

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

August 19, 1993

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [STRONG, MCDONALD] *MS*
DIVISION OF LEGAL SERVICES [MURPHY] *MS*

RE : DOCKET NO. 930460-TL - REQUEST FOR APPROVAL OF TARIFF
FILING TO PROVIDE EMPLOYEE CONCESSIONS FOR RESIDENTIAL
SERVICE AND TO DELETE OUTDATED LANGUAGE FROM THE TARIFF
OF QUINCY TELEPHONE COMPANY (T-930159 FILED 3/31/93)

AGENDA: August 31, 1993 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

PANEL : FULL COMMISSION

CRITICAL DATES: NONE - 60 DAYS WAIVED

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\930460.RCM

CASE BACKGROUND

This tariff filing was discussed at the June 8, 1993 Commission agenda conference where it was deferred. Commissioners expressed concerns about approving employee concessions for Quincy Telephone Company (Quincy), since Quincy which had not had a satisfactory rating in their last service quality evaluation.

The filing was again deferred at the June 22, 1993 Commission agenda. The Commissioners asked to defer this matter until the results of the service evaluation scheduled to be released in July, 1993 were known.

DISCUSSION OF ISSUES

ISSUE 1: Should the proposed tariff filing by the Quincy Telephone Company to provide free residential telephone services to all of its full time permanent employees residing in the Company's service territory be approved?

DOCUMENT NUMBER-DATE

08945 AUG 18 93

1700-RECORDS/REPORTING

Docket No. 930460-TL
August 19, 1993

RECOMMENDATION: Yes, the proposed filing by the Quincy Telephone Company to provide free residential telephone services to all of its full time permanent employees residing in the Company's service territory should be approved.

STAFF ANALYSIS: On March 31, 1993, Quincy Telephone Company (Quincy) filed a tariff which, if approved, provides residential service to all full time permanent Company employees residing within Quincy's service territory according to Quincy's Telephone Concession Service Policy. Under the policy, full time permanent employees would not be charged for basic residential service, touch tone, custom calling services, E-911 end user charges, dual party relay surcharges, voice mail, up to three telephone instruments, inside wiring, and service connection charges. Since the policy covers only full time permanent employees, temporary and part time employees would not be eligible to receive these services for free or reduced rates.

Chapter 364.08 (2) F.S. in addressing the matter of free service and reduced rates states:

"A telecommunications company subject to this chapter may not, directly or indirectly, give any free or reduced service between points within this state. However, it shall be lawful for the Commission to authorize employee concessions if in the public interest."

CUSTOMER BENEFITS: The direct benefits of this service will be limited to the permanent employees of Quincy. Staff recognizes other Florida LECs currently offer free or discounted telephone services.

Approval of this tariff filing will provide the 31 permanent employees of Quincy the opportunity to obtain residential services at no cost to the employee.

COST: Quincy has estimated that the annual recurring cost associated with the plan will be approximately \$11,000.

RESULTS OF THE SERVICE EVALUATION: A service evaluation of the Quincy Telephone Company's operation in the Quincy area was performed by the Commission staff during the period of June 14 through June 25, 1993. The results of the service evaluation were released on July 30, 1993.

Staff's comments and the weighting system results for 1992 and 1993 are contained in Attachment A. The Commission staff noted that the "Company has placed a greater emphasis on all problem areas. Improvement has been noted on all deficient items." but

Docket No. 930460-TL
August 19, 1993

added that "restoring service-same day has fallen from 92.4 to 78.7, which is slightly below the standard of 80%."

The Commission staff concluded:

"Within a year the company's performance has improved significantly as evidenced in this report. If the company had successfully implemented the software change to its billing equipment prior to this evaluation, the company would have an acceptable 84.9 points on the weighted index. Therefore, it is staff's opinion that the company has made a serious and conscientious effort to comply with the Commission's rules. Accordingly, since the major problem area of toll timing has already been satisfactorily addressed, we believe the company is providing an adequate level of service to its subscribers."

