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July 9, 2001

Mrs. Blanca S. Bayó
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: 991378-TL (Show Cause Docket)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of the Office of Public Counsel and BellSouth Telecommunications, Inc.'s Joint Motion Seeking Commission Approval of the Stipulation, which we ask that you file in the above-captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White
Nancy B. White
(22)

cc: All parties of record
Marshall M. Criser III
R. Douglas Lackey

DOCUMENT NUMBER-DATE
08325 JUL-95
FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE
Docket No. 991378-TL**

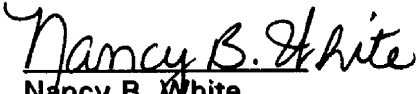
I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

(*) Hand Delivery this 9th day of July, 2001 to the following:

Walter D'Haeseleer, Director (*)
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Wayne Knight, Staff Counsel (*)
Beth Keating, Staff Counsel (*)
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Charles J. Beck (*)
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
Attorney for the Citizens
of the State of Florida


Nancy B. White (22)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause) Docket No. 991378-TL
proceedings against BellSouth)
Telecommunications, Inc., for)
violation of service standards.)
_____) Filed: July 9, 2001

**Joint Motion Seeking Commission
Approval of the Stipulation**

COMES NOW, The Office of Public Counsel (the "OPC") and BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 25-22.037, Florida Administrative Code, and hereby files this Joint Motion to have the Florida Public Service Commission (the "FPSC") approve the Stipulation and Settlement between the Office of Public Counsel and BellSouth Telecommunications, Inc. (the "Stipulation and Settlement") and to take all the action specified therein. In support of this Joint Motion, the OPC and BellSouth show the following:

1. Presently pending before the FPSC is the above captioned docket.
2. The OPC and BellSouth believe that it is in the best interest of the customers of BellSouth and the Citizens of Florida to amicably resolve the issue of this docket without the expenditure of further time, money, and other resources in litigating this issue before the Commission and the courts.
3. The OPC and BellSouth have negotiated a settlement of these issues. That settlement is set forth in the Stipulation and Settlement executed by the OPC

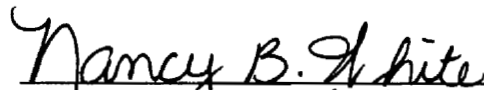
and BellSouth. A copy of the Stipulation and Settlement is attached hereto as Attachment "A"

4. Because the Stipulation and Settlement is in the best interest of BellSouth's customers, the OPC and BellSouth request that the FPSC expeditiously accept and approve the Stipulation and Settlement as filed and close Docket No. 991378-TL upon the implementation of the Stipulation and Settlement.

WHEREFORE, the OPC and BellSouth respectfully request that the FPSC grant the relief sought in this Joint Motion.

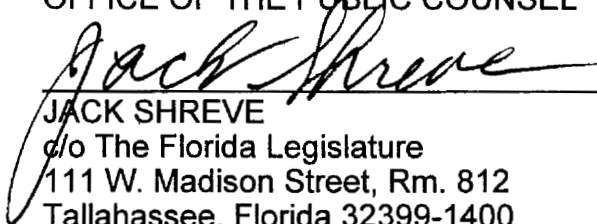
Respectfully submitted 9th day of July, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.



NANCY B. WHITE (22)
c/o Nancy Sims
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OFFICE OF THE PUBLIC COUNSEL



JACK SHREVE
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111 W. Madison Street, Rm. 812
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(850) 488-9330

397763

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause
proceedings against BellSouth
Telecommunications,
Incorporated for violations of
service standards /

Docket No. 991378-TL

Filed: July 9, 2001

**STIPULATION AND SETTLEMENT BY AND BETWEEN
THE OFFICE OF PUBLIC COUNSEL AND
BELLSOUTH TELECOMMUNICATIONS, INC.**

Pursuant to Section 120.57(4), Florida Statutes (1999), BellSouth Telecommunications, Incorporated (BellSouth or the Company) and the Office of the Public Counsel (OPC or Citizens) (hereinafter the Parties) have entered into this Stipulation and Settlement to effect an informal disposition and complete and binding resolution of any and all matters and issues which might be addressed by the Florida Public Service Commission (FPSC or Commission) in this docket regarding the company's service during the years 1996 through 1999. This Stipulation and Settlement avoids the time, expense and uncertainty associated with adversarial litigation in keeping with the Florida Public Service Commission's long-standing policy and practice of encouraging parties in contested proceedings to settle issues whenever possible. Accordingly, without prejudice to any Party's position in any other proceeding before the Florida Public Service Commission or any other venue, present or future, the Parties stipulate and agree as follows:

