

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** August 18, 2005

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

**FROM:** Division of Competitive Markets & Enforcement (Buys, Bulecza-Banks)  
Office of the General Counsel (Scott)

**RE:** Docket No. 050490-TL – 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.

**AGENDA:** 08/30/05 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\050490.RCM.DOC

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### Case Background

In Docket No. 991377-TL, In Re: Initiation of show cause proceedings against Sprint-Florida, Incorporated for violation of service standards, by Order No. PSC-00-2462-PAA-TL, issued December 20, 2000, the Commission approved a stipulation and settlement entered into by the Office of Public Counsel and Sprint wherein Sprint implemented a Service Guarantee Plan, also referred to as Service Guarantee Program (SGP). Sprint's original SGP was implemented on June 1, 2001, and terminated on May 31, 2003.

In Docket No. 030430-TL, In Re: Petition for approval of limited waiver of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(c) and (1)(d), and 25-4.110(2), F.A.C.; and for approval of modification and extension of SGP (SGP) approved by Order PSC-00-2462-PAA-TL, by Sprint-Florida, Incorporated, by Order No. PSC-03-0733-PAA-TL, issued June 19, 2003, the Commission approved Sprint's Petition for modification and extension of its SGP. The modified

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SGP was scheduled to expire on May 31, 2005. On June 9, 2005, by Order No. PSC-05-0630-FOF-TL, the Commission approved Sprint's request for a three month extension of its modified SGP and associated rule waivers. Sprint's current extension of its modified SGP expires on August 31, 2005.

In Docket No. 991473-TP, In Re: Review and revision of Rules 25-4.002, 4.003, 4.0185, 4.023, 4.038, 4.039, 4.066, 4.070, 4.072, 4.073, 4.0770, 4.080, and 4.085, F.A.C., by Order No. PSC-05-0282-FOF-TP, issued March 16, 2005, the Commission adopted amendments to the service quality rules for telecommunications companies. The amended rules, with the exception of Rule 25-4.085, Florida Administrative Code (F.A.C.), became effective on April 3, 2005. Subsequently, by Order No. PSC-05-0586-FOF-TP, issued May 26, 2005, the Commission adopted Rule 25-4.085, F.A.C., Service Guarantee Program, which became effective on June 14, 2005. Both the amended service quality rules and the new Service Guarantee Program rule apply only to residential service.

On July 15, 2005, Sprint filed its Petition for approval of a SGP pursuant to Rule 25-4.085, F.A.C. Sprint's proposed SGP program applies only to retail, residential basic service customers and provides its customers with automatic payments on their bills in the form of credits in the event Sprint fails to meet its service commitments for installation and repair of service interruption. Sprint is also proposing to provide monetary credits into a Community Service Fund should Sprint fail to meet its answer time measurements for its repair and business office. The Community Service Fund will inform customers about and promote Sprint's Lifeline service. Further, Sprint is offering to file a tariff adding the National School Lunch Program as an eligible Lifeline criterion. If approved by the Commission, Sprint's SGP will take effect within 30 days of its approval. A copy of the SGP is included as Attachment A.

The Commission is vested with jurisdiction over this matter pursuant to Sections 120.542, 364.01, 364.03, 364.17, and 364.183, Florida Statutes.

**Discussion of Issues**

**Issue 1:** Should the Commission approve Sprint-Florida Incorporated’s Petition for approval of its Service Guarantee Program with relief from the requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), Florida Administrative Code?

**Recommendation:** Yes. (Buys, Bulecza-Banks, Scott)

**Staff Analysis:** Rule 25-4.085, F.A.C., Service Guarantee Program, states:

A company may petition the Commission for approval of a Service Guarantee Program, which would relieve the company from the rule requirement of each service standard addressed in the approved Service Guarantee Program. When evaluating a Service Guarantee Program for approval, the Commission will consider the Program’s benefits to the customers and whether the Program is in the public interest. The Commission shall have the right to enforce the provisions of the Service Guarantee Program.

Pursuant to Rule 25-4.085, F.A.C., Sprint filed its petition requesting that the Commission approve its SGP. With Commission approval, Rule 25-4.085, F.A.C., allows a company to implement a SGP in lieu of providing service in accordance with certain service standard rules. Consequently, a waiver of the affected rules is not required. Sprint’s new proposed SGP is similar to Sprint’s current SGP approved by the Commission in Docket No. 030430-TL by Order No. PSC-00-2462-PAA-TL, issued June 19, 2003, except for the following changes summarized in Table 1. The changes are emboldened.

