#### BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of Service DOCKET NO. 050490-TL Program, with relief from Guarantee requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), F.A.C., Sprint-Florida, by Incorporated.

ORDER NO. PSC-05-0918-PAA-TL ISSUED: September 19, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman J. TERRY DEASON RUDOLPH "RUDY" BRADLEY LISA POLAK EDGAR

# NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING SPRINT-FLORIDA, INCORPORATED'S PETITION FOR APPROVAL OF SERVICE GUARANTEE PROGRAM

#### BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

#### I. Case Background

By Order No. PSC-00-2462-PAA-TL<sup>1</sup>, issued December 20, 2000, this Commission approved a stipulation and settlement entered into by the Office of Public Counsel and Sprint-Florida, Incorporated (Sprint) wherein Sprint implemented a Service Guarantee Plan, or Service Guarantee Program (SGP). Sprint's original SGP was implemented on June 1, 2001, and terminated on May 31, 2003.

By Order No. PSC-03-0733-PAA-TL<sup>2</sup>, issued June 19, 2003, this Commission approved Sprint's Petition for modification and extension of its SGP. The modified SGP was scheduled to expire on May 31, 2005. On June 9, 2005, Order No. PSC-05-0630-FOF-TL was issued

DOCUMENT NUMBER-DATE

See Docket No. 991377-TL, In Re: Initiation of show cause proceedings against Sprint-Florida, Incorporated for violation of service standards.

<sup>&</sup>lt;sup>2</sup> See Docket No. 030430-TL, In Re: Petition for approval of limited waiver of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(c) and (1)(d), and 25-4.110(2), F.A.C.; and for approval of modification and extension of SGP (SGP) approved by Order PSC-00-2462-PAA-TL, by Sprint-Florida, Incorporated.

whereby the Commission approved Sprint's request for a three month extension of its modified SGP and associated rule waivers. Sprint's current extension of its modified SGP expires on August 31, 2005.

Pursuant to Order No. PSC-05-0282-FOF-TP<sup>3</sup>, issued March 16, 2005, amendments were adopted to the service quality rules for telecommunications companies. The amended rules, with the exception of Rule 25-4.085, Florida Administrative Code (F.A.C.), became effective on April 3, 2005. Subsequently, by Order No. PSC-05-0586-FOF-TP, issued May 26, 2005, this Commission adopted Rule 25-4.085, F.A.C., which became effective on June 14, 2005. Both the amended service quality rules and the new SGP rule apply only to residential service.

On July 15, 2005, Sprint filed its Petition for Approval of Service Guarantee Program pursuant to Rule 25-4.085, F.A.C. Sprint's proposed SGP applies only to retail, residential basic service customers and provides its customers with automatic payments on their bills in the form of credits in the event Sprint fails to meet its service commitments for installation and repair of service interruption. Sprint also proposes to provide monetary credits into a Community Service Fund should Sprint fail to meet its answer time measurements for its repair and business office. The Community Service Fund will inform customers about and promote Sprint's Lifeline service. Furthermore, Sprint is offering to file a tariff adding the National School Lunch Program as an eligible Lifeline criterion. Sprint's SGP is included as "Attachment A" to this Order.

## II. Analysis

We are vested with jurisdiction over this matter pursuant to Sections 120.542, 364.01, 364.03, 364.17, and 364.183, Florida Statutes.

Rule 25-4.085, F.A.C., Service Guarantee Program, states:

A company may petition the Commission for approval of a Service Guarantee Program, which would relieve the company from the rule requirement of each service standard addressed in the approved Service Guarantee Program. When evaluating a Service Guarantee Program for approval, the Commission will consider the Program's benefits to the customers and whether the Program is in the public interest. The Commission shall have the right to enforce the provisions of the Service Guarantee Program.

