

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Investigation and determination of appropriate method for issuing Service Guarantee Credits to all affected customers of BellSouth Telecommunications, Inc.	DOCKET NO. 060311-TL ORDER NO. PSC-06-0473-PAA-TL ISSUED: June 5, 2006
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The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING PROPOSAL TO ISSUE CREDITS

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

On April 25, 2005, we issued Order No. PSC-05-0440-PAA-TL, which granted BellSouth Telecommunications, Inc.'s (BellSouth) petition for an extension and modification of its existing Service Guarantee Program (SGP), which provides automatic payments in the form of credits to BellSouth's customers in the event certain service commitments of installation and repair of service interruption objectives are not met. On May 20, 2005, Consummating Order PSC-05-0550-CO-TL, was issued making Order No. PSC-05-0440-PAA-TL, final and effective.

As part of its 2005 service evaluation, our staff determined that some customers who qualified for credits under BellSouth's SGP were not properly credited. Upon determining this, our staff notified BellSouth and requested that it provide an explanation as to why the proper credits were not issued and what actions the company was taking to correct the problem. According to BellSouth, a programming error resulted in customers who subscribed to the Preferred Pack (PP) and the 2 Pack (2 Pack) service plans who were entitled to receive the SGP repair credit to not receive the credits. BellSouth also reported that it failed to provide credits to some of its customers for missed commitments for installation of primary service. To resolve these issues, BellSouth has proposed to issue credits to all affected customers in the amounts of \$49,129, plus interest, for missed commitments for installation of primary service and for

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\$407,675, plus interest, for failure to complete repairs within twenty-four hours from the time the order was issued, for a total credit of \$456,804, plus interest.

We are vested with jurisdiction over this matter pursuant to Sections 364.01(4) and 364.025, Florida Statutes.

II. Analysis

Under BellSouth's current SGP, if it fails to complete a repair within twenty-four hours from the time an order is received, the customer will receive an automatic credit on their bill in the amount of \$4.00, plus 3 times the daily local service charge, up to \$40.00 and no less than \$11.00. Prior to May 20, 2005, the maximum credit was \$35.00 and the minimum was \$10.00. According to BellSouth, the PP and 2Pack service plans became effective in Florida on January 9, 2004, and November 2, 2005, respectively. When each of the service plans were implemented, BellSouth inadvertently excluded the codes for these service plans from its lists of eligible SGP codes. Consequently, eligible customers subscribing to the PP service plan between January 9, 2004, and February 21, 2006, and customers who subscribed to the 2Pack service plan between November 2, 2005, and February 21, 2006, did not receive the credits. BellSouth corrected the programming error on February 21, 2006. To resolve the missed repair issue, BellSouth has proposed to issue a credit in the amount of \$407,675, plus interest, to 20,508 affected customers.

BellSouth also reported that it failed to issue credits to 1,965 eligible customers for missed commitments for installation of primary service. Under BellSouth's current SGP, if it fails to install a customer's primary or additional local line on the date in which the customer and BellSouth agree, BellSouth will issue 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's requested date, or on 3 days, whichever is greater. To resolve the missed installation commitment issue, BellSouth has proposed to issue the \$25.00 credit, plus interest, to all affected customers. The total number of affected customers was 1,965 which equates to a total credit amount of \$49,125, plus interest.

BellSouth shall issue the SGP credits, plus interest, for missed installation commitments and repairs no later than 30 days after the issuance of the Consummating Order. BellSouth shall calculate the interest for the proposed credits on a per customer basis in compliance with Rule 25-4.114, Florida Administrative Code, and report the amounts to this Commission. Current BellSouth customers shall receive the credit, plus interest, on their bills. If the customer is no longer with BellSouth, but has an outstanding final bill, BellSouth shall apply the credit, plus interest, towards the final bill. If the customer is no longer with BellSouth and there is no outstanding final bill, BellSouth shall mail a check for the credit amount, plus interest, to the last known address on file for the customer. Additionally, BellSouth shall contribute all unclaimed funds to the Lifeline Community Service Fund.

Once the credits have been issued, BellSouth shall provide this Commission a final report within 90 days after the issuance of the Consummating Order. The report shall include the following information:

- 1) The total amount of interest that was calculated and issued by BellSouth for the missed installation commitments and repair credits;
- 2) The total number of customers that actually received the credits;
- 3) The total amount of money that was actually credited, including interest;
- 4) The total number of customers who did not receive credits; and
- 5) The amount of any unclaimed credits, including interest.

III. Decision

This Order shall become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by our decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80 (13)(b), Florida Statutes, any issues not in dispute shall be deemed stipulated. If this Order is not protested, BellSouth shall issue the SGP credits, plus interest, for missed installation commitments and repairs no later than 30 days after the issuance of the Consummating Order. If a customer is no longer with BellSouth, but has an outstanding final bill, BellSouth shall apply the credit, plus interest, towards the final bill. If a customer is no longer with BellSouth and there is no outstanding final bill, the company shall mail a check for the credit amount, plus interest, to the last known address on file for the customer. BellSouth shall contribute all unclaimed funds to the Lifeline Community Service Fund.

Furthermore, BellSouth shall provide this Commission with a final report no later than 90 days after the issuance of the Consummating Order; identifying the total amount of interest that was calculated and issued by BellSouth to all affected customers for the missed installation commitments and repair credits; the total number of customers that actually received the credits; the total amount of money that was actually credited, including interest; the total number of customers who did not receive the credits; and the total amount of unclaimed funds, including interest, that were placed in the Lifeline Community Service Fund. If BellSouth complies with the provisions of this Order, then this Docket shall be closed administratively. If BellSouth fails to demonstrate that it has complied with the provisions of this Order, then this Docket shall remain open pending further action.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc.'s proposal to issue credits, as set forth in this Order, is hereby accepted. It is further

ORDERED that this Order shall become final and effective upon issuance of a Consummating Order, unless a person whose substantial interest are affected by our decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80 (13)(b), Florida Statutes, any issues not in dispute shall be deemed stipulated. It is further

ORDERED that any issues not in dispute shall be deemed stipulated in accordance with Section 120.80 (13)(b), Florida Statutes. It is further

ORDERED that if this Order is not protested, BellSouth Telecommunications, Inc. will issue the Service Guarantee Program credits, plus interest, for missed installation commitments and repairs no later than 30 days after the issuance of the Consummating Order. It is further

ORDERED that if a customer is no longer with BellSouth Telecommunications, Inc., but has an outstanding final bill, the company shall apply the credit, plus interest, towards the final bill. If a customer is no longer with the company and there is no outstanding final bill, the company shall mail a check for the credit amount, plus interest, to the last known address on file for the customer. It is further

ORDERED that BellSouth Telecommunications, Inc. shall contribute all unclaimed funds to the Lifeline Community Service Fund. It is further

ORDERED that BellSouth Telecommunications, Inc. shall provide this Commission with a final report no later than 90 days after the issuance of the Consummating Order; identifying the total amount of interest that was calculated and issued by the company to all affected customers for the missed installation commitments and repair credits; the total number of customers that actually received the credits; the total amount of money that was actually credited, including interest; the total number of customers who did not receive the credits; and the total amount of unclaimed funds, including interest, that were placed in the Lifeline Community Service Fund. It is further

ORDERED that if BellSouth Telecommunications, Inc. complies with the provisions of this Order, then this Docket shall be closed administratively. If the company fails to demonstrate that it has complied with the provisions of this Order, then this Docket shall remain open pending further action.

By ORDER of the Florida Public Service Commission this 5th day of June, 2006.

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

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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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 June 26, 2006.

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.