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Public Service Commission

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COMMISSION
CLERK

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

DATE: December 21, 2005

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (Moses)
Office of the General Counsel (Scott) *KS PRB per PKW*

RE: Docket No. 050918-TL – Supplemental service quality commitment by Sprint-Florida, Incorporated under Service Guarantee Program.

AGENDA: 01/05/06 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\050918.RCM.DOC

Case Background

Sprint is currently operating under a Service Guarantee Program (SGP) filed pursuant to Rule 25-4.085; Service Guarantee Program, whereby it is relieved of the requirements of each service rule covered by the SGP. Under the SGP, Sprint credits customers when the service rule objective is missed. Using the rule requirements as a benchmark for comparing Sprint's service prior to the implementation of the SGP and afterward, it appears that the service quality has declined.

Staff initiated discussions with Sprint about its service quality. As a result, Sprint has proposed supplemental commitments to improve installation and repair intervals.

DOCUMENT NUMBER-DATE

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Discussion of Issues

Issue 1: Should the Commission accept Sprint's proposed commitment to improve installation and repair intervals?

Recommendation: Yes. The commitment as proposed on Attachment A should be incorporated into the existing Service Guarantee Program effective June 30, 2006. (Moses)

Staff Analysis: Sprint is currently operating under a Service Guarantee Program whereby it is relieved of certain service rules, but credits the customer when the service rule objective is missed. The pertinent portions of Sprint's SGP is below.

Rule 25-4.066, F.A.C.: Requires installation of primary residential service within 3 days of application. (Language below substitutes this requirement under the SGP)

If Sprint fails to install primary local service on the date Sprint and the customer have agreed upon, a credit in the amount of \$25 will be automatically applied to the customer's account. The credit will be automatically issued if service is not installed within three work days should the customer request that service be installed within three work days from the date of the completed application. Saturdays, Sundays, and holidays are excluded for determining a commitment date.

Rule 25-4.070(3)(a), F.A.C.: Requires primary residential service be restored within 24 hours of customer reporting the trouble. (Payments are made as allocated below in lieu of the rule requirement under the SGP)

<u>Duration of Interruption</u>	<u>Credit</u>
24 to 48 hours	\$11
2 to 5 days	\$15
Over 5 days	\$40

Using the rule requirements as a benchmark for comparing service quality prior to the SGP and after its implementation, it appears that Sprint's performance has declined since the SGP was implemented. The following table shows Sprint's performance for 5 years prior to the SGP and the performance during the SGP. The table shows the monthly average of the number of exchanges that failed the installation rule, which requires installation of 90% of all new primary service be completed within 3 days. The repair rule requires repair of 95% of all reported out-of-service troubles within 24 hours.

Number of Exchanges Failing the Service Standards Out of a
 Total of 104 Exchanges

	Service Orders (3 days) Rule 25-4.066		Repair (24 hr OOS) Rule 25-4.070	
1996	5		27	
1997	0		14	
1998	1		21	
1999	15		25	
2000	8		12	
2001 (first 5 months w/o SGP)	1		2	
2001 (SGP started 6/1/01)	1	SGP credits \$571,040	7	SGP credits \$445,300
2002	6	SGP credits \$1,156,580	8	SGP credits \$737,973
2003	52	SGP credits \$871,660	32	SGP credits \$647,512
2004	91	SGP credits \$530,325	68	SGP credits \$727,484
2005	82	SGP credits \$451,100 (First half of 2005)	99	SGP credits \$1,375,747 (First half of 2005)

During 2004, Sprint claimed Force Majeure due to hurricanes starting August 13, 2004, through November 30, 2004. Staff has excluded the data for those months from the calculation of failures in the table above.

As a result of discussions with Sprint about its service quality, Sprint filed a commitment letter on December 15, 2005 (Attachment A). Staff believes the commitment should improve the installation of basic residential service and repair of out-of-service trouble reports within 24 hours.

The commitment letter will operate under the existing Service Guarantee Program (SGP). Enforcement of the SGP requires the Commission to terminate the SGP and then use data on a going forward basis as the criteria for determining compliance. The service quality commitments contained in Sprint's letter are enforceable without terminating the SGP, and can be brought before the Commission for appropriate action if necessary. The Commission continues to have service quality oversight authority under Section 364.03, Florida Statutes.

Accordingly, staff recommends that the Commission accept Sprint's commitment letter and incorporate the commitments as part of the existing SGP. The new commitments will be effective June 30, 2006.

Docket No. 050918-TL
Date: December 21, 2005

Issue 2: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Scott)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.



Charles J. Rehwinkel
State Vice President - Florida

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December 15, 2005

Ms. Beth Salak, Director
Competitive Markets and Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Sprint-Florida, Incorporated's Supplemental Service Quality Commitment Under its Service Guarantee Program

2005 DEC 20 AM 10:36
 DIVISION OF
 COMPETITIVE SERVICES

Dear Ms. Salak:

Since 2004 Florida Public Commission staff and Sprint-Florida, Incorporated (Sprint) have been periodically discussing service in the Service Guarantee Program environment. The discussions have been disrupted by eight hurricanes. Since the 2005 hurricane season has ended on December 1, 2005, these discussions have been renewed. As a result of these further discussions, effective June 30, 2006 Sprint makes the following service quality commitments under its Service Guarantee Program.

REPAIR:

1. 90% of out-of-service conditions (basic residential service only) repaired within 24 hours each calendar quarter on a statewide level.
2. 90% of out-of-service conditions repaired within 24 hours each calendar quarter in 90% of the small exchanges (exchanges less than 50,000 access lines). No exchange misses the 90% objective for more than two (2) consecutive months.

INSTALLATION:

1. For negotiated due dates (basic residential service only), Sprint's initial offer will not exceed five (5) business days.
2. Company will continue to ensure that language confirming customer acceptance of the offered due date is consistently utilized.

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3. Commission staff will have open audit capability of Sprint's service installation negotiations, including the ability to initiate an audit on a reasonable "drop-in" basis.

For the above commitments Sprint will have the opportunity to explain any exigent circumstances (for example, storm, work stoppage, etc.).

Sprint recognizes that material and unjustified failures to meet these commitments may subject the company to sanctions by the Commission.

Sincerely,



Charles J. Rehwinkel

Cc: Rick Moses, FPSC Staff