Pursuant to Rule 25-4.085, F.A.C., Sprint filed its petition requesting that this Commission approve its SGP. With this Commission's approval, Rule 25-4.085, F.A.C., allows a company to implement a SGP in lieu of providing service in accordance with certain service standard rules. Consequently, a waiver of the affected rules is not required. Sprint's newly

<sup>&</sup>lt;sup>3</sup> See Docket No. 991473-TP, In Re: Review and revision of Rules 25-4.002, 4.003, 4.0185, 4.023, 4.038, 4.039, 4.066, 4.070, 4.072, 4.073, 4.0770, 4.080, and 4.085, F.A.C..

proposed SGP is similar to Sprint's current SGP approved by this Commission in Docket No. 030430-TL, except for the following changes summarized in Table 1 below. The changes are bold faced.

Table 1			
Repair - Out-of-Service		Ri	ule 25-4.070(3)(a), F.A.C.
Existing SGP		Proposed New SGP	
Where a customer's service is interrupted and it remains out of service in excess of 24 hours after being reported to Sprint and where the customer is able to continue to take service, the customer will receive an automatic credit on the bill in the following amounts:		Identical - except the amount of the automatic credit increases and the SGP applies only to single line residential customers. In Docket No. 991473-TP, Rule 25-4.070, F.A.C., was amended to apply only to residential service, effective April 3, 2005.	
<u>Duration of Interruption</u> 24 to 48 hours	<u>Credit</u> \$10	Duration of Interruption 24 to 48 hours	<u>Credit</u> <b>\$11</b>
2 to 5 days	\$15	2 to 5 days	\$15
Over 5 days	\$35	Over 5 days	\$40
The SGP applies to residential and single line business customers.			

Primary Service Installation	Rule 25-4.066, F.A.C.
Existing SGP	Proposed New SGP
If Sprint fails to install primary local service on the date Sprint and the customer have agreed upon, a credit in the amount of \$25 will be automatically applied to the customer's account. The credit will be automatically issued if service is not installed within three work days should the customer request that service be installed within three work days from the date of the completed application. Saturdays, Sundays, and holidays are excluded for determining a commitment date.	Identical, except that the SGP applies only to single line residential customers. In Docket No. 991473-TP, Rule 25-4.066, F.A.C., was amended to apply only to residential service, effective April 3, 2005.

#### **Answer Time Rule** Rule 25-4.073(1)(a) & (c), F.A.C. **Existing SGP** Proposed New SGP Answer time is measured and reported based Answer time is measured and reported the same on the Average Speed of Answer (ASA). except the SGP applies only to single line residential Measurement of ASA begins when the call customers. In Docket No. 991473-TP, Rule 25-4.073. leaves the Integrated Voice Response Unit F.A.C., was amended to apply only to residential (IVRU) and ends when a service representative service, effective April 3, 2005. answers the call or the caller abandons the call. Where an IVRU is not used, measurement of ASA begins when the call is received at the automatic call distributor (ACD) and ends when a service representative answers the call or the caller abandons the call. Sprint will credit the Community Service Fund Sprint will credit the Community Service Fund for for disposition based on the achieved monthly disposition based on the achieved monthly ASA in ASA and/or Accessibility results in accordance accordance with the following table. with the following tables. ASA (seconds) Community Service Credit ASA (seconds) Community Service Credit <50 ≤40 \$0 \$ 0 > 50 ≤60 > 40 \le 50 \$ 2,000 \$ 5,000 > 50 ≤60 \$ 10,000 $> 60 \le 70$ \$ 5,000 > 60 ≤90 \$ 25,000 > 70 \$ 7,500 > 90 \$ 50,000 Accessibility (%) Community Service Credit Sprint will maintain 100% accessibility to the ACD queue. 95 to 100 \$0 > 90 ≤95 \$ 5.000 Sprint agreed not to deflect calls to a recording. > 85 ≤90 \$ 10,000 Previously, Sprint would route a percentage of calls to a > 70 ≤85 \$ 25,000 recording requesting that the customer leave his/her \$ 50,000 ≤70 telephone number and a service representative would return the call.

Force Majeure	Rule 25-4.110(6), F.A.C.
Existing SGP	Proposed New SGP
In the event of an emergency due to major	Identical.
events, Sprint may declare a service	
emergency. In a service emergency, Sprint	
shall define the geographic area, may make	
indefinite commitments for installation and	
repair service within the affected areas, initiate	
public service announcements to inform	
customers, and notify the Commission at the	
time of implementation and termination of the	
emergency service period. In such cases,	
Sprint shall be relieved of its obligations to	
provide SGP credits.	