RECOMMENDATION RATIONALE: Staff recommends that this filing be approved. Staff acknowledges that a telephone company such as Quincy must compete for hiring and retraining employees in large part through the salaries and fringe benefits it has to offer. Staff believes the provisioning of free residential service would be favorably perceived by employees as a fringe benefit that was not available from most other employers. Furthermore, staff believes the improvement Quincy showed in its last service evaluation indicates Quincy has acknowledged the Commission's concerns of approving employee concessions when Quincy's quality of service is not satisfactory. Quincy's latest quality of service evaluation by staff stated that "Within a year the company's performance has improved significantly" and concluded that "the company is providing an adequate level of service to its customers." For all the reasons above Staff believes providing free residential services to Quincy's permanent employees would be in the public interest.

ISSUE 2: Should Quincy Telephone Company be allowed to delete language from its tariff which has become outdated.

RECOMMENDATION: Yes, the Quincy Telephone Company should be allowed to delete language from its tariff which has become outdated.

STAFF ANALYSIS: The language Quincy seeks to delete from the tariff has become outdated. Quincy asserts that "The intention is to eliminate language and regulation that is no longer applicable to Quincy Telephone." The language which would be deleted includes (1) language pertaining to party line service (Such language is unnecessary because Quincy no longer offers two party or four party service); and (2) redundant language pertaining to connection of

Docket No. 930460-TL
August 19, 1993

mobile radio services with Quincy.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if Issues 1 and 2 are approved this tariff should become effective on September 1, 1993. If a timely protest is filed this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: With the approval of Issue 1 and 2, this docket may be closed.

OBSERVATIONS, SUGGESTIONS AND COMMENTS

1. Company Personnel:

Staff found the company's personnel to be friendly, helpful and service oriented. Personnel assigned to assist Commission staff were courteous and very knowledgeable. Management provided adequate work space and transportation assistance for test equipment.

2. Professional Demeanor:

All observed contacts between company's employees and customers were courteous and professional.

3. Subscriber Loops:

The only component of failure in the evaluation of subscriber loops was high power influence on the "D" route cable span in Gretna. Company has subsequently investigated and corrected this problem which was caused by lightning. Current rating of 98.7% indicates an improvement of 3.8% over last evaluation's rating of 94.9%.

4. Repair:

Repairing out of service trouble the same day fell from 92.4% at the last evaluation to 78.7%. Although this is only slightly below the objective of 80%, additional emphasis needs to be given to meet the objective.

Repair records do not have adequate narratives or codes for staff to independently verify company's disposition of trouble reports. Staff is recommending the inclusion of narratives or codes in the following areas.

- Restorative action.

Narrative or code to indicate action taken to restore service..... replaced or repaired cable pair, replaced line card, etc. This is needed as an audit trail especially for repeat reports.

- Tests performed.

Narrative or code to indicate tests performed in the resolution of trouble reports. This is needed for independent verification of trouble dispositions.

Since the last evaluation, company has switched to a computerized recording system which has improved the readability of its records. However the narratives are still inadequate.

5. Public Pay Telephones:

A significant percentage of payphones are not wheelchair accessible. Staff acknowledges company's efforts to bring them into compliance by replacing or installing additional wheel chair accessible phones in close proximity to phones that are not in compliance. This action has resulted in an improvement of 43% over last year's results of 27.6%. However we recommend that greater emphasis be placed on the resolution of this issue.

6. Toll timing and billing:

Our evaluation results indicate that the company has experienced some difficulties in accurately timing its toll calls. Company acknowledged this problem and implemented software changes in the Alcatel switch after our 1992 evaluation. The Intra-LATA timing accuracy after these changes, increased from 67.7% in 1992 to 83.3% in 1993, but company is still not in compliance with Commission Rule of 97%. There were 9 calls out of 54 that were overtimed by one second more than our evaluation tolerance of plus or minus one second. When rounded up to the nearest whole minute these calls would be billed for an additional minute. However, the company made additional software changes after our 1993 evaluation, and at their request, staff made additional toll timing tests on July 23, from the Quincy central office. On comparing our timing tapes with the company's raw data, staff concludes that the timing problem has now been apparently resolved.

