</sup> Per USTelecom, "[Fiber networks]... are not susceptible to inclement weather (which can damage or stall data transmissions) or electrical interference." <https://ustelecom.org/the-benefits-of-fiber/>

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AT&T proposes to spend approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** to build fiber optic cable to serve 517 LUs in the Dixon wire center. In 2021, approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** of OOS trouble tickets were resolved within 24 hours in this wire center. **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\***

### Fair Oaks

AT&T proposes to spend approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** to build fiber optic cable to serve 286 LUs in the Fair Oaks wire center. In 2021, approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** of OOS trouble tickets were resolved within 24 hours in this wire center. **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\***

### Truckee

AT&T proposes to spend approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** to build fiber optic cable to serve 373 LUs in the Truckee wire center. In 2021, approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** of OOS trouble tickets were resolved within 24 hours in this wire center. **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\***

### Comptche

AT&T proposes to spend approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** to build fiber optic cable to serve 252 LUs in the Mendocino wire center. In 2021, approximately **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\*** of OOS trouble tickets were resolved within 24 hours in this wire center. **\*\*\*BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL\*\*\***

### Incremental Investment

AT&T plans to use a unique capital budget to place new fiber facilities in targeted locations, in addition to its existing capital budget. In order to show the incremental investments that are to be made into these California communities, AT&T will be using project tracking codes to ensure the proper investments are properly coded and tracked. AT&T will be available to meet regularly with

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Commission staff to review progress and expenditures.

### **Conclusion**

AT&T's commitment to incremental investment in its network will benefit customers of traditional phone services subject to G.O. 133-D rules by improving service quality by reducing the number of trouble reports in the areas of such investment. As mentioned, AT&T will also commit to meeting with Commission Staff periodically over the two-year period of the plan to provide information on projects completed and improvements to service quality results in those areas. Financial tracking using AT&T's established methods will be performed and information will be provided on a confidential basis to Commission Staff. AT&T respectfully requests approval of the plan described above.