Lifeline Tariff Filing	
Existing SGP	Proposed New SGP
None.	File a tariff adding the National School Lunch Program as an eligible Lifeline criterion to augment the current eligibility guidelines.
	augment the current enginetry guidennes.

Term	
Existing SGP	Proposed New SGP
Expires on August 31, 2005.	Indefinite period of time. Sprint or the Commission may terminate the SGP at any time.

Additionally, approval of Sprint's proposed SGP will relieve Sprint from the requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), F.A.C., which are referenced below.

## Rule 25-4.066(2), F.A.C., provides:

Where central office and outside plant facilities are readily available, at least 90 percent of all requests for primary service in any calendar month shall normally be satisfied in each exchange or service center within an interval of three working days after receipt of application when all tariff requirements relating thereto have been complied with, except those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

## Rule 25-4.070(3)(a), F.A.C., provides:

Service Interruption: Restoration of interrupted service shall be scheduled to insure at least 95 percent shall be cleared within 24 hours of report in each exchange as measured on a monthly basis. For any exchange failing to meet this objective, the company shall provide an explanation with its periodic report to the Commission.

#### Rule 25-4.073(1)(a) & (c), F.A.C., provides:

- (1) Each telephone utility shall provide equipment designed and engineered on the basis of realistic forecasts of growth, and shall make all reasonable efforts to provide adequate personnel so as to meet the following service criteria under normal operating conditions:
- (a) At least 90 percent of all calls directed to repair services and 80 percent of all calls to business offices shall be answered within 30

seconds after the last digit is dialed when no menu driven system is utilized.

(c) For subscribers who either select the option of transferring to a live assistant, or do not interact with the system for twenty seconds, the call shall be transferred by the system to a live attendant. At least 90 percent of the calls shall be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant.

## Rule 25-4.110(6), F.A.C., provides:

(6) Each company shall make appropriate adjustments or refunds where the subscriber's service is interrupted by other than the subscriber's negligent or willful act, and remains out of order in excess of 24 hours after the subscriber notifies the company of the interruption. The refund to the subscriber shall be the pro rata part of the month's charge for the period of days and that portion of the service and facilities rendered useless or inoperative; except that the refund shall not be applicable for the time that the company stands ready to repair the service and the subscriber does not provide access to the company for such restoration work. The refund may be accomplished by a credit on a subsequent bill for telephone service.

In the event that Sprint declares a service emergency due to a major event (Force Majeure), Sprint shall be relieved of its SGP obligations and the company shall revert to making refunds and adjustments for customers affected by a service emergency on a pro rata basis for the period of days the service was inoperative in accordance with Rule 25-4.110, F.A.C.

Sprint asserts that its proposed SGP benefits the company's customers by providing automatic credits to residential customers should Sprint fail to meet its commitments for installation and repair of service. Sprint also asserts that the SGP's provisions for contributions to the Community Service Fund to promote Lifeline service and the addition of the National School Lunch Program as an eligible Lifeline criterion are in the public interest. Upon reviewing Sprint's proposed SGP, we find that it will benefit Sprint's customers and is in the public interest.

### III. Conclusion

We find that Sprint's proposed SGP benefits the customers and is in the public interest. Accordingly, we approve Sprint's Petition for Approval of Service Guarantee Program and relieve Sprint from the requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), F.A.C. Sprint's new SGP shall take effect within 30 days of issuance of this Order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sprint-Florida, Incorporated's Petition for Approval of Service Guarantee Program with relief from the requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), Florida Administrative Code is hereby approved. It is further

ORDERED that Sprint-Florida, Incorporated's Service Guarantee Program shall take effect within 30 days of issuance of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 19th day of September, 2005.

