

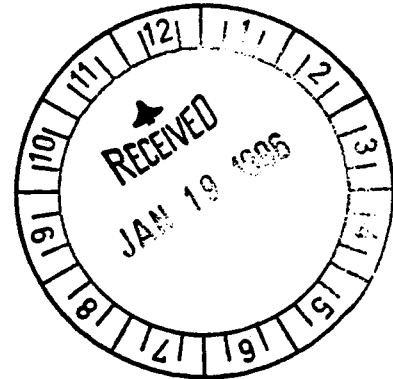
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Nancy H. Sims
Director - Regulatory Relations

January 18, 1996

Mr. Walter D'Haeseleer, Director
Division of Communications
Florida Public Service Commission
2450 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850



Dear Mr. D'Haeseleer:

This letter is in response to your memorandum dated November 14, 1995, requesting information regarding BellSouth's petition to initiate rulemaking for changes to the FPSC's service rules. The Commission granted the petition and Docket No. 950778-TL was established. Listed below are the responses to the specific data requested:

- 1. In Florida, in the past 5 years, has your company attempted to measure customer satisfaction by collecting customers' opinions and views on whether or not customers are receiving a satisfactory quality of service? If yes, please provide a description of the methodology employed in each campaign to collect this information including: Yes.
- A. The entity(ies) responsible for overseeing the performance of the study:

BellSouth's Corporate Measurements Group

- ~~ACK~~ ~~B.~~ Entity(ies) responsible for directly gathering the data:
- ~~AFA~~
- ~~APP~~ Elrick & Lavidge, Inc. (An independent marketing research firm)
- ~~CAF~~

- ~~CMU~~ C. Objective(s) of the study:
- ~~CTR~~ To obtain the customers' level of satisfaction with the overall service received as well as the level of satisfaction with the various service attributes ("drivers") associated with the delivery of the service.
- ~~EAG~~
- ~~LEG~~
- ~~LIN~~

- ~~DPC~~ D. The time period that the study covered:
- ~~RCH~~ These studies are ongoing.
- ~~SEC~~ 1
- ~~VAS~~
- ~~OTH~~

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FPSC-RECORDS/REPORTING

- E. The group of customers studied as defined at the outset of the study:

Consumer
Small Business

- F. The customer profiles of study respondents:

Consumer - Residential customers
Small Business - Business customers with 1 to 6 business lines.

- G. Specifically how the customers were chosen (if a random sample was used, the exact method by which it was defined) and why you believe that this was an appropriate way to measure:

Consumer Customer Satisfaction surveys are based in part on recent customer service contacts and in part on a general sample of customers who may or may not have had a recent contact. A daily, random sample is drawn from customer billing records (General Universe survey), customer-initiated service orders (Provisioning survey), from customer-initiated billing contacts (Billing Inquiry survey), and from MTAS trouble reports (Repair survey).

The Small Business Measurement Plan sample is drawn from MTAS trouble reports (Repair), customer-initiated service orders (Provisioning), customer-initiated billing contacts (Billing Inquiry), and the general Small Business data base.

A Small Business Account is defined in the Business Revenue Information System (BRIS) as a Customer Location Account Code (CLAC) which has a Small Business indicator of "S." The accounts are updated on a monthly basis. Activity is identified at the CLAC level via a feed from the Customer Record Information System (CRIS). A stratified sample by CLAC of customer service contacts within the last three months is then selected on the 21st of each month for 1) Repair; 2) Provisioning; 3) Billing Inquiry; and 4) Other, which includes customers who have had no service contacts within the last three months and customers who have had activity other than repair, provisioning, and billing inquiry within the last three months.

BellSouth's sampling methods provide for a statistically valid sample to be drawn that represents all of our consumer and small business customers and through these surveys, allows us to track their opinions over time.

H. The method of data collection:

All Consumer and Small Business surveys are conducted by telephone interview.

L. The evaluations of the study's accuracy:

Based on the sample size, the customer base, and the results of the surveys, the precision, or confidence intervals, for the 1995 survey results are calculated to be as follows (at a 95% confidence level):

Consumer	+/-1.7%
Small Business	+/-1.3%

BellSouth considers the customer survey developed for its use as proprietary and confidential information. This includes the detailed process for how our customers are selected to be interviewed. The information contained in the survey could be used by BellSouth's competitors in competition for the same customers. In addition, the survey was developed by BellSouth and its contractor for both service and marketing information, and the methods, procedures and development strategies are confidential and proprietary.

Items I, J and K will be available for review by the FPSC staff at BellSouth's offices in Tallahassee.

2. Which quality of service rules (Rules 25-4.066 through 25-4.080, F.A.C.) does your company recommend modifying or deleting? Provide reasons for your recommendations.

See BellSouth proposed Rule Revisions attached.

3. Does your company recommend incorporating customer satisfaction surveys into the quality of service rules? Which rules would need to be changed, supplemented, or deleted? Provide reasons for your recommendations. If customer satisfaction surveys were so incorporated, who do you recommend conduct the surveys - FPSC, LEC, others?

