

State of Florida



# Public Service Commission

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**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** March 24, 2005

**TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)

**FROM:** Division of Competitive Markets & Enforcement (Buys, Casey) *DB*  
Office of the General Counsel (Scott) *KS BK*

**RE:** Docket No. 050095-TL – Petition for extension and modification of existing Service Guarantee Program and for limited waiver of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(d), F.A.C., by BellSouth Telecommunications, Inc.

**AGENDA:** 04/05/05 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**CRITICAL DATES:** 05/03/05 – 90-day statutory deadline for rule waiver

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\050095.RCM.DOC

## Case Background

On August 13, 2001, and February 13, 2002, the Florida Public Service Commission (Commission) issued Order Nos. PSC-01-1643-AS-TL and PSC-02-0197-PAA-TL, respectively, approving the Settlement Agreement between the Office of Public Counsel and BellSouth Telecommunications, Inc. (BellSouth), addressing BellSouth's quality of service and granting a limited waiver of certain service quality rules. The SGP operates as an exemption from certain quality of service rules. The existing Service Guarantee Plan and the rules waiver expired at midnight on February 28, 2005.

On February 2, 2005, BellSouth filed a Petition for Extension and Modification of BellSouth's existing service guarantee program, (Attachment A) and subsequently, on March 22, 2005, BellSouth sent a letter modifying its proposal (Attachment B).

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FPSC-COMMISSION CLERK

In accordance with Section 120.542, Florida Statutes, notice of the request for a limited rule waiver was published in the February 18, 2005, Florida Administrative Weekly. The notice provided for responses to the Petition to be filed by March 4, 2005. No Responses have been received.

### **Discussion of Issues**

**Issue 1:** Should the Commission extend BellSouth Telecommunications, Inc.'s existing Service Guarantee Plan and limited waiver of the applicability of Rule Nos. 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), Florida Administrative Code, approved in Docket No. 010097-TL, until Rule 25-4.085, Florida Administrative Code, becomes effective?

**Recommendation:** Yes. **(Buys, Casey, Scott)**

**Staff Analysis:** In Order No. PSC-02-0197-PAA-TL, issued February 13, 2002, Docket No. 010097-TL, **In Re: Compliance Investigation of BellSouth Communications, Inc. for violation of service standards**, the Commission approved BellSouth's Petition for limited waiver of Rule Nos. 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), Florida Administrative Code (F.A.C.). The limited rule waiver expired on February 28, 2005.

The extended waiver of the rules would be in effect until Rule 25-4.085, F.A.C., Service Guarantee Program, becomes effective. The Commission is scheduled to address a modification to Rule 25-4.085, F.A.C., in 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.**, at the April 5, 2005, Conference Agenda. Rule 25-4.085, F.A.C., permits companies to petition the Commission for approval of a Service Guarantee Program (SGP), which relieves the company from the rule requirement related to each service standard addressed in the approved SGP. Once Rule 25-4.085, F.A.C., becomes effective, the waiver of Rules 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), F.A.C., would be rendered moot since BellSouth would be operating under a SGP if the SGP is approved by the Commission in Issue 2.

Rule Nos. 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), F.A.C., pertain to the establishment of primary service and repair of interrupted service within specific time frames.

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 25-4.070(1)(b), F.A.C., provides:

In the event 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, an appropriate adjustment or refund shall be made to the subscriber automatically, pursuant to Rule 25-4.110 (Customer Billing). Service interruption time will be computed on a continuous basis, Sundays and holidays included. Also, if the company finds that it is the customer's responsibility to correct the trouble, it must notify or attempt to notify the customer within 24 hours after the trouble was reported.

In order for the Commission to grant a waiver of the rules, BellSouth must demonstrate that its SGP will achieve the purpose of the statutes underlying the rules. Section 120.542(2), Florida Statutes, states:

Variations and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness. For the purposes of this section, "substantial hardship" means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver. For purposes of this section, "principles of fairness" are violated when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule.

BellSouth's SGP has been in effect since March 1, 2002, and meets the quality of service provisions of Chapter 364, Florida Statutes, by giving immediate and direct compensation to customers. Additionally, it provides similarly swift penalties to BellSouth for not meeting objectives that are consistent with the Commission's service rules. Further, the application of the Commission's rules, during the same time credits are being made or accrued, would constitute unfairness and an economic hardship by imposing duplicate penalties.