BLANCA S. BAYÓ, Director Division of the Commission Clerk and Administrative Services

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## NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 10, 2005.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

#### SPRINT'S SERVICE GUARANTEE PROGRAM

The guarantees and payments to be made under this Program apply to retail, residential basic service customers. The Service Guarantee Program will have four service guarantee categories pertaining to retail residential service. Two of the categories, installation and repair out-of-service, provide direct and automatic credits to Sprint's retail residential customers for installation of primary basic service (where facilities are readily available) and repair of out-of-service conditions. The other two categories are for answer time in the business office and repair queues serving basic service residential customers. Answer time credits (referred to herein as "Community Service Credits") are applicable to a Community Service Fund that will inform customers about and promote Sprint's Lifeline service.

#### A. Service Guarantee Credit Schedules

#### 1. Repair Out-of-Service (Service Interruption):

Sprint agrees to make the applicable automatic credits on the bills of each residential single line customer based on the Service Guarantee schedule specified in Table 1. An out-of-service condition for purposes of this Service Guarantee credit occurs when a subscriber's service is interrupted, other than by a negligent or willful act of the subscriber, and it remains out of service in excess of 24 hours after being reported to the Company and where the customer is able to continue to take service (e.g., not where the service location has been destroyed by fire, flood, wind, etc.). Sundays and holidays are excluded in calculating service outage duration for purposes of determining applicability of the credits in Table 1.

Sprint will commit to continue providing automatic pro-rata adjustments to customers who experience out-of-service conditions during Sunday or holiday periods where such Sunday or holiday periods are not included in the duration calculation for purposes of the Service Guarantee Credit. Sundays or holidays are not covered by the Service Guarantee Credit and will be calculated and credited to customers consistent with Rule 25-4.110(6), Florida Administrative Code.

TABLE 1

Repair - Out of Service	
Duration	Credit
≤24 Hours	\$0
> 24 to 48 Hours	\$11
> 2 to 5 days	<b>\$15</b>
> Over 5 Days	\$40

## 2. Service Installation Intervals:

Sprint agrees to make the applicable automatic credits on the bills of residential single line customers for whom Sprint fails to meet an installation commitment for primary local service. Table 2 contains Sprint's commitment regarding the service installation and associated customer Service Guarantee Credit where central office and outside plant facilities are readily available with no work order required to provide necessary facilities and where no special equipment or services are involved. Qualification for application of a Service Guarantee Credit begins after customer satisfaction of all application and/or tariff requirements. If Sprint fails to install service on the date Sprint and the customer have agreed upon (commitment date), a Service Guarantee Credit will be automatically applied to the customer's account in accordance with Table 2. If Sprint offers an installation date of three or more work days and the customer requests service to be installed within three work

days from the date of completed application, the credit will be automatically issued if service is not installed within three work days. Saturdays, Sundays and holidays are excluded for determining a commitment met.

TABLE 2

Primary Service Install	ation
Duration	Credit
Commitment Met	\$0
Missed Commitment	\$25

## 3. Answer Time - Repair and Business Office:

Answer time for residential basic service customers will be measured and reported based on the Average Speed of Answer (ASA). Measurement of ASA begins when the call leaves the Integrated Voice Response Unit (IVRU) and ends when a service representative answers the call or the caller abandons the call. The Company will forecast expected demand and provide incoming access lines (trunks) to the business office and repair centers at a P.01 grade of service for the average busy hour busy season. Where an IVRU is not used, measurement of ASA begins as soon as the call is received at the automatic call distributor (ACD) and ends when a service representative answers the call or the caller abandons the call. The Company will maintain 100% accessibility to the ACD queue. Within 30 seconds after the customer enters the IVRU, the caller will be given the option to exit the menu and be connected to a service representative. Sprint will credit the Community Service Fund for disposition in the amounts specified in Table 3, following based on the achieved monthly ASA results.

Payment of any applicable Community Service Credits shall be determined separately for the business office that is designated to serve residential basic service customers and separately for repair. For example, 57 seconds ASA for a given queue would

produce a community service credit of \$2,000 for the reporting month.

TABLE 3

Answer Time ASA (seconds) ≤50	Community Service Credit  8-0-
>50 ≤60	\$2,000
> 60 ≤ 70	35,000
> 70	\$7,000

## B. General Terms

- 1. Implementation Date: Within 30 days of approval by the Commission.
- 2. Credits: Credits to customers will be made automatically and will not require the customer to request them.