7. Other Notable Improvements:

a) Plant Maintenance:

Company has satisfactorily implemented the recommendations addressed in Section 4 of Appendix B in the 1992 evaluation report.

- Exit signs placed in the basement and in required areas.
- Portable gas monitors acquired for testing basement areas
- Vault ducts sealed as per industry standards.
- Eye rinse dispensers relocated for better accessibility.
- Boxes and cables that create potential hazards were removed.

b) Outside plant condition:

Only one violation has been cited during our 1993 evaluation, and this indicates company's efforts to comply with Commission's recommendations. The company is in the process of correcting this violation.

c) Transmission:

Figures for Central Office Loss improved from 25% in 1992 to 100% in 1993. This 75% improvement is additional evidence of company's positive reaction to staff's recommendations.

d) Outstanding issues:

Company has placed a greater emphasis on all problem areas. Improvement has been noted on all deficient items. However, as noted in paragraph 4, restoring service-same day has fallen from 92.4 to 78.7, which is slightly below the standard of 80%.

8. Complaints:

The Division of Consumer Affairs has received only one complaint for the first six months of this year. This one complaint was an out of service trouble report that went over 24 hours. This complaint has been resolved to the customer's satisfaction.

9. Weighted Index:

The weighted index as shown on the following pages show a comparison of the previous evaluation of June 3, 1992 which received an index of 0.0 points versus the current evaluation which shows 45.8 points. Although the company's performance is well below the objective of 75 points, the major loss in points was due to the Intra LATA billing (83.3) which lost 39.1 points on the index. Since this has been corrected as outlined in paragraph 6 above, the company's score should be much higher in the future.

10. Conclusion:

Within a year the company's performance has improved significantly as evidenced in this report. If the company had successfully implemented the software change to its billing equipment prior to this evaluation, the company would have scored an acceptable 84.9 points on the weighted index. Therefore, it is staff's opinion that the company has made a serious and conscientious effort to comply with the Commission's rules. Accordingly, since the major problem area of toll timing has already been satisfactorily addressed, we believe the company is providing an adequate level of service to its subscribers.

WEIGHTED INDEX
QUINCY TELEPHONE CO.

Criterion	FPSC Standard	Weight Factors	REPORT OF JUNE 3, 1992		REPORT OF JULY 30, 1993	
			Results	Weight Adjust	Results	Weight Adjust
A. DIAL TONE DELAY						
Dial Tone Delay +	95.0	1.1377	99.9	5.57		
Dial Tone Delay -	95.0	8.4935				
B. CALL COMPLETIONS						
Intra-Office +	95.0	0.0613	100.0	0.31	100.0	0.31
Intra-Office -	95.0	4.0136				
Inter-Office +	95.0	0.0947	99.9	0.46	100.0	0.47
Inter-Office -	95.0	2.1075				
EAS +	95.0	0.0280	100.0	0.14		
EAS -	95.0	0.9953				
Intra-LATA DDD +	95.0	0.1286	99.6	0.59		
Intra-LATA DDD -	95.0	1.0999				
C. INCORRECTLY DIALED CALLS						
Incorrectly Dialed +	95.0	0.1043	100.0	0.52		
Incorrectly Dialed -	95.0	0.1043				
D. 911 SERVICE						
911 Service -	100.0	2.8772	100.0		100.0	
E. TRANSMISSION						
Dial Tone Level -	100.0	0.0002	100.0		100.0	
Central Office Loss -	100.0	0.0002	25.0	-0.02	100.0	
M.W. Frequency -	100.0	0.0002	100.0		100.0	
Central Off. Noise Metal -	100.0	0.0002	100.0		100.0	
Central Off. Noise Impulse -	100.0	0.0002	100.0		100.0	
Subscriber Loops +	98.0	0.2788			98.9	0.25
Subscriber Loops -	98.0	0.1394	94.9	-0.43		
F. POWER AND GENERATORS						
Power & Generators -	100.0	0.0798	100.0		100.0	
G. TEST NUMBERS						
Test Numbers -	100.0	0.0010	100.0		100.0	

