

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries.

DOCKET NO. 000399-TI
ORDER NO. PSC-00-2089-AS-TI
ISSUED: November 2, 2000

The following Commissioners participated in the disposition of this matter:

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

ORDER ACCEPTING OFFER OF SETTLEMENT

BY THE COMMISSION:

On April 12, 2000, Commission staff requested a case status report from the Division of Consumer Affairs (CAF) listing customer complaints against AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/a/b Luck Dog Phone Co. and d/b/a ACC Business (AT&T) in which it responded late or not at all to our staffs' inquiries. The purpose of the report was to evaluate the magnitude of AT&T's failure to respond. The report showed that during the period from July 20, 1999 through April 10, 2000, 199 complaints were not responded to within the 15-day period, as required by Rule 25-4.043, Florida Administrative Code, or not at all.

During the evaluation, AT&T cooperated with our staff to determine the reasons for the lack of timely responses. Commission staff and AT&T concluded that there were 164 instances where AT&T did not respond timely to staff inquiries. Consequently, AT&T offered to:

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FPSC-RECORDS/REPORTING

- Pay \$1,500 for each occurrence for a total of \$246,000.
- Implement a "warm transfer" process to respond to complaints received by the Florida Public Service Commission.
- Commit a dedicated team of customer care representatives solely to accepting and handling calls from the Florida Public Service Commission.
- Make a good faith estimate that all outstanding complaints will be resolved in the next three weeks (as of its letter dated September 29, 2000).

AT&T's offer of settlement is attached hereto as Attachment "A" and incorporated herein.

We find that the terms of the settlement agreement as summarized herein are reasonable. However, we disagree with AT&T's statement in the settlement proposal that it is doing everything possible to address these matters. We believe that AT&T was aware of the backlog of complaints, but chose not to take proactive action until a docket was opened. We further believe that such a large number of complaints greatly diminishes the possibility that the cases were merely overlooked. We will continue to monitor AT&T's responsiveness to complaints, and will initiate another proceeding if the problem continues.

Based upon the foregoing, we accept AT&T's settlement proposal, including a contribution of \$246,000 to the State General Revenue Fund, to resolve the apparent violations of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The contribution should be received by the Commission within ten business days from the issuance date of this Order and should identify the docket number and company name. The contribution shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

Based on the foregoing, it is

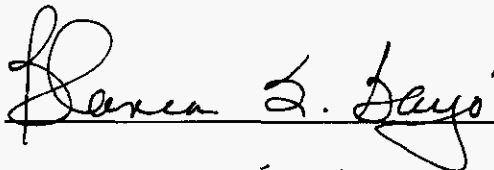
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ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/a/b Lucky Dog Phone Co. and d/b/a ACC Business's Offer of Settlement as described in the body of this Order, incorporated into this Order as Attachment "A", and including a contribution of \$246,000 to the State General Revenue Fund, to resolve apparent violations of Rule 25-4.043, Florida Administrative Code, shall be accepted. It is further

ORDERED that the contribution shall be received by the Commission within ten business days from the issuance date of this Order and shall identify the docket number and company name. The contribution shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. It is further

ORDERED that this docket should remain open pending receipt of the \$246,000 contribution and Commission staff's verification of the resolution of all outstanding complaints. After remittance of the contribution and resolution of all outstanding complaints, this docket may be closed administratively.

By ORDER of the Florida Public Service Commission this 2nd day of November, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 Records and Reporting, 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 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 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 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.



Claudia Davant-DeLoach
State President
Legislative and
Regulatory Affairs

Suite 700
101 N. Monroe Street
Tallahassee, FL 32301
850 425-6360
FAX 850 425-6361

September 29, 2000

Via Hand Delivery

Mr. Walter D'Haeseleer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 000399-TI
Initiation of show cause proceedings against AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business for apparent violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries.

Dear Mr. D'Haeseleer:

This letter is to follow up on our meeting with you and your staff during which we discussed AT&T's settlement offer. I very much appreciate your agreement to allow us additional time to respond to your questions, and I hope that this response will resolve this critical matter to your satisfaction.

During our meeting, you indicated that you would like detailed information regarding the warm transfer process. In order to implement this process, AT&T commits that it will dedicate a team of customer care representatives solely to accepting and handling calls from the Florida Public Service Commission. We estimate that we will need to provide between four and eight dedicated customer care representatives to handle warm transferred calls and maintain the records required by the FPSC. Please recall that AT&T has separate billing systems and customer service centers for residential and business customers, so we would provide separate staffing for each customer center. This process has had positive results in other states, and we anticipate that it would resolve the Commission's concerns regarding AT&T's response to customer inquiries.

Also, AT&T has begun implementation of our national customer service system, which provides excellent customer care without imposing undue costs on the customers of any one particular state. By using this system, AT&T is able to satisfy the needs of millions of Florida customers by offering coverage 24 hours a day, 365 days a year, with multi-language customer care representatives available at all times. These are advantages

that a small customer care facility for one state could not offer. This centralized national process was developed largely due to Florida's recognition that customer complaints were not being efficiently resolved at the regional level. We have tested this new model in the New England states with great success, and we have found immediate improvements in response time -- in part because the center has direct access to the database necessary for prompt resolution of inquiries. This process also allows direct contact between the Public Service Commission and AT&T's customer care center.

AT&T also recognizes your legitimate concern about the existing backlog of responses to staff inquiries. It is our good faith estimate that all outstanding complaints will be resolved in the next 3 weeks. And now that our new national process is in place, we are confident that this number will not increase. We have taken aggressive action to address the backlog, including sending several of our Florida employees to Atlanta to add more "hands" to the process. We will brief you by October 15 regarding the specific status of these complaints.

The final issue addressed in our meeting was the Commission's desire to impose a stiffer penalty upon AT&T. AT&T feels strongly that we are doing everything possible to address these matters to the Commission's satisfaction, and believe that our resolution will greatly benefit Florida consumers. However, in an attempt to resolve this case we would like to offer to make a payment of \$1,500 per complaint, for a total payment of \$246,000.00.

Again -- the Florida Public Service Commission has been the catalyst for change within AT&T's national complaint resolution process. Your attention and concern has been recognized and I sincerely hope that this settlement offer will be well received. Please contact me at your convenience to discuss your comments. I look forward to hearing from you.

Sincerely,



Claudia Davant-DeLoach

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DEPARTMENT OF
COMPETITIVE SERVICES