<b>Table 1</b>																	
<b>Repair – Out-of-Service</b>		<b>Rule 25-4.070(3)(a), F.A.C.</b>															
<b>Existing SGP</b>		<b>Proposed New SGP</b>															
Where a customer’s service is interrupted and it remains out of service in excess of 24 hours after being reported to Sprint and where the customer is able to continue to take service, the customer will receive an automatic credit on the bill in the following amounts:		Identical - except the amount of the automatic credit increases and the SGP applies <u>only</u> to single line residential customers. In Docket No. 991473-TP, Rule 25-4.070, F.A.C., was amended to apply only to residential service, effective April 3, 2005.															
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The SGP applies to residential and single line business customers.																	

<b>Primary Service Installation</b>		<b>Rule 25-4.066, F.A.C.</b>
<b>Existing SGP</b>	<b>Proposed New SGP</b>	
<p>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.</p>	<p>Identical, except that the SGP applies <u>only</u> to single line residential customers. In Docket No. 991473-TP, Rule 25-4.066, F.A.C., was amended to apply only to residential service, effective April 3, 2005.</p>	

<b>Answer Time Rule</b>		<b>Rule 25-4.073(1)(a) &amp; (c), F.A.C.</b>																																		
<b>Existing SGP</b>	<b>Proposed New SGP</b>																																			
<p>Answer time is measured and reported based on the Average Speed of Answer (ASA). Measurement of ASA begins when the call leaves the Integrated Voice Response Unit (IVRU) and ends when a service representative answers the call or the caller abandons the call. Where an IVRU is not used, measurement of ASA begins when the call is received at the automatic call distributor (ACD) and ends when a service representative answers the call or the caller abandons the call.</p> <p>Sprint will credit the Community Service Fund for disposition based on the achieved monthly ASA and/or Accessibility results in accordance with the following tables.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>ASA (seconds)</u></th> <th style="text-align: left;"><u>Community Service Credit</u></th> </tr> </thead> <tbody> <tr> <td>≤ 40</td> <td>\$ 0</td> </tr> <tr> <td>&gt; 40 ≤ 50</td> <td>\$ 5,000</td> </tr> <tr> <td>&gt; 50 ≤ 60</td> <td>\$ 10,000</td> </tr> <tr> <td>&gt; 60 ≤ 90</td> <td>\$ 25,000</td> </tr> <tr> <td>&gt; 90</td> <td>\$ 50,000</td> </tr> </tbody> </table> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Accessibility (%)</u></th> <th style="text-align: left;"><u>Community Service Credit</u></th> </tr> </thead> <tbody> <tr> <td>95 to 100</td> <td>\$ 0</td> </tr> <tr> <td>&gt; 90 ≤ 95</td> <td>\$ 5,000</td> </tr> <tr> <td>&gt; 85 ≤ 90</td> <td>\$ 10,000</td> </tr> <tr> <td>&gt; 70 ≤ 85</td> <td>\$ 25,000</td> </tr> <tr> <td>≤ 70</td> <td>\$ 50,000</td> </tr> </tbody> </table>	<u>ASA (seconds)</u>	<u>Community Service Credit</u>	≤ 40	\$ 0	> 40 ≤ 50	\$ 5,000	> 50 ≤ 60	\$ 10,000	> 60 ≤ 90	\$ 25,000	> 90	\$ 50,000	<u>Accessibility (%)</u>	<u>Community Service Credit</u>	95 to 100	\$ 0	> 90 ≤ 95	\$ 5,000	> 85 ≤ 90	\$ 10,000	> 70 ≤ 85	\$ 25,000	≤ 70	\$ 50,000	<p>Answer time is measured and reported the same – except the SGP applies <u>only</u> to single line residential customers. In Docket No. 991473-TP, Rule 25-4.073, F.A.C., was amended to apply only to residential service, effective April 3, 2005.</p> <p>Sprint will credit the Community Service Fund for disposition based on the achieved monthly ASA in accordance with the following table.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>ASA (seconds)</u></th> <th style="text-align: left;"><u>Community Service Credit</u></th> </tr> </thead> <tbody> <tr> <td>≤ 50</td> <td>\$ 0</td> </tr> <tr> <td>&gt; 50 ≤ 60</td> <td>\$ 2,000</td> </tr> <tr> <td>&gt; 60 ≤ 70</td> <td>\$ 5,000</td> </tr> <tr> <td>&gt; 70</td> <td>\$ 7,500</td> </tr> </tbody> </table> <p><b><i>Sprint will maintain 100% accessibility to the ACD queue.</i></b></p> <p><b><i>Sprint agreed not to deflect calls to a recording. Previously, Sprint would route a percentage of calls to a recording requesting that the customer leave his/her telephone number and a service representative would return the call.</i></b></p>		<u>ASA (seconds)</u>	<u>Community Service Credit</u>	≤ 50	\$ 0	> 50 ≤ 60	\$ 2,000	> 60 ≤ 70	\$ 5,000	> 70	\$ 7,500
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<b>Force Majeure</b>		<b>Rule 25-4.110(6), F.A.C.</b>
<b>Existing SGP</b>	<b>Proposed New SGP</b>	
In the event of an emergency due to major events, Sprint may declare a service emergency. In a service emergency, Sprint shall define the geographic area, may make indefinite commitments for installation and repair service within the affected areas, initiate public service announcements to inform customers, and notify the Commission at the time of implementation and termination of the emergency service period. In such cases, Sprint shall be relieved of its obligations to provide SGP credits.	Identical.	