Criterion	FPSC Standard	Weight Factors	REPORT OF JUNE 3, 1992		REPORT OF JULY 30, 1993	
			Results	Weight Adjust	Results	Weight Adjust
H. CENTRAL OFFICE						
Scheduled Routine Prog +	95.0	0.0487	100.0	0.24	100.0	0.24
Scheduled Routine Prog -	95.0	0.0487				
Frame +	95.0	0.0549	100.0	0.27	100.0	0.27
Frame -	95.0	0.0549				
Facilities +	95.0	0.0758			100.0	0.38
Facilities -	95.0	0.0758	50.0	-3.41		
I. ANSWER TIME						
Operator +	90.0	0.0519	94.9	0.25	100.0	0.52
Operator -	90.0	0.3820				
Directory Assistance +	90.0	0.0519	94.6	0.24	100.0	0.52
Directory Assistance -	90.0	0.3820				
Repair Service +	90.0	0.0519	96.6	0.34	100.0	0.52
Repair Service -	90.0	0.3820				
Business Office +	80.0	0.0604			100.0	1.21
Business Office -	80.0	0.4191	22.8	-23.98		
J. ADEQUACY OF DIR. AND DIR. ASSISTANCE						
Directory Service -	100.0	0.0887	100.0		100.0	
New Numbers -	100.0	0.0399	85.2	-0.59	100.0	
Numbers in Directory +	99.0	0.2507			100.0	0.25
Numbers in Directory -	99.0	0.5640	92.4	-3.72		
K. ADEQUACY OF INTERCEPT SERVICES						
Changed Numbers +	90.0	0.1287			100.0	1.29
Changed Numbers -	90.0	0.3107	40.0	-15.53		
Disconnected Service +	80.0	0.0489	100.0	0.98	96.0	0.78
Disconnected Service -	80.0	0.2151				
Vacation Disconnects +	80.0	0.0322	100.0	0.64		
Vacation Disconnects -	80.0	0.0586				
Vacant Numbers +	80.0	0.0277				
Vacant Numbers -	80.0	0.2079				
Disconnects Non-Pay -	100.0	0.1650	74.3	-4.24		
L. TOLL TIMING AND BILLING ACCURACY						
Intra-LATA Billing Accuracy +	97.0	0.4290				
Intra-LATA Billing Accuracy -	97.0	2.8560	66.7	-86.54	83.3	-39.13
Dir. Assistance Bill Accuracy +	97.0	0.4794	100.0	1.44	100.0	1.44
Dir. Assistance Bill Accuracy -	97.0	0.0766				