The Commission is vested with jurisdiction over this matter pursuant to Sections 120.542, 364.01, 364.03, 364.17, and 364.183, Florida Statutes. Based on the aforementioned, staff recommends that the Commission extend the existing limited waiver of the applicability of Rule Nos. 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), F.A.C., approved in Docket No. 010097-TL.

**Issue 2:** Should the Commission approve BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's existing Service Guarantee Program and for relief from Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code?

**Recommendation:** Yes. (Buys, Casey, Scott)

**Staff Analysis:** BellSouth's proposed Modified Service Guarantee Program (SGP) is similar to its existing Service Guarantee Program approved by the Commission in Order No. PSC-02-0197-PAA-TL, issued February 13, 2002, Docket No. 010097-TL, In Re: Compliance Investigation of BellSouth Communications, Inc. for violation of service standards, except for the changes summarized in Table 1.

<b>Table 1</b>	
<b>Existing SGP</b>	
Where BellSouth fails to complete a repair within 24 hours from the time an order is received; The customer will receive an automatic credit on the bill in the amount of \$4.00, plus 3 times the daily local service charge, up to \$35.00 and no less than \$10.00. Saturdays and Sundays are included in calculating service credits. The SGP only applies to residential and single line business customers.	
<b>Proposed Modified SGP</b>	
Identical except that the minimum amount of automatic credit a customer will receive increases from \$10 to \$11, and the maximum credit increases from \$35 to \$40. The SGP for single line business will be eliminated upon the effective date of the rules approved in Docket No. 991473-TP.	
<b>Primary Service Installation</b>	
<b>Existing SGP</b>	
Where BellSouth fails to install a customer's primary or additional local or single line business service on the date which the customer and BellSouth agree, BellSouth will give the customer an automatic credit of \$25.00. Where BellSouth is offering a commitment date greater than 3 days and the customer requests an earlier date, the commitment credit will be based on the customer requested date, or on 3 days, whichever is greater.	
<b>Proposed Modified SGP</b>	
Identical, except that the SGP for single line business will be eliminated upon the effective date of the rules approved in Docket No. 991473-TP.	
<b>Existing SGP</b>	
File a tariff for an income eligibility test at 125% of the Federal poverty income guidelines for Lifeline.	
<b>Proposed Modified SGP</b>	
File a tariff adding the National School Lunch Program as an eligible Lifeline criterion to augment the current eligibility guidelines.	

<b>Term</b>	
<b>Existing SGP</b>	<b>Proposed Modified SGP</b>
Expires on February 28, 2005.	No expiration date. The SGP may be terminated by either the Commission or the company at any time. The current SGP will remain in effect until Rule 25-4.085, F.A.C., becomes effective. At that time, the SGP will operate until that rule and the waivers become moot with no further Commission action.

<b>Force Majeure</b>	
<b>Existing SGP</b>	<b>Proposed Modified SGP</b>
In the event of an emergency, BellSouth will operate under Force Majeure and when it is reasonable to expect that the company will be unable to meet its installation and repair commitments, it shall be relieved of its obligations to provide credits for failure to meet the objectives for installation and repair within the affected areas.	Identical, except when under Force Majeure, BellSouth will also suspend payments into the Lifeline Community Service Fund for missed answer time measurements within the affected areas.

<b>Answer Time</b>	
<b>Existing SGP</b>	<b>Proposed Modified SGP</b>
<p>A measurement for answer time was not included.</p> <p>BellSouth established the Community Service Fund in the form of a corporate undertaking.</p> <p>BellSouth contributed \$250,000 to the fund in 2002 and \$150,000 in 2003.</p>	<p>A new answer time measurement applies to customers who call the residential business and repair offices and who do not interact with the automated answer system.</p> <p>Where BellSouth fails to meet the answer time measurement, it will credit the Lifeline Community Service Fund.</p> <p>The measurement will require at least 90% of the calls to the Business office and repair office to be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant. BellSouth will maintain 100% accessibility.</p> <p>The amount of the payment of credits shall be calculated separately for the business and repair offices and shall be applied based on BellSouth's performance in accordance with the following parameters:</p> <p>Less than 90%, but greater or equal to 80% - \$2,000          Less than 80%, but greater or equal to 70% - \$5,000          Less than 70% - \$7,000</p>

Docket No. 050095-TL  
Date: March 24, 2005

BellSouth estimates that the increase in the minimum (\$10 to \$11) and maximum (\$35 to \$40) automatic credits for missing out-of-service repair objectives equates to approximately \$140,000 additional customer credits as compared to the existing SGP. BellSouth was not able to provide an estimate for the increase in cost to add the National School Lunch Program as an eligible Lifeline criterion. BellSouth submits that the programming to implement the increased amount of the automatic credits for out-of-service would not be completed until August 2005.

The Commission is vested with jurisdiction over this matter pursuant to Sections 120.542, 364.01, 364.03, 364.17, and 364.183, Florida Statutes. It appears that BellSouth's proposed modified SGP benefits the customers and is in the public interest. Accordingly, staff recommends that the Commission approve BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's existing Service Guarantee Program and for relief from Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code, and extend the existing limited waiver of the applicability of Rule Nos. 25-4.066(2), 25-4.070(3)(a), and 25-4.070(1)(b), Florida Administrative Code.

**Issue 3:** Should this docket be closed?

**Recommendation:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. **(Scott)**

**Staff Analysis:** At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.

Docket No. 050095-TL  
Date: March 24, 2005

Attachment A

Legal Department

Nancy E. White  
General Counsel - Florida

BellSouth Telecommunications, Inc.  
150 South Monroe Street  
Room 400  
Tallahassee, Florida 32301  
(305) 347-5558

February 2, 2005

Mrs. Blanca S. Bayó  
Director, Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850


**RE: BellSouth Telecommunications, Inc.'s Petition for Extension  
and Modification of BellSouth's Existing Service Guarantee  
Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b);  
25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code**

Dear Ms. Bayó:

Enclosed is BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's Existing Service Guarantee Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code, which we ask that you file in the captioned *new* docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

  
Nancy B. White

cc: All Parties of Record  
Marshall M. Criser III  
R. Douglas Lackey

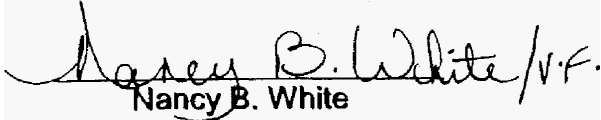
**CERTIFICATE OF SERVICE**

**BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's Existing Service Guarantee Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

Electronic Mail and U.S. Mail this 2nd day of February, 2005 to the following:

Beth Keating  
Staff Counsel  
Florida Public Service  
Commission  
Division of Legal Services  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
Tel. No. (850) 413-6212  
[bkeating@psc.state.fl.us](mailto:bkeating@psc.state.fl.us)

  
Nancy B. White



FLORIDA PUBLIC SERVICE COMMISSION

BellSouth Telecommunications, Inc.'s  
Petition for Extension and Modification of  
BellSouth's Existing Service Guarantee  
Program and for Limited Waiver of Rules  
25-4.066(2); 25-4.070(3)(a); 25-070(1)(b);  
and 25-4.073(1)(e) and (f), Florida  
Administrative Code

Docket No.: \_\_\_\_\_

)  
)  
Filed: February 2, 2005

**BellSouth Telecommunications, Inc.'s Petition for Extension and  
Modification of BellSouth's Existing Service Guarantee Program and for  
Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-  
4.073(1)(d), Florida Administrative Code**

Pursuant to Section 120.542, Florida Statutes and Rule 28-104.002,  
Florida Administrative Code, BellSouth Telecommunications, Inc. ("BellSouth")  
hereby submits its Petition for Extension and Modification of BellSouth's Existing  
Service Guarantee Program and its petition for a limited waiver of Rules 25-  
4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida  
Administrative Code. Specifically, BellSouth submits the following:

**I. Background and Introduction**

On August 13, 2001 and February 13, 2002, the Florida Public Service  
Commission ("Commission") issued Orders No. PSC-01-1643-AS-TL and No.  
PSC-02-0197-PAA-TL, respectively, approving the Settlement Agreement  
between the Office of Public Counsel and BellSouth addressing BellSouth's  
quality of service and granting a limited waiver of certain service quality rules.

