

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

June 20, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF LEGAL SERVICES [ADAMS] *MA* *TP*
DIVISION OF COMMUNICATIONS [BROWN] *KDB*

RE : DOCKET NO. 910293-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST INTEGRETTEL, INC. FOR VIOLATION OF COMMISSION RULES 25-4.111(1) AND 25-4.043 REGARDING RESPONSES TO CONSUMER COMPLAINTS.

AGENDA: 07/02/91 - CONTROVERSIAL AGENDA - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

CASE BACKGROUND

On April 26, 1991, Order No. 24441 (Attachment A) was issued requiring Integretel, Inc. (Integretel) to show cause why it should not be fined for failure to respond to consumer complaint inquiries in a timely fashion. Responses to such inquiries are required within 15 days by Rules 25-4.111(1) and 25-4.043, Florida Administrative Code.

On May 16, 1991, Integretel filed a response (Attachment B) to Order No. 24441. In its response, Integretel offered to pay the \$3,600 fine and also asserted that the internal problems that originally led to the rule violations had been corrected.

Staff was originally willing to accept the settlement proposal. An ongoing review of Integretel's consumer complaints, however, revealed that even after Integretel was facing the Show Cause Order, it continued to consistently file its response late. As of June 5, 1991, staff had received two more complaints regarding Integretel. Both responses were received substantially later than the due date. One response was received 15 days after the due date and the other was received 18 days after the due date. (See Attachment C for a breakdown of Integretel's response time.)

DOCUMENT NUMBER-DATE

06187 JUN 20 1991

PSC-RECORDS/REPORTING

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DISCUSSION OF ISSUES

ISSUE 1: Should Integretel's settlement proposal be accepted?

RECOMMENDATION: No, because this appears to be an ongoing problem. The matter should be set for hearing so as to allow the Commission to consider a broader range of penalties.

STAFF ANALYSIS: Penalties are imposed to insure compliance. It is apparent from the actions of Integretel that the company is continuing to have trouble with compliance. If such a pattern were to persist, staff would find it necessary to show cause Integretel again. Therefore, in the interest of time and administrative efficiency, staff recommends the matter be set for hearing with no specified penalty for consideration.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause)	DOCKET NO. 910293-TI
proceedings against INTEGRETTEL, INC. for)	
violation of Commission Rule 25-4.111(1))	ORDER NO. 24441
and 25-4.043 regarding responses to)	
consumer complaints.)	ISSUED: 4/26/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
J. TERRY DEASON
BETTY EASLEY
GERALD L. GUNTER
MICHAEL MCK. WILSON

ORDER INITIATING SHOW CAUSE PROCEEDINGS AGAINST
INTEGRETTEL, INC. FOR VIOLATION OF RULES 25-4.111(1)
AND 25-4.043, FLORIDA ADMINISTRATIVE CODE,
REQUIRE RESPONSES TO CONSUMER COMPLAINTS

BY THE COMMISSION:

Integretel, Inc. has been a certificated provider of interexchange service since March 14, 1990. As an interexchange carrier (IXC), Integretel is subject to both the various rules governing IXCs and our jurisdiction.

In 1990, consumers (17) complaints were filed against Integretel, Inc. As each complaint was filed, Integretel was mailed or faxed a copy of the complaint and a request for a written response within (15) days as required by Rules 25-111(1) and 25-4.043, Florida Administrative Code.

In six of the 17 cases, the company did not respond at all to requests for information. One of these six cases was closed after obtaining information from the local exchange company and the customer. The other five cases remain unresolved. Despite numerous letters, calls and certified letters requesting information, Integretel provided no responses other than a form letter acknowledging receipt of the complaint in two cases.

Of the remaining 11 cases, all 11 of the responses received by staff arrived late (past the due date specified on the complaint form for reply). These responses were received only after many attempts to obtain replies to aid in the resolution of the complaints.

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Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries states that:

The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry.

Integretel has repeatedly violated the above rule.

Despite numerous requests for the information needed in order to resolve and respond to customer complaints, each of the responses received were provided late in 1990 and only after many written and verbal requests. In six cases, no responses were ever provided, despite repeated requests.

Rule 25-4.111, Florida Administrative Code, Customer Complaints and Service Requests states:

(1) Each telephone utility shall make a full and prompt investigation of all complaints and service requests made by its customers, either directly to it or through the Commission and respond to the initiating party within fifteen (15) days. The term "complaint" as used in this rule shall be construed to mean any oral or written report from a subscriber or user of telephone service relating to facilities, errors in billing or the quality of service rendered.

It should be noted that most customers file complaints with the Division of Consumer Affairs only after first attempting to resolve the complaints by contacting the utility themselves. In fact, part of the division's procedures include screening complaints from customers and referring the customers directly to the utility if they have not already contacted it. Therefore it does not appear that Integretel's failure to respond is due to the company's having already resolved the customer's concerns as staff determined that the customers who filed complaints were justified in contacting the commission for assistance in 80% of the cases closed.

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Integretel, Inc. has repeatedly violated our rules by not responding in a timely manner to the reasonable requests made for information to aid in the investigation of customer complaints. In addition, the lack of response by Integretel caused extra expense as it was necessary to spend an inordinate amount of time calling the company, writing letters and sending certified mail requests in an effort to get the requested information.

Therefore, we believe Integretel, Inc. should be required to show cause why it should not be fined \$3,600 or \$200 for each case where a response was filed past the due-date and in each case where no response was filed at all.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Integretel, Inc. shall show cause why it should not be fined \$3,600 for violation of Rules 25-4.111(1) and 25-4.043, Florida Administrative Code. It is further

ORDERED that any response to this Order must be filed within 20 days pursuant to the requirements set forth below. it is further

ORDERED that this docket shall remain open pending resolution of the show cause proceeding.

By ORDER of the Florida Public Service Commission, this 26th day of APRIL, 1991.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

JKA

by Kay Fligan
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

This order is preliminary, procedural or intermediate in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.037(1), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 16, 1991.

Failure to respond within the time set forth above shall constitute an admission of all facts and a waiver of the right to a hearing pursuant to Rule 25-22.037(3), Florida Administrative Code, and a default pursuant to Rule 25-22.037(4), Florida Administrative Code. Such default shall be effective on the day subsequent to the above date.

If an adversely affected person fails to respond to this order within the time prescribed above, that party may request judicial review by the Florida Supreme Court in the case of any electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting, 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 of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Initiation of Show Cause) Docket No. 910293-TI
Proceedings Against Integretel,)
Inc., for Violation of Commission) Dated:
Rules 25-4.111(1) and 25-4.043) May 16, 1991
Regarding Responses to consumer)
Complaints.)
_____)

RESPONSE TO ORDER TO SHOW CAUSE
AND
OFFER OF SETTLEMENT

Integretel, Inc. (Integretel), by and through its undersigned attorney, responds to Commission Order No. 24441, which requires Integretel to show cause why it should not be fined in the amount of \$3,600 for violating Commission rules regarding responses to customer complaints. Integretel requests that the Commission accept its offer of settlement, as set forth below, and close this Docket.

OFFER OF SETTLEMENT

Integretel hereby offers to pay the sum of \$3,600, in consideration of the time and effort of the Commission and its Staff in pursuing customer complaints and investigating Integretel's actions this matter and in consideration of entry of an order closing this Docket without further action. Integretel would offer the following in support of the proposed settlement:

Integretel is a clearinghouse company and has experienced significant growth that outstripped its ability to handle customer complaint inquiries on a nationwide basis. Integretel recognized that it had a problem in this area last fall and took significant steps to rectify the situation.

Integretel notified the Commission by letter of its efforts and provided an "800" number for direct contacts during the transition.

- ▶ As part of its efforts to improve its complaint handling, Integretel transferred its FCC and PSC complaint-handling operations from San Diego to Chicago. However, due to an unfortunate sequence of events during transition, resolution of the backlog was delayed. Integretel has been working with great concern to resolve its complaint-handling and believes that it is now up to date, in compliance with Commission rules and capable of maintaining compliance with those rules.
- ▶ As a clearinghouse, Integretel does not have direct access to customer account information and, in many cases, must contact the carrier before it can verify which account is in dispute. This has made it difficult to provide a meaningful response to the Commission Staff in a timely manner. At the Commission Staff's suggestion, Integretel has instituted a practice of providing the Staff with an "interim report" describing its actions to collect information and resolve a complaint in situations where it cannot report a final resolution by the due date under the Commission's rules. A final report is then provided when Integretel has the needed information.
- ▶ Timely response to Commission complaint inquiries is a top priority at Integretel and will remain so. Integretel did identify its shortcomings, took action to rectify them and, after some unfortunate delays, believes that it has resolved

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them. At no time has Integretel refused to comply with or willfully violated Commission statutes, rules or orders, nor has it acted without regard to the requirements of such statutes, rules and orders.