<b>Lifeline Tariff Filing</b>	
<b>Existing SGP</b>	<b>Proposed New SGP</b>
None.	<b>File a tariff adding the National School Lunch Program as an eligible Lifeline criterion to augment the current eligibility guidelines.</b>

<b>Term</b>	
<b>Existing SGP</b>	<b>Proposed New SGP</b>
Expires on August 31, 2005.	<b>Indefinite period of time.</b> Sprint or the Commission may terminate the SGP at any time.

In addition, the proposed SGP will relieve Sprint from the 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.

Rule 25-4.066(2), F.A.C., provides:

Where central office and outside plant facilities are readily available, at least 90 percent of all requests for primary service in any calendar month shall normally be satisfied in each exchange or service center within an interval of three working days after receipt of application when all tariff requirements relating thereto have been complied with, except those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

Rule 25-4.070(3)(a), F.A.C., provides:

Service Interruption: Restoration of interrupted service shall be scheduled to insure at least 95 percent shall be cleared within 24 hours of report in each exchange as measured on a monthly basis. For any exchange failing to meet this objective, the company shall provide an explanation with its periodic report to the Commission.

Rule 25-4.073(1)(a) & (c), F.A.C., provides:

(1) Each telephone utility shall provide equipment designed and engineered on the basis of realistic forecasts of growth, and shall make all reasonable efforts to provide adequate personnel so as to meet the following service criteria under normal operating conditions:

(a) At least 90 percent of all calls directed to repair services and 80 percent of all calls to business offices shall be answered within 30 seconds after the last digit is dialed when no menu driven system is utilized.

(c) For subscribers who either select the option of transferring to a live assistant, or do not interact with the system for twenty seconds, the call shall be transferred by the system to a live attendant. At least 90 percent of the calls shall be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant.

Rule 25-4.110(6), F.A.C., provides:

(6) Each company shall make appropriate adjustments or refunds where the subscriber's service is interrupted by other than the subscriber's negligent or willful act, and remains out of order in excess of 24 hours after the subscriber notifies the company of the interruption. The refund to the subscriber shall be the pro rata part of the month's charge for the period of days and that portion of the service and facilities rendered useless or inoperative; except that the refund shall not be applicable for the time that the company stands ready to repair the service and the subscriber does not provide access to the company for such restoration work. The refund may be accomplished by a credit on a subsequent bill for telephone service.

In the event that Sprint declares a service emergency due to a major event (Force Majeure), Sprint will be relieved of meeting its SGP obligations and the company will revert to making refunds and adjustments for customers affected by a service emergency on a pro rated basis for the period of days the service was inoperative in accordance with Rule 25-4.110, F.A.C.

Sprint asserts that its proposed SGP benefits the company's customers by providing automatic credits to residential customers should Sprint fail to meet its commitments for installation and repair of service. Sprint also asserts that the SGP's provisions for contributions to the Community Service Fund to promote Lifeline service and the addition of the National School Lunch Program as an eligible Lifeline criterion are in the public interest. Staff evaluated Sprint's proposed SGP and believes that it will benefit Sprint's customers and is in the public interest.

Based on the foregoing, staff recommends that the Commission approve Sprint-Florida Incorporated's Petition for approval of its Service Guarantee Program with relief from the requirements of Rules 25-4.066(2), 25-4.070(3)(a), 25-4.073(1)(a) and (c), and 25-4.110(6), Florida Administrative Code.

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

**Recommendation:** Staff recommends that the Order issued from this recommendation become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. 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:** Staff recommends that the Commission take action as set forth in its recommendation.