The BellSouth Service Guarantee Program, instituted as a result of the  
Settlement Agreement between the Office of Public Counsel and BellSouth  
expires on February 28, 2005. To this end, BellSouth is attaching its proposal for

extension and modification of BellSouth's existing Service Guarantee Program (Attachment A). ("Extended and Modified Service Guarantee Program").

The proposed Extended and Modified Service Guarantee Program is not intended to eliminate the Commission's statutory authority to establish and monitor compliance with service quality standards.

## **II. BellSouth's Extended and Modified Service Guarantee Program**

As detailed in Attachment A, BellSouth's Extended and Modified Service Guarantee Program will continue to automatically provide payments in the form of credits to customers in the event certain service commitments for installation and repair of service interruption objectives are not met. In addition, BellSouth will modify the Program by filing a tariff adding the National School Lunch Program as an eligible Lifeline criteria to augment the current eligibility guidelines. BellSouth's proposal includes an answer time service matrix and provides for credits to the Lifeline Community Service Fund if those commitments are not met. These credits will replace the annual lump sum contributions to the Community Service Fund and the free internet offerings to schools as found in Order Nos. PSC-01-1643-AS-TL and No. PSC-02-0197-PAA-TL. BellSouth intends to maintain its Extended and Modified Service Guarantee Program for the interim period of time between the date of this filing and the date upon which proposed Rule 25-4.085, Florida Administrative Code becomes effective. On the date proposed Rule 25-4.085, Florida Administrative Code becomes effective, BellSouth intends to convert this Extended and Modified Service Guarantee Program to one consistent with the proposed rules adopted in Docket No.

991473-TF, i.e., the Extended and Modified Service Guarantee Program under the proposed rules will eliminate automatic credits for single-line business installation and repair.

**III. Petition for a Limited Waiver of Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code**

Pursuant to Section 120.542, Florida Statutes and Rule 28-104.002, Florida Administrative Code, BellSouth respectfully requests that, upon approval of the Extended and Modified Service Guarantee Program, BellSouth be granted a relief from the applicability of Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code.

Rule 25-4.066(2), Florida Administrative Code, requires that 90% of all requests for the primary service be satisfied within three working days. Rule 25-4.070(1), Florida Administrative Code, requires the classification of troubles as "out of service" or "service affecting". Subsection (b) of Rule 25-4.070(1), Florida Administrative Code requires that if the subscriber's service remains out of service in excess of 24 hours after being reported, an adjustment will be made to the subscriber automatically pursuant to Rule 25-4.110. Rule 25-4.070(3) (a), Florida Administrative Code, requires that 95% of interrupted service be cleared within 24 hours of report in each exchange.

Rule 25-4.073(1)(d), Florida Administrative Code, requires that, when a company uses a menu driven automated, interactive answering system, at least 95% of the calls must be answered within 15 seconds after the last digit is dialed and the customer must be given the option of transferring to a live attendant in the initial message. This rule also states that for business office calls, 85% of

such calls shall be transferred by the system to a live attendant within 55 seconds after the last digit is dialed. For other calls (such as repair), at least 95% of the calls shall be transferred by the system to a live attendant prepared to give immediate assistance within 55 seconds after the last digit is dialed.

Pursuant to Section 120.542, Florida Statutes, BellSouth submits that its Extended and Modified Service Guarantee Program satisfies the requirement that a demonstration be made that the purpose of the underlying statute will be achieved by other means. By providing direct credits to customers whose service is affected by delayed installation or repair, by credits to the Community Service Fund if answer time requirements are not met, and by expanding Lifeline eligibility, the purposes of the underlying statutes are achieved. Provisions of Florida Statutes authorizing or directing the Commission to establish, monitor and enforce service standards, such as Section 364.01(4), 364.025, Florida Statutes (1999) (carrier of last resort obligations, service availability) will be adequately met if the basic service subscriber receives a direct and material credit for being without basic service. In addition, the Lifeline Community Service Fund and the added National School Lunch Program criteria will assist customers in becoming more educated about Lifeline and potentially could expand the participation in the Lifeline Program, as well as telephone subscribership.

The Extended and Modified Service Guarantee Program meets the quality of service provisions of Chapter 364 by giving immediate and direct compensation to customers and provides similarly swift penalties to BellSouth for

not meeting objectives that are consistent with the existing Commission service rules. In addition, application of the above rules to BellSouth at the same time direct credits are being made or accrued would constitute unfairness or economic hardship by imposing duplicate penalties. For this reason, BellSouth requests the waiver so that the Extended and Modified Service Guarantee Program can be implemented. It is further the intent of BellSouth that the waiver will be effective as to any amendments to the subject rules for the duration of the Extended and Modified Service Guarantee Program. BellSouth will track and report its performance under the Extended and Modified Service Guarantee Program.

The Petition of BellSouth meets the standards of Section 120.542, Florida Statutes. The purpose of the underlying statutes, 364.01(4), 364.025, 364.15, 364.183 and 364.19 is, in part, to promote competition, to protect the public health, safety and welfare, and ensure service availability. The limited waiver will not undermine these purposes.

#### **IV. Conclusion**

BellSouth is committed to providing high quality service to our customers, and with this Extended and Modified Service Guarantee Program, our customers will receive immediate compensation if we do not meet our commitments. BellSouth believes that this Program will give direct benefit to our customers and to the communities that BellSouth serves. We realize that the local telecommunications market is becoming more competitive, and that good service plays an important part in retaining and maintaining customers. If we do not

perform as we say, then we pay the customer and/or the customer chooses another provider.

WHEREFORE, BellSouth respectfully requests that the Commission approve BellSouth's Extended and Modified Service Guarantee Program and grant BellSouth's Petition for Limited Waiver.

Respectfully submitted this 2nd day of February, 2005.

BELLSOUTH TELECOMMUNICATIONS, INC.



NANCY B. WHITE

c/o Nancy Sims  
150 South Monroe Street, Suite 400  
Tallahassee, Florida 32301  
(305) 347-5558



R. DOUGLAS LACKEY

675 W. Peachtree Street  
Suite 4300  
Atlanta, Georgia 30375  
(404) 335-0747

Attachment A

**BellSouth Telecommunications, Inc.'s Extended and Modified  
Service Guarantee Program**

**A. Service Guarantee Commitments and Credits**

*(1) Repair – Out of Service (Service Interruption)*

BellSouth will make the applicable automatic credits on the bills of each primary residential and single line business location customer for whom BellSouth fails to meet the service objective. This automatic credit will apply to primary residential and single line business local customers experiencing an out-of-service condition irrespective of whether the trouble is caused by a network, Customer Provided Equipment, or inside wire condition. Where BellSouth fails to complete a repair within 24 hours from the time received (the service objective), the customer will receive a credit of \$4.00 plus three times the customer's daily recurring local service charges, up to a maximum of \$35.00. In no event, however, shall the customer receive a credit of less than **\$10.00**. Saturdays, Sundays and holidays are included in calculating service credits. Periods of time associated with and covered by the force majeure clause in Section D (1) Service Guarantee Program are excluded from this calculation.

An out-of-service condition for purposes of this Service Guarantee Program occurs when a subscriber's service is interrupted (1) other than by a negligent or willful act of the subscriber, and (2) 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.).

*(2) Service Installation*

Where central office or outside plant facilities are readily available, if BellSouth fails to install a customer's primary or additional residential local or single line business service on the date which the customer and BellSouth have agreed, BellSouth will give the customer an automatic bill credit of \$25. The commitment due date for installation shall be agreed upon by BellSouth and the customer. Where BellSouth is offering a commitment date greater than three days and the customer requests an earlier date, the commitment credit will be based on the customer requested date or on three days, whichever is greater.

Periods of time associated with and covered by the force majeure clause in Section D (1) of the Service Guarantee Program shall be excluded from this calculation. BellSouth will be subject to FPSC Rule 24-066(3) and (5), Florida Administrative Code where central office or outside plant facilities are not readily available.

**B. Filing of a National School Lunch Eligibility Tariff for Lifeline**

BellSouth will file a tariff adding the National School Lunch Program as an eligible Lifeline criterion. This test for eligibility will augment, rather than replace, the current eligibility guidelines based on participation in certain low income assistance programs and the income eligibility test at 125% of the federal poverty income guidelines.



C. **Answer Time – Residence Business Office and Residence Repair Office**

(1) *Measurements and Credits*

Answer time for residential subscribers who do not interact with the system (nonplayers), shall be transferred by the system to a live attendant. The measurement will require at least 90% of the calls to the Business office and repair office to be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant. BellSouth will maintain 100% accessibility. BellSouth will credit the Lifeline Community Service Fund for disposition in the amounts specified in Table I based on the achieved monthly answer time measurement.

<b>Non-Player Gate Service Level</b>	<b>Proposed Penalty (per month missed)</b>
>= 90% within 55 sec.	\$0
<90% but >=80%	\$2,000
<80% but >=70%	\$5,000
<70%	\$7,000

(2) *Payment of Credits*

Payment of any applicable Lifeline Community Service Credits shall be determined separately for the residential business office and residential repair office. For example, 78% within 55 sec. for business office, and 84% within 55 sec. for repair office equates to a community service credit of \$7,000 for the reporting month (\$5,000 for business office and \$2,000 for repair office.)

(3) *Alternatives*

Additionally, BellSouth will continue to provide its customers with alternatives to being placed in queue. The Integrated Voice Response Unit ("IVRU") in BellSouth's repair office allows customers to report a trouble, get a trouble ticket number and make repair appointments without talking to a live attendant. BellSouth also offers its customers the automated Right Touch system, use of our web page, and the Customer Call Back (CCB) System. Right Touch allows a customer in the business office to complete transactions such as, the ordering of additional services and billing inquiries without ever talking to a live attendant. At any time in the IVRU, the customer can "opt out" by taking the appropriate action, i.e., "pressing 5", etc., and the call will be routed to the queue for answer by a live attendant. Customer Call Back is software that monitors incoming calls in queue for BellSouth Consumer Sales, Service, and Collections Centers. Once the customer reaches the queue, whether by selecting the "0" option, opting out or depressing the appropriate key, an announcement will be provided stating the expected wait time before a live attendant will answer. When the wait time exceeds a pre-designated threshold the customer is given the following options: (1) Allow the system to hold his call in line until such time as it is his turn to be answered, and the system will call the customer back; (2) Schedule a callback at a time and telephone number convenient to the customer; or (3) Remain on the line for the next available representative.

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 BellSouth's control, when it is reasonable to expect that BellSouth will be unable to meet its installation, repair and answer time commitments, BellSouth may declare a service emergency. In declaring a service emergency, BellSouth shall define the geographic area, on a minimum of an exchange basis, where the emergency exists, may make indefinite commitments for installation and repair service shall suspend payments into the Lifeline Community Service Fund for missed answer time commitments 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, BellSouth shall be relieved of its obligations to provide credits for failure to meet the objectives for installation and repair service.

Where BellSouth is relieved of meeting the objectives, 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 as defined by Rule 25-4.070(1)(b), Florida Administrative Code.

(2) *Commission's Continuing Jurisdiction*

It is BellSouth's intent that the Commission shall have the right to enforce the provisions of this Service Guarantee Program, including, but not limited to, verification that the credits are made consistent with the Service Guarantee

Program. Furthermore, it is not the intent of BellSouth to deprive the Commission of its authority to resolve customer complaints and monitor and ensure that service is adequate and reasonable. BellSouth contemplates that the Commission will retain its ability to monitor service through auditing and reviewing filed reports. BellSouth will file quarterly reports to the Commission within 30 days after the end of each quarter detailing the amount of credits given.

(3) *Term of Service Guarantee Program*

The term of the Service Guarantee Program is for the interim period of time between the date of this filing and the date upon which the rules adopted in Docket No. 991473-TP providing for the filing of a permanent service guarantee program, becomes effective. On the date these rules become effective, BellSouth intends to convert this Extended and Modified Service Guarantee Program to one consistent with the rules adopted in Docket No. 991473-TP, i.e., the automatic credits for single line business installation and repair will be eliminated.

