

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Supplemental service quality commitment by Sprint-Florida, Incorporated under Service Guarantee Program. | DOCKET NO. 050918-TL
ORDER NO. PSC-06-0068-PAA-TL
ISSUED: January 25, 2006

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 ACCEPTING SUPPLEMENTAL
SERVICE QUALITY COMMITMENTS

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

In December 2005, concern over Sprint-Florida, Incorporated's (Sprint) declining service quality led to discussions between Sprint representatives and our staff. On December 15, 2005, Sprint filed a letter, incorporated herein as Attachment A, in which it proposes to make supplemental service quality commitments to improve its installation and repair intervals.

II. Analysis

Sprint is currently operating under a Service Guarantee Program (SGP), which Sprint filed pursuant to Rule 25-4.085; Florida Administrative Code (F.A.C.). By Order No. PSC-05-0918-PAA-TL¹, issued September 19, 2005, this Commission approved Sprint's current SGP, relieving it of the rule requirements for each service quality standard addressed in its approved SGP. Operation under its SGP requires Sprint to credit customers when a service rule objective is missed. The pertinent portions of Sprint's SGP are below.

¹ See *Petition for approval of Service Guarantee Program, with relief from requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), F.A.C., by Sprint-Florida, Incorporated, Docket No. 050490-TL.*

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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 service quality rule requirements as a benchmark for comparing service quality prior to and subsequent to implementation of Sprint's SGP, it appears that Sprint's performance has declined. The table below illustrates Sprint's performance for 5 years prior to implementation of its SGP and Sprint's performance while operating under its SGP. The table illustrates the monthly average of the number of exchanges that failed the installation rule, which requires installation of 90% of all new primary service to 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

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

In its letter, Sprint proposes to repair 90 % of out-of-service conditions for basic residential service within 24 hours each calendar quarter on a statewide level. Additionally, Sprint commits to repair 90% of out-of-service conditions within 24 hours each calendar quarter in 90% of the small exchanges, with no exchange missing the 90% objective for more than two consecutive months. Regarding installation, Sprint commits that its initial offer for installation of basic residential service will not exceed five business days. Furthermore, Sprint proposes to continue to ensure that language confirming customer acceptance of the offered due date will be consistently utilized. Moreover, Sprint commits that our staff will have the ability to audit Sprint's service installation negotiations, including the ability to initiate an audit on a reasonable "drop-in" basis. Based on these proposed supplemental commitments, installation of basic residential service and repair of out-of-service trouble reports within 24 hours should improve.

Sprint's supplemental service quality commitment shall operate under the existing SGP. Enforcement of the SGP requires this 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 its SGP and, if necessary, may be brought before this Commission for appropriate action. As Sprint recognizes in its letter, failure to meet the proposed commitments may subject it to sanctions. We will continue to have service quality oversight authority under Section 364.03, Florida Statutes.

III. Decision

We hereby accept Sprint's supplemental commitments to improve its installation of basic residential service and repair of out-of-service trouble reports within 24 hours. Accordingly, we hereby incorporate Sprint's commitments as part of its existing SGP. These supplemental commitments shall be effective June 30, 2006.

If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of this Order, this docket shall close upon the issuance of a consummating order.

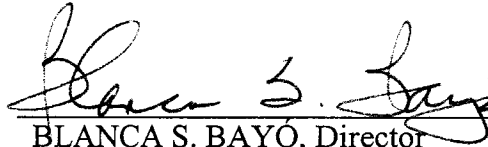
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sprint-Florida, Incorporated's supplemental service quality commitments as contained in Attachment A to this Order is hereby accepted and incorporated as part of its existing Service Guarantee Program. It is further

ORDERED that the supplemental service quality commitments shall be effective June 30, 2006. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of this Order, this docket shall close upon the issuance of a consummating order.

By ORDER of the Florida Public Service Commission this 25th day of January, 2006.



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

(S E A L)

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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 February 15, 2006.

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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.



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