



# Public Service Commission

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**DATE:** JUNE 13, 2001

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF LEGAL SERVICES (BANKS/ELLIOTT) *JPE HS*  
 DIVISION OF CONSUMER AFFAIRS (LOWERY) *BJ*  
 DIVISION OF COMPETITIVE SERVICES (K. CRAIG) *KE TRB*

**RE:** DOCKET NO. 010190-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST NETWORK PLUS, INC. D/B/A HALE AND FATHER, INC. FOR APPARENT VIOLATION OF RULE 25-22.032(5)(A), F.A.C., CUSTOMER COMPLAINTS.

DOCKET NO. 010191-TX - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST NETWORK PLUS, INC. D/B/A HALE AND FATHER, INC. FOR APPARENT VIOLATION OF RULE 25-22.032(5)(A), F.A.C., CUSTOMER COMPLAINTS.

**AGENDA:** 06/25/01 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\LEG\WP\010190.RCM

CASE BACKGROUND

Network Plus, Inc. d/b/a Hale and Father, Inc. (Company Code TI048)  
Docket No. 010190-TI

- August 23, 1992 - Network Plus, Inc. d/b/a Hale and Father, Inc. (Hale and Father) obtained Florida Public Service Commission Interexchange (IXC) Telecommunications Certificate No. 2994.

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- June 20, 2000 through January 12, 2001 - The Florida Public Service Commission attempted to investigate four customer complaints against Hale and Father's IXC Certificate.
- February 9, 2001 - After receiving no written response to the customer complaints, staff opened this docket to initiate show cause proceedings against Hale and Father for apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints.

**Network Plus, Inc. d/b/a Hale and Father, Inc. (Company Code TX233)**  
**Docket No. 010191-TX**

- November 3, 1998 - Network Plus, Inc. d/b/a Hale and Father, Inc. (Hale and Father) obtained Florida Public Service Commission Alternative Local Exchange (ALEC) Telecommunications Certificate No. 5711.
- January 2, 2001 - The Florida Public Service Commission attempted to investigate a customer complaint against Hale and Father's ALEC Certificate.
- February 9, 2001 - After receiving no written response to the customer complaint, staff opened this docket to initiate show cause proceedings against Hale and Father for apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints.

At the time these dockets were opened and between the period June 20, 2000 through January 12, 2001, Hale and Father had failed to respond to a total of five customer complaints. The show cause actions which are the subjects of these dockets are predicated on the five customer complaints.

On May 23, 2001, Hale and Father initiated negotiations with staff to discuss the method for resolving issues in these dockets. Hale and Father submitted an offer to settle both cases on May 31, 2001. Hale and Father included a statement in which it waived the right of objection to the administrative cancellation of its certificates in the event the settlement proposal is accepted and the company ultimately fails to comply with the terms of the offer. Hale and Father also added that if there is a factual dispute as to the manner or level of compliance with any provision in the settlement, staff will bring the matter to the Commission for consideration. (Attachment A, pages 8 and 9)

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The Commission is vested with jurisdiction over this matter pursuant to Sections 364.183, 364.285 and 364.337, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission accept the settlement offer proposed by Network Plus, Inc. d/b/a Hale and Father, Inc. (Hale and Father) to resolve the show cause proceedings for its apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints?

**RECOMMENDATION:** Yes. Staff recommends that the Commission accept Hale and Father's settlement proposal of a \$7,500 voluntary contribution and assurance that the company will implement measures to ensure future compliance. The voluntary contribution should be received by the Commission within ten business days of the issuance date of an Order approving the settlement offer and should include the docket numbers and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay in accordance with the terms of the Commission Order, Certificates No. 2994 and 5711 should be canceled administratively.  
**(Banks/Elliott/K. Craig)**

**STAFF ANALYSIS:** The Division of Consumer Affairs (CAF) notified the Division of Competitive Services that it was experiencing difficulty in obtaining responses to customer complaints from telecommunications companies. Hale and Father had failed to respond to five customer complaints. On February 9, 2001, two dockets were opened, one each against Hale and Father's IXC (Company Code TI048) and ALEC (Company Code TX233) certificates, to initiate show cause proceedings for its apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints. During the period February 20, 2001, through February 22, 2001, Hale and Father provided staff satisfactory responses for the past due complaint cases and as of April 24, 2001, the Division of Consumer Affairs verified that staff has closed the five past due cases associated with Dockets No. 010190-TI and 010191-TX.

During the period of negotiations, Hale and Father had failed to timely respond to more customer complaints. As part of the negotiated settlement, Hale and Father committed to resolving, by June 12, 2001, any outstanding complaints that were not identified by staff in the initiation of this proceeding.