(4) *General Terms*

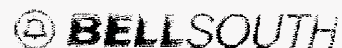
(a) **Implementation Date:** BellSouth will implement this Service Guarantee Program no later than 45 days from the date of a final Commission order approving the Service Guarantee Program.

(b) **Credits:** Credits to customers will be made automatically and will not require the customer to request them.

(5) Definitions

- (a) Basic Local Service: As defined in Section 364.02(1), Florida Statutes (2005).
- (b) Day: The twenty-four hour period beginning and ending at midnight. (For example, if a trouble report is received at 3 p.m. on Monday, and the trouble is cleared at 3:01 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 and 11:59 p.m. on Thursday; and so forth).
- (c) Service Guarantee Objective: The standard(s) agreed to within this agreement.
- (d) Community Service Credits: Monthly credits made by BellSouth to the Community Service Fund for missed answer time objectives.
- (e) Community Service Fund: The fund (i.e. corporate undertaking) established pursuant to Order No. PSC-01-1643-AS-TL, issued on August 13, 2001 and Order No. PSC-02-0197-PAA-TL, issued on February 13, 2002.

569328



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BellSouth Telecommunications, Inc.

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150 South Monroe Street  
Tallahassee, Florida 32301

Phone (850) 222-1201  
Fax (850) 222-8640

**Nancy H. Sims**  
Director-Regulatory Relations

March 22, 2005

Mrs. Beth Salak, Director  
Division of Competitive Services & Enforcement  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Service Guarantee Plan (SGP)

Dear Mrs. Salak:

This is in response to the discussions that were held in our meeting with you on March 16<sup>th</sup> regarding BellSouth's proposed Service Guarantee Plan (SGP), and the follow-up proposed modification that was e-mailed to me by Rick Moses on March 17<sup>th</sup>.

As you are aware, we support our original petition that was filed on February 2, 2005, and believe that it is a customer oriented plan which offers direct benefit to the customer if BellSouth does not perform as promised. We also would like to emphasize that BellSouth provides excellent service and continues to do so despite unpredictable conditions and a rapidly changing environment.

With that said, you requested additional information regarding customer service complaints to BellSouth. We are providing that information as an attachment with this letter.

Also, as stated in our March 16<sup>th</sup> meeting, we will agree to modify our proposal by increasing the minimum payment on an out-of-service (OOS) customer trouble report where the twenty-four hour repair was not made to \$11 from \$10, and increasing the maximum payment of \$35 to \$40. This will give immediate compensation to the customer if service is not restored within twenty-four hours.

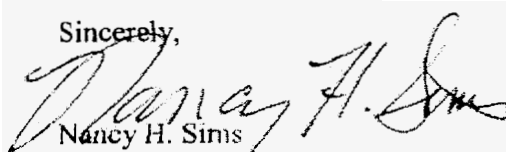
Sims/Saiak  
SGP, page 2

No other aspect of BellSouth's petition as filed on February 2<sup>nd</sup> is modified by this proposal. As discussed with you, it has been and is still our intent to have this proposal serve as the Service Guarantee Plan that would be in effect under the provision of the proposed new rule 25-4.085 FAC once that rule becomes effective. Therefore, we would anticipate that we would convert to this modified SGP (if approved) no sooner than the effective date of the rule. The programming to implement the new OOS minimum and maximum will be completed in August. Until such time, we will continue to operate under the existing SGP for OOS and installation as indicated in our letter filed in this docket on February 22, 2005. However, if the proposed SGP is approved, there will be no delay in moving forward with the implementation of the credits based on the answer time matrix and the National School Lunch Eligibility program for Lifeline.

If for some reason the proposed new rule does not go into effect, we would still want to implement the proposed SGP with the requested rule waivers (as petitioned) at an agreed upon date.

Should you have any questions concerning this matter, please contact me.

Sincerely,



Nancy H. Sims  
Director Regulatory Relations

Attachment

Copy to: Charlie Beck  
Rick Moses  
Nancy White  
Marshall Criser

**ATTACHMENT:**

The attached two pages represent service complaints received by BellSouth from all sources, including FPSC complaints and warm transfers, internal executive appeals, etc.