WAIVER OF §120.57(1) HEARING

Should the Commission not accept its proposed settlement, Integretel offers the above statement of facts as its response to Order No. 24441 and waives a hearing under §120.57(1).

WHEREFORE Integretel, Inc., requests entry of an order accepting its offer of settlement and closing this docket.

Dated: May 16, 1991

Respectfully submitted,



PAUL SEXTON, ESQUIRE
211 South Gadsden Street
Tallahassee, Florida 32301
(904) 222-9445

Attorney for Integretel, Inc.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been provided by hand-delivery to John Adams, Staff Attorney, Division of Legal Services, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0850, this 16th day of May, 1991.


Paul Sexton

DOCKET NO. 910293-TI
JUNE 20, 1991

January 24, 1991

Mr. Michael Wilson, Chairman
Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0850

COPY

RE: COMPLIANT PROCESS - STATUS REPORT

Dear Mr. Wilson:

We would like to take this opportunity to advise you of the current condition of IntegreTel's complaint procedure. As you may know, we have transferred this function to our Chicago office. We hoped that the transfer would be a smooth one, but, frankly, it was not.

Several incidents have brought us to this point. First, the files were shipped and took weeks to arrive. Second, our on-line link with our data base in California took many weeks to bring-up. We have other circumstances and events but we do not wish to belabor those points.

Suffice it to say, we have not been performing at a level that is acceptable to you, the end user, and us. We have cured most of the problems. We have dedicated several individuals to the task of cleaning-up the old files. Further, they are charged with the task of handling the new issues as they are presented.

We ask for your support and understanding during this time. IntegreTel is dedicated to providing the best services available. We apologize for any inconvenience to you or to the end user(s).

If you have any questions, or require immediate attention to a specific complaint, do not hesitate to call us. We have set up a new toll free number (1-800-444-1642) to our Chicago Office. Please feel free to utilize this number. Further, you may relate this number to end users who wish to contact us directly.

Sincerely,

D. James Hudson
Vice President - Regulatory Affairs

State of Florida



Public Service Commission

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

DATE: June 5, 1991
TO: John Adams, Div. of Legal Services
FROM: Kathy Brown, Div. of Consumer Affairs *KB*
RE: Integretel, Inc., Docket No. 910293-TI

At the time the Show Cause Recommendation was filed (March 19, 1991), Integretel had provided late responses or no responses to each of the 19 complaints consumers had filed since January 1, 1990. In its recommendation Consumer Affairs listed 7 complaints that the company had not responded to. Integretel has now responded to each of these complaints.

Since the recommendation was prepared, consumers filed 2 more complaints against Integretel. One of the responses Integretel provided to Consumer Affairs was received late (after the expiration of the 15 day response time required by Commission rules). The other response has not yet been received and as of today is 13 days past due. A list of the complaints and response times is attached.

Attachment 1 1

Integretel, Inc. Complaints

1990

<u>Complaint</u>	<u>Date to Co.</u>	<u>Report Due</u>	<u>Report Rcvd</u>	<u>Follow-ups</u>
Munoz, T.	3/12/90	3/27/90	3/30/90	--
Davis, H.	5/22/90	6/6/90	8/2/90	--
Thornton, E.	6/14/90	6/29/90	8/23/90	three
Lake Suzy	7/18/90	8/2/90	9/14/90	one
Cimmino, K.	8/7/90	8/23/90	9/21/90	four
Richard B.	8/9/90	8/24/90	10/25/90	three
Yantus, Joe	8/27/90	9/11/90	4/12/91	one
Caudill, W.	9/4/90	9/20/90	4/24/91	one
Bailey, F.	10/4/90	10/19/90	1/22/91	four
Roberts, E.	10/9/90	10/24/90	11/28/90	one
Sands, D.	10/10/90	10/25/90	10/29/90	two
Big Lake	10/19/90	11/05/90	11/30/90	one
Frank, L.	10/18/90	11/05/90	5/1/91	four
Fedale, J.	10/19/90	11/06/90	4/29/91	two
Rauth, G.	10/26/90	11/13/90	02/26/91	two
Hall, L.	12/11/90	12/27/90	4/1/91	two
Fagen, B.	12/13/90	12/31/90	4/1/91	three
<u>1991</u>				
Griswold	1/10/91	1/25/91	3/28/91	one
Arandus, H.	3/8/91	3/22/91	4/2/91	one
Walker, V.	5/8/91	5/23/91	5/29/91	one
Higgins, R.	5/8/91	5/23/91	none	one