In a letter received on May 31, 2001, Hale and Father proposed a settlement offer, and included a waiver of objection to the administrative cancellation of Certificates No. 2994 and 5711 in the event the settlement proposal is accepted and the company

ultimately fails to comply with the terms of its offer (Attachment A, pages 8 and 9). Hale and Father also added that if there is a factual dispute as to the manner or level of compliance with any provision in the settlement, staff will bring the matter to the Commission for consideration. In its settlement offer, Hale and Father proposed the following:

- A voluntary contribution of \$7,500.
- To create new policies and procedures, as well as a new department solely dedicated to regulatory compliance. This department will be headed by Lisa Korner-Butler, Vice President of Regulatory and Industry Affairs, a Compliance Administrator, and two additional staff members.
- The company will form a Dispute Resolution Team (DRT), currently staffed by eight employees plus a team leader and Manager, whose responsibilities include research of all complaints, timely communications to customers, and ensuring that customer accounts reflect any necessary changes.
- To ensure instances of "slamming" do not happen in the future, the company will create an Order Quality Control group that looks at every order and verifies information with the customer before the order is processed and provisioned.
- To respond to all current outstanding complaints within ten business days (June 12, 2001).

The settlement amount of \$1,500 per complaint in this recommendation is consistent with the Commission's approval of the settlement offered in Order No. PSC-00-2089-AS-TI, issued November 2, 2000, in 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.

Therefore, staff recommends that the Commission accept Hale and Father's settlement proposal of a \$7,500 voluntary contribution and assurance that the company will implement measures to ensure future compliance. The voluntary contribution should be received by the Commission within ten business days of the issuance date of an Order approving the settlement offer and should include the docket numbers and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay

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in accordance with the terms of the Commission Order, Certificates  
No. 2994 and 5711 should be canceled administratively.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No. If the Commission approves staff's recommendation on Issue 1, this docket should remain open pending remittance of the \$7,500 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificates No. 2994 and 5711, this docket should be administratively closed. **(Banks/Elliott)**

**STAFF ANALYSIS:** This docket should remain open pending remittance of the \$7,500 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificates No. 2994 and 5711, this docket should be administratively closed.



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**CONFIDENTIAL**

May 29, 2001

Ms. Kristen Craig  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Show Cause Order Docket #s 010191-TX and 010190-TI

Dear Ms. Craig:

Network Plus hereby responds to the show cause orders referenced above. Network Plus acknowledges that the five complaints mentioned in the orders were in fact answered later than required by the Public Service Commission and therefore offers a settlement of \$7,500 to the Commission for this infraction. Network Plus is committed to providing first rate customer service to all of our customers and also very committed to ensuring that we are in compliance with all of the laws and rules of the state of Florida.

In order to ensure that this type of infraction does not occur again, Network Plus has instituted new policies and procedures as well as dedicating staff to regulatory compliance. Effective May 1, Network Plus created a new department within the organization to accomplish this. This department is currently led by myself as Vice President of Regulatory and Industry Affairs. Reporting directly to me is Wayne Thomas, compliance administrator. Mr. Thomas' primary function is the processing and answering of complaints to the Public Service Commission. In addition to Mr. Thomas there will be two additional staff members added to ensure overall compliance.

Supporting this group is a newly formed division of Network Plus' customer service organization, the Dispute Resolutions Team (DRT). There is currently a staff of 8 plus a team leader and Manager, with headcount growing to 15 before the end of the third quarter. This team is responsible for the research of all complaints, timely communications to the customers and ensuring that the customers account reflects any necessary changes. It is the goal of the organization that any customer disputes are addressed and fixed by this team before the customer is forced to go to the Commission for resolution.

We do recognize that we had instances of slamming in Florida and the two parties responsible for this were terminated as a result of their actions. Network Plus does not condone this behavior and is instituting further policies to ensure that it does not happen in the future. Network Plus has created an Order Quality Control group that looks at every order and contacts the customer to verify that all information is correct before the order is processed and provisioned. This will ensure that the customer is not "slammed" as well as verifying that the contract is accurate.

Network Plus regrets that we had the issues that we did in Florida, however, we are taking action to ensure that this does not happen again. The Network Plus organizations discussed above will address all of these issues and I believe not only allow us to answer the PSC complaints in a timely manner, but to reduce the number of complaints that the Commission receives. Relative to the 42 outstanding complaints that the commission shows open, Network Plus will be responding to those beginning today and will be 100%



compliant within 10 business days (June 12, 2001). With the new procedures put in place, Network Plus will not be in this situation again and will continue to be compliant.

Network Plus has agreed to waive any objection to the administrative cancellation of its certificates should it fail to pay in accordance with its settlement offer. If, however, there is a factual dispute as to the manner or level of compliance with any provision in the settlement, staff will bring the matter to the Commission for consideration

Network Plus is committed to providing quality competitive service to the consumers of the state of Florida. The above actions represent that continued commitment to the existing and future customers of Network plus.

I appreciate your consideration in this matter.

Sincerely,  
  
Lisa Korner Butler