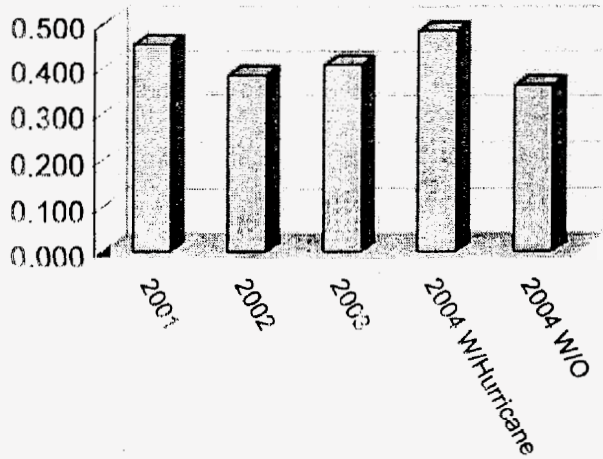
The first page includes ADSL and Dot NET complaints.

The second page excludes ADSL and Dot NET complaints.



YEAR	ACCESS LINES IN SVC	SERVICE COMPLAINTS	COMPLAINTS PER 1K Access Lines
2001	6,463,540	2922	0.452
2002	6,230,282	2389	0.383
2003	6,051,936	2469	0.408
2004 W/Hurricane	5,843,161	2833	0.485
2004 W/O	5,843,161	2116	0.362

COMPLAINTS PER 1K Access Lines

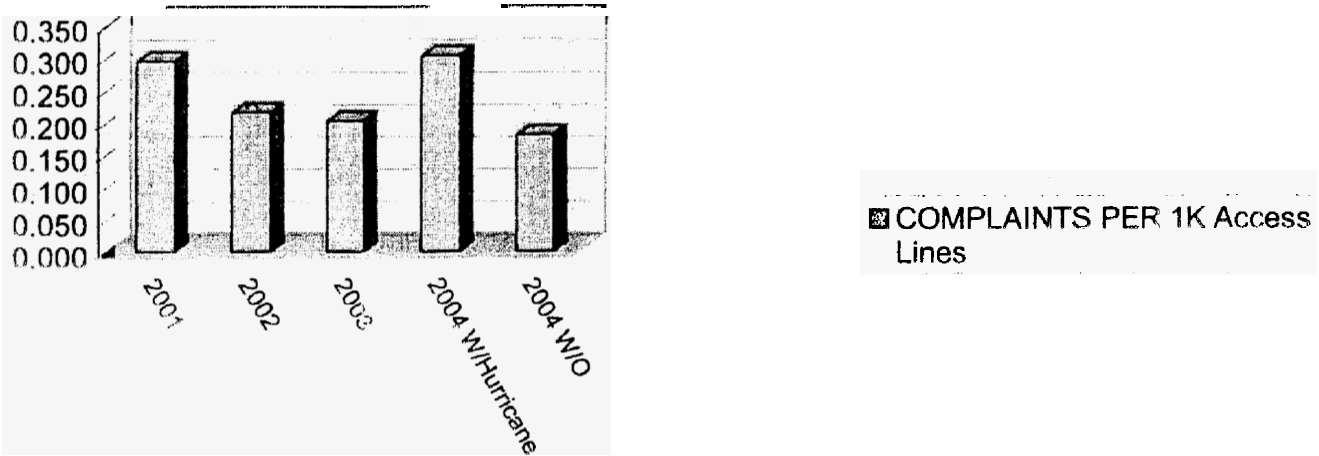


■ COMPLAINTS PER 1K Access Lines

\*\* With ADSL and Dot NET

YEAR	ACCESS LINES IN SVC	SERVICE COMPLAINTS	COMPLAINTS PER 1K Access Lines
2001	6,463,540	1903	0.294
2002	6,230,282	1340	0.215
2003	6,051,936	1221	0.202
2004 W/Hurricane	5,843,161	1769	0.303
2004 W/O	5,843,161	1052	0.180

COMPLAINTS PER 1K Access Lines



\*\* w/out ADSL and DOT NET