Criterion	FPSC Standard	Weight Factors	REPORT OF JUNE 3, 1992		REPORT OF JULY 30, 1993	
			Results	Weight Adjust	Results	Weight Adjust
M. PUBLIC TELEPHONE SERVICE						
1 Pay Phone/Exchange -	100.0	0.0066	100.0		100.0	
Serviceability -	100.0	0.0864	77.3	-1.96	100.0	
Handicapped Access -	100.0	0.0112	27.3	-0.82	70.6	-0.33
Glass +	95.0	0.0056	95.5	0.00	100.0	0.03
Glass -	95.0	0.0056				
Doors +	95.0	0.0051	100.0	0.03	100.0	0.03
Doors -	95.0	0.0051				
Level +	95.0	0.0076	100.0	0.04	100.0	0.04
Level -	95.0	0.0062				
Wiring +	95.0	0.0060	100.0	0.03	100.0	0.03
Wiring -	95.0	0.0141				
Cleanliness +	95.0	0.0005	100.0	0.00	100.0	0.00
Cleanliness -	95.0	0.0362				
Lights -	100.0	0.0224	100.0		100.0	
Telephone Numbers -	100.0	0.0523	100.0		94.1	-0.31
Name Or Logo -	100.0	0.0008	77.3	-0.02	100.0	
Dial Instructions -	100.0	0.0864	81.8	-1.57	100.0	
Transmission +	95.0	0.0266	95.5	0.01	100.0	0.13
Transmission -	95.0	0.0266				
Dialing +	95.0	0.0008	100.0	0.00	100.0	0.00
Dialing -	95.0	0.0062				
Coin Return Automatic -	100.0	0.0037	100.0		100.0	
Coin Return Operator +	95.0	0.0178	100.0	0.09	100.0	0.09
Coin Return Operator -	95.0	0.0178				
Operator ID Coins +	95.0	0.0002	100.0	0.00	100.0	0.00
Operator ID Coins -	95.0	0.0302				
Access All IXC Carriers -	100.0	0.0024	100.0		100.0	
Ring Back Operator +	95.0	0.0002	95.5	0.00	100.0	0.00
Ring Back Operator -	95.0	0.0302				
Coin Free Access Operator -	100.0	0.0097	100.0		100.0	
Coin Free Access Dir Asst -	100.0	0.0042	86.4	-0.06	100.0	
Coin Free Access 911 -	100.0	0.0093	95.5	-0.04	100.0	
Coin Free Access Repair -	100.0	0.0034	100.0		100.0	
Coin Free Access Bus Office -	100.0	0.0027	54.5	-0.12	100.0	
Directory -	100.0	0.0013	59.1	-0.05	94.1	-0.01
Directory Security +	95.0	0.0510				
Directory Security -	95.0	0.0510	81.8	-0.67	94.1	-0.05
Address/Location -	100.0	0.1252	95.5	-0.56	94.1	-0.74

Criterion	FPSC Standard	Weight Factors	REPORT OF JUNE 3, 1992		REPORT OF JULY 30, 1993	
			Results	Weight Adjust	Results	Weight Adjust
N. AVAILABILITY OF SERVICE						
3 Day Primary Service +	90.0	0.0333	100.0	0.33	95.3	0.18
3 Day Primary Service -	90.0	0.2406				
Primary Service Appoint +	95.0	0.1306	100.0	0.65		
Primary Service Appoint -	95.0	0.8125				
M. REPAIR SERVICE						
Restored-Same Day +	80.0	0.0909	92.4	1.13		
Restored-Same Day -	80.0	0.1319			78.7	-0.17
Restored-24 Hours +	95.0	0.3685	100.0	1.84	100.0	1.84
Restored-24 Hours -	95.0	1.3348				
Repair Appointments +	95.0	0.1318				
Repair Appointments -	95.0	0.1936	86.7	-1.61		
Rebates Over 24 Hours -	100.0	0.0523	100.0			
Service Affecting-72 Hours +	95.0	0.1318	100.0	0.66	100.0	0.66
Service Affecting-72 Hours -	95.0	0.1936				
P. CUSTOMER COMPLAINTS						
Complaints/ 1000 LINES +	ST. AVE 0.15	0.3685			0.1	0.02
Complaints/ 1000 LINES -	0.15	0.0000	0.44	EXC. AVG		
BASE SCORE IF ALL STANDARDS ARE MET EXACTLY		75.00		75.00		75.00
SUM OF ADJUSTMENTS				-129.12		-29.23
OVERALL WEIGHTED SCORE (BASE + SUM OF ADJUSTMENTS)				0.0		45.8

Minimum Index is 0.