Yes, BellSouth recommends that the FPSC utilize its overall customer satisfaction measurement for Consumer (residence) and Small Business (1-6 lines) combined.

BellSouth has historical data that can be used to benchmark its performance. Results can be provided on a monthly or quarterly basis. The Company's processes provide a high level of statistical validity and reliability through sophisticated sampling techniques and control processes.

BellSouth currently contracts with an outside firm to administer the customer satisfaction interviews. BellSouth monitors the interviewing process and vendor operations to ensure quality and cost efficiency. It also conducts periodic reviews of the measurement plan to ensure conformance to plan design and objectives. The FPSC and its staff could, at any time, audit or monitor the process.

Should you have any questions concerning this matter, please contact me at 222-1201.

Sincerely,



Nancy Sims
Director Regulatory Relations

Attachment

**BELLSOUTH PROPOSED REVISIONS TO THE FLORIDA PUBLIC SERVICE
COMMISSION RULES PART V CHAPTER 25**

All rules and objectives should be rescinded when it is established that competition exists in the marketplace. The customer will determine the appropriate satisfactory provision of service in selecting his provider of service.

25-4.066 Availability of Service

This rule should be eliminated and the determination of satisfactory service would be determined in a customer survey. BellSouth provides a commitment guarantee in the provision of service that will continue.

If the rule is to be continued it should be modified to reflect the customers requested due date and whether or not the LEC met that requested date. An objective of 90% or 100% based on a three day or thirty day arbitrary period is meaningless. All objective levels should be determined by the participants at the workshops to be held in this matter.

24-4.067 Extension of Facilities

This rule should be eliminated once it is established competition exists in the market place.

(2) This provision should be modified so that a LEC may recover the cost in the provision of an extra ordinary amount of facilities requested at a residence or business location. If a customer orders more facilities at a location than would reasonably be forecasted to be reused, an upfront charge should be considered appropriate. This will ensure that the overall rate paying body will not subsidize other customers. Example: A customer requests 30 lines to his residence at the residential rate to operate a bulletin board service from his home.

25-4.068 Grades of Service

This rule should be eliminated. BellSouth provides only one grade of service.

25-4.069 Maintenance of Plant & Equipment

This rule should be eliminated once it is established competition exists in the market place.

25-4.070 Customer Trouble Reports

This rule should be eliminated with the exception of subparts (1)(b) and (2)(a&b), and satisfactory service determined by a customer survey.

The objectives and methodology regarding out of service (OOS) and service affecting (SA) interruptions should be modified and reassessed. The definition of OOS should be clearly stated. The time used in the calculation of OOS and service affecting periods should include the time from the original report until the report is closed in the repair process. With these modifications, the rule objective levels should be re-evaluated to reflect the change. All objective levels should be determined by the participants at the workshops to be held in this matter.

25-4.071 Adequacy of Service

This rule should be eliminated. BellSouth has met the objective established by this rule on almost every service evaluation in the past. However, if it is not eliminated until it is determined that competition exists in the market place, there are no suggested modifications at this time.

24-4.072 Transmission Requirements

See 25-4.071

25-4.073 Answering Time

This rule should be eliminated. The determination of whether or not a customer is satisfied would be better determined in a customer survey. If it is determined that this rule or some form of this rule is to continue, operator and directory assistance service should be excluded as those services are competitive today. The rule should be modified for repair and business office answering time to reflect the changes in the way customer's calls are handled in other industries, i.e. electric, gas, cable t.v., banking, insurance, etc. and how technological advances may assist companies in satisfying customer needs and desires in contacts with service providers. All objective levels should be determined by the participants at the workshops to be held in this matter.

25-4.074 Intercept Service

This rule should be eliminated. BellSouth has never experienced any difficulty in satisfying this rule requirement.

25-4.075 Foreign Exchange Service

See 25-4.074

25-4.0751 Direct Distance Dialing Service

See 25-4.074

25-4.076 Pay Telephone Service Provided By Local Exchange Companies

This rule should be eliminated. The Pay Telephone market is fully competitive. If the rule is not eliminated, all the objectives should be reviewed at the workshop by the participants. As an example, BellSouth does not believe that an objective of 100% should be retained for directories at a location. The directories are stolen or torn up through no fault of BellSouth. BellSouth will present its suggested objective levels, for the categories to be retained, at the workshop.

25-4.077 Metering and Recording

See 25-4.074

25-4.0770 Customer Appointments

This rule should be eliminated. The FPSC staff proposed in Rule Review workshops and at an Agenda session in 1989 that this rule be eliminated. A customer survey is a better instrument to determine satisfactory service in this area. BellSouth has a Commitment Guarantee program in place.

25-4.078 Emergency Operation

Retain

25-4.079 Hearing/Speech Impaired Persons

Retain

25-4.080 Weighted Measurement of Quality of Service

This rule should be eliminated. If it is not eliminated until it is determined that competition exists in the market place, then it should be modified to reflect the changes suggested above. In addition, the portion of this rule that deals with OOS cleared the same day should be examined.