## C. Definitions

1. Accessibility: Where an IVRU is not used, Accessibility for a particular queue is defined as the percentage of calls directed by the customer to the particular queue, where the numerator is the total number of calls either answered by a service representative or abandoned by the customer and the denominator is the total number of calls directed by the customer to the particular queue. Where an IVRU is used, Accessibility for a particular queue is defined as the percentage of calls exiting the IVRU and directed by the customer to the particular queue, where the numerator is the total number of calls

either answered by a service representative or abandoned by the customer and the denominator is the total number of calls exiting the IVRU and directed by the customer to the particular queue.

- Average Speed of Answer (ASA): The average number of seconds
  from the time a customer exits the IRVU until the call is abandoned or
  answered by a service representative.
- Service Representative: A repair or business office live attendant
  prepared to assist a customer with either a repair or service inquiry or
  request.
- 4. Basic Local Service: As defined in Section 364.02, Florida Statutes (1999).
- Community Service Credits: Credits applicable for answer time results as specified in Table 3.
- Community Service Fund: The fund created by the payment of credits based on answer time results.
- 7. Day: The twenty-four hour period beginning and ending at midnight. (For example, if a trouble report is received at 2 p.m. on Monday, and the trouble is cleared at 2:01 p.m. or later on Tuesday, a credit for one day would apply. A credit for two days would apply if the repair is completed at any time during the period 12:01 a.m. through 11:59 p.m. on Wednesday; a credit for three days would apply if the repair is completed at any time during the period 12:01 a.m. through 11:59 p.m. on Thursday; and so forth).

# D. Other Provisions of the Service Guarantee Program

## 1. Force Majeure

In the event of an emergency due to major events (such as, hurricanes, work stoppages, or acts of third parties outside Sprint's control) when it is reasonable to expect that the Company's installation and repair intervals and answer times will be extended as a result of the major event, Sprint may declare a service emergency. In declaring a service emergency, the Company shall define the geographic area, on a minimum of an exchange basis, where the emergency exists, may make indefinite commitments for installation and repair services within the affected areas, shall initiate public service announcements to inform customers, and shall notify the Commission at the time of implementation and termination of the service emergency period. In such cases, the Company shall be relieved of its obligations to provide Service Guarantee Program credits for installation and repair service and answer time.

Where Sprint is relieved of meeting its obligations under the Service Guarantee Program, it will revert to making refunds or adjustments for customers affected by a service emergency, pursuant to Rule 25-4.110(6), Florida Administrative Code, for out-of-service conditions defined by Rule 25-4.070(1)(b), Florida Administrative Code.

# 2. Establishment of a Community Service Fund and Disposition of Community Service Credits

Sprint shall establish a Community Service Fund in the form of a corporate undertaking. If, pursuant to the Service Guarantee Program, Sprint makes credits to the Community Service Fund, such amounts shall be disposed of, in coordination with the Office of Public Counsel, to inform customers about and promote Sprint's Lifeline service. Community Service Credits shall be accrued monthly and shall be spent during the calendar

year following the accrual. For example, any amounts accrued during calendar 2005 shall be spent to inform customers about and promote Sprint's Lifeline service during calendar year 2006. The Parties reserve the right to agree to a different manner to dispose of amounts credited pursuant to the Service Guarantee Program, subject to the approval of the Florida Public Service Commission.

#### 3. Commission Jurisdiction & Reporting

The Service Guarantee Program and the automatic credits will relieve Sprint from the requirements of Rules 25-4.066 (2), 25-4.070 (3)(a), 25-4.073 (1)(a) and (c) and 25-4.110(6), Florida Administrative Code, for the duration of the Service Guarantee Program.

Sprint will provide reports quarterly to the Commission within 30 days of the end of each quarter detailing the amount of credits given. The quarterly reports will be presented in a monthly format by exchange detailing the amount of credits related to installation and repair-out-of-service and separately in a monthly format for the business office and repair answer time.

#### 4. Term of Service Guarantee Program

The term of the Service Guarantee Program is for an indefinite period beginning on the implementation date. The Company or the Commission may terminate the Service Guarantee Program at any time.