

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause  
proceedings against BellSouth  
Telecommunications, Inc. for  
violation of service standards.

DOCKET NO. 991378-TL  
ORDER NO. PSC-01-1643-AS-TL  
ISSUED: August 13, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER APPROVING SETTLEMENT

BY THE COMMISSION:

I. CASE BACKGROUND

Pursuant to Rule 25-4.0185, Florida Administrative Code, BellSouth Telecommunications, Inc. (BellSouth) is required to file periodic reports with the Commission regarding quality of service. Additionally, by Order No. PSC-94-0172-FOF-TL, issued February 11, 1994, we approved a stipulation between BellSouth, the Office of Public Counsel (OPC), and the Attorney General's Office, which addressed, among other things, BellSouth's quality of service.

On September 10, 1999, based on BellSouth's own self-reported failures to comply with our rules, our staff opened this docket to require BellSouth to show cause why it should not be fined. On September 17, 1999, the Office of Public Counsel (OPC) filed a notice of intervention. Also on September 17, 1999, BellSouth submitted its settlement offer to resolve the show cause proceedings. By Order PSC-99-2207-PAA-TL, issued November 9, 1999, we approved BellSouth's settlement offer.

DOCUMENT NUMBER-DATE

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On November 19, 1999, BellSouth submitted its voluntary contribution of \$125,000 to the Commission for deposit in the State of Florida General Revenue Fund. On November 30, 1999, the OPC filed a petition requesting a hearing and protesting PAA Order PSC-99-2207-PAA-TL. Between December 1, 1999, and July 8, 2001, BellSouth and the OPC conducted negotiations for a settlement in this docket. On July 9, 2001, BellSouth and the OPC filed a Joint Motion Seeking Commission Approval of the Stipulation and Settlement to resolve the issues in this docket.

The Florida Public Service Commission is vested with jurisdiction over these matters pursuant to Sections 364.01(4), 364.03, 364.17, 364.183, Florida Statutes.

## II. Settlement Proposal

As previously noted, on November 9, 1999, we approved a prior settlement offer proposed by BellSouth to resolve the apparent service standard violations cited in this docket by Order PSC-99-2207-PAA-TL. In its initial settlement offer dated September 17, 1999, BellSouth agreed to the following:

- Develop and review with staff a valid sampling methodology for extrapolating service restored time for reports from November 1999 and forward.
- Review and manage its dispatch strategy, force distribution, and appointment clock intervals to address installation intervals and performance in small exchanges.
- Adopt the Commission's methodology for measuring the current answer time rule effective with BellSouth's November 1999 report.
- BellSouth has eliminated the use of the automated answering device from the TDD bureau. In addition, BellSouth has completed and distributed customer education materials to reduce the number of misdirected calls by hearing customers to that number.

- Monitor its performance and manage its force to meet service expectations.
- BellSouth has added 921 employees in Florida to its Network organization. Two-thirds of these are specifically focused on improved performance in installation and repair intervals.
- BellSouth has added 842 employees in Florida to its business office operations.
- Remit a payment to the State of Florida General Revenue Fund in the amount of \$125,000. (Remitted on November 19, 1999)

On July 9, 2001, BellSouth and the OPC submitted a joint Stipulation and Settlement for our approval. In the Stipulation and Settlement, BellSouth agrees to do the following:

- (a) Establish and incur the cost of establishing a new Service Guarantee Plan that will automatically provide payments in the form of credits to customers in the event certain service installation and repair of service interruption objectives are not met. The credits will not require the customer to request the credit. The Service Guarantee Plan will last for two years beginning on the implementation date. The implementation date will be no later than six months from the date of the Final Order issued by the Commission.

Service Installation: If BellSouth fails to install service on the date the customer and BellSouth have agreed upon, BellSouth will automatically credit \$25.00 to the customer's bill. If BellSouth offers an installation date greater than three days and the customer requests service to be installed on an earlier date, the credit will be issued if service is not installed within three days or the customer requested date, whichever is greater. Saturdays, Sundays, and holidays are included in determining if the installation date is missed and a credit would apply.

Repair of service interruption: If BellSouth fails to complete a repair within 24 hours from the time [a trouble report is] received, the customer will automatically 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 shall the customer receive a credit of less than \$10.00. (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 Wednesday; a credit for three days would apply if the repair is completed at any time during Thursday; and so forth.) Saturdays, Sundays, and holidays are included in calculating the days for which the credit applies.

- (b) Establish a Community Service Fund in the form of a corporate undertaking to be used to educate customers about and promote BellSouth's Lifeline and LinkUp services.
- (c) Contribute \$250,000 to the Community Service Fund in the first year of the settlement (calendar year 2002).
- (d) Contribute \$150,000 to the Community Service Fund in the second year of the settlement (calendar year 2003).
- (e) File a tariff for an income eligibility test at 125% of the Federal poverty income guidelines for Lifeline customers that will augment, rather than replace, the current eligibility guidelines based on participation in certain low income assistance programs.
- (f) Provide monthly reports to the Commission and the Office of Public Counsel within 30 days of the end of the reporting month detailing the amount of credits related to missed objectives for installation and repair.

The OPC and BellSouth have agreed that the provisions of the Stipulation and Settlement shall supplement the actions required by the Commission's Order PSC-99-2207-PAA-TL, including payment of a \$125,000 voluntary contribution to the State of Florida General

Revenue Fund. Also, the installation objective of the Service Guarantee Plan applies to each and every time BellSouth fails to install service on the agreed upon date and there is no limit on the number of times a \$25.00 credit could be issued to the same customer.

In paragraph C on page 6 of the Stipulation and Settlement, BellSouth has committed to filing a tariff providing for an income eligibility test at 125% of the federal poverty income guidelines for Lifeline customers. Since it is an augmentation to the existing standards, it appears that it will likely increase the number of eligible customers. An applicant who is eligible under the current standards will remain eligible under the new tariff.

Furthermore, the stipulation states that another entity such as this Commission, OPC, non-profit organizations, or other governmental entity may implement the eligibility standard in the agreement. We have not contacted other entities concerning this agreement. However, the OPC has stated that we may designate the OPC to assume the responsibility for certifying eligibility. We agree, and designate the OPC as the entity responsible for certifying claims of eligibility for Lifeline customers under the standard contained in the stipulation.

### III. CONCLUSION

Accordingly, we find that the proposal is in the public interest and approve the Stipulation and Settlement in its entirety, including those provisions incorporated by reference from BellSouth's September 17, 1999, proposed settlement. The Stipulation and Settlement is deemed effective as of July 25, 2001.

Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that the Stipulation and Offer of Settlement by BellSouth Telecommunications and the Office of Public Counsel, which is incorporated herein by reference, is hereby approved. It is further

ORDERED that the Stipulation and Settlement is deemed effective as of July 25, 2001. It is further

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ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 13th  
Day of August, 2001.

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

( S E A L )

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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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by

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the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.