ATTACHMENT "A"

1. BACKGROUND & INTRODUCTION

This Docket was initiated on September 10, 1999 pursuant to a memorandum dated September 10, 1999 issued by the Florida Public Service Commission. The OPC intervened on September 17, 1999. At its October 19, 1999, Agenda Conference, the Commission voted to accept BellSouth's offer of settlement and to close the docket upon remittance of a voluntary contribution of \$125,000 to the General Revenue Fund. That payment was made by BellSouth to the Florida Public Service Commission on November 18, 1999. A Proposed Agency Action Order No. PSC-99-2207-PAA-TL was issued November 9, 1999. On November 30, 1999, OPC filed a timely protest of the Order, and the matter was set for hearing. On May 17, 2000, an issue identification conference was held. At that time the Parties agreed with the FPSC staff (Staff) to establish a list of issues. On May 23, 2000, the Commission established the procedural schedule through the release of Order No. PSC-00-1027-PCO-TL. The OPC has served three Requests for Production of Documents and three sets of Interrogatories on BellSouth. BellSouth has made its responses to the discovery available to the OPC for inspection. The Commission Staff served one set of Interrogatories on BellSouth and BellSouth responded.

Since the initiation of the Docket, the Parties have engaged in discussions for the purposes of resolving this matter. To this end, the Parties have reached the following Stipulation and Settlement in full resolution of the issues before the Commission. Furthermore, the Parties agree that the period to which this Stipulation and Settlement applies, for any violation of the aforesaid rules, will include the period from 1996 up to and including 1999. The provisions of this agreement shall supplement the actions required by the Commission's Proposed Agency Action order no. PSC-99-2207-PAA-TL, including payment of a \$125,000 voluntary contribution to the General Revenue Fund.

As a resolution of this docket the Parties agree that BellSouth will incur the cost of and establish a new Service Guarantee Plan that will automatically provide payments in the form of credits to customers in the event certain service objectives are not met, and will require the payment of monies to a Community Service Fund. The Service Guarantee Plan will not require customers whose service is not installed or repaired within the objectives set out below to request that a credit be placed on the bill. Any credits called for in the plan will be applied automatically. The Stipulation and Settlement generally, and the Service Guarantee Plan, specifically, are not intended to eliminate the FPSC's statutory authority to establish, monitor compliance with and/or enforce service quality standards, nor does this agreement waive any of the FPSC's existing rules governing service quality. It represents a compromise of the Parties between possible assessment and payment of penalties and/or fines and a desire to insure that customers receive direct and immediate tangible relief when service does not meet the Service Guarantee Objectives agreed upon herein.

2. THE SERVICE GUARANTEE PLAN

The Parties hereby create a Service Guarantee Plan that establishes service objectives, credits for failure to meet those objectives, and contains terms and definitional language for application of the Service Guarantee Plan. One of the objectives is designed to result in direct and automatic credits to customers if installation commitments are not met. This includes, where facilities are available, installation of residential basic local service (primary and additional) and single line business. The second objective is for repair of primary residential and single line business out-of-service conditions. BellSouth also commits to establish and to contribute to a Community Service Fund that

will educate customers about and promote BellSouth's Lifeline and LinkUp services. In addition, BellSouth commits to tariff an income eligibility test for Lifeline services.

A. Service Guarantee Commitments and Credits

(1) Repair - Out of Service (Service Interruption):

BellSouth agrees to make the applicable automatic credits on the bills of each primary residential and single line business local customer for whom BellSouth fails to meet the service objective. This automatic credit would apply to primary residential and single line business local customers experiencing an out-of-service condition irrespective of whether the trouble is caused by a network, Customer Provided Equipment, or inside wire condition. Where the Company fails to complete a repair within 24 hours from the time received (the service objective), the Company will increase the current service rebate such that the customer will receive a credit of \$4.00 plus three times the customer's daily recurring local service charges, up to a maximum of \$35.00. In no event, however, shall the customer receive a credit of less than \$10.00. Saturdays, Sundays and holidays are included in calculating service credits. Periods of time associated with and covered by the force majeure clause in Section (2)(D)(1) of the Stipulation and Settlement shall be excluded from this calculation.

An out-of-service condition for purposes of this Service Guarantee Plan occurs when a subscriber's service is interrupted (1) other than by a negligent or willful act of the subscriber, and (2) where the customer is able to continue to take service (e.g. not where the service location has been destroyed by fire, flood, wind, etc.).

(2) Service Installation:

Where central office or outside plant facilities are readily available, if BellSouth fails to install a customer's primary or additional residential local or single line business service on the date which the customer and the Company have agreed, BellSouth will give the customer an automatic bill credit of \$25. The commitment due date for installation shall be agreed upon by the Company and the customer. Where the Company is offering a commitment date greater than three days and the customer requests an earlier date, the commitment credit will be based on the customer requested date or on three days, whichever is greater.

Saturdays, Sundays and holidays are included for determining the applicable credits. Periods of time associated with and covered by the force majeure clause in Section (2)(D)(1) of the Stipulation and Settlement shall be excluded from this calculation. BellSouth will be subject to FPSC Rule 24-066 (3) and (5), Florida Administrative Code where central office or outside plant facilities are not readily available.

B. Establishment of a Community Service Fund and Disposition of the Funding

BellSouth shall establish a Community Service Fund in the form of a corporate undertaking. For the first year of this settlement (calendar year 2002), BellSouth will make a contribution to the Community Service Fund in the amount of \$250,000 to be used to educate customers about and promote BellSouth's Lifeline and LinkUp services. For the second year of this settlement (calendar year 2003), BellSouth's contribution will be \$150,000. The annual contribution will be made in January of each year this agreement is in effect. In the event the Parties disagree as to the method of disposing of the contribution amounts, the Parties shall submit such disagreement to the Florida Public Service

Commission for resolution.

C. Filing of an Income Eligibility Tariff for Lifeline

BellSouth commits that it will file a tariff providing for an income eligibility test at 125% of the federal poverty income guidelines for Lifeline customers. This test for eligibility will augment, rather than replace, the current eligibility guidelines based on participation in certain low income assistance programs. This tariff filing is conditioned on a governmental or non-profit entity assuming responsibility for certifying eligibility. The Florida Public Service Commission may designate itself as the entity responsible for certifying claims of eligibility, or, if it prefers, may designate another entity, such as the Office of Public Counsel.

D. Other Provisions of the Service Guarantee Plan

(1) Force Majeure

In the event of an emergency due to major events such as hurricanes, work stoppages, or acts of third parties outside BellSouth's control, when it is reasonable to expect that the Company will be unable to meet its installation and repair commitments, BellSouth may declare a service emergency. In declaring a service emergency, the Company shall define the geographic area, on a minimum of an exchange basis, where the emergency exists, may make indefinite commitments for installation and repair services within the affected areas, shall initiate public service announcements to inform customers, and shall notify the Commission at the time of implementation and termination of the service emergency period. In such cases, the Company shall be relieved of its obligations to provide credits for failure to meet the objectives for installation and repair service.

Where BellSouth is relieved of meeting the objectives, it will revert to making refunds or adjustments for customers affected by a service emergency, pursuant to Rule 25-

4.110(6), Florida Administrative Code, for out-of-service conditions as defined by Rule 25-4.070(1)(b), Florida Administrative Code.

(2) Commission's Continuing Jurisdiction

The intent of the Parties is that the Commission shall have the right to enforce the provisions of this Service Guarantee Plan including, but not limited to, verification that the credits are made consistent with the Service Guarantee Plan. Furthermore, it is not the intent of the Parties to deprive the Commission of its authority to resolve customer complaints and monitor and ensure that service is adequate and reasonable. The Parties contemplate that the Commission will retain its ability to monitor service through auditing and reviewing filed reports.

The Parties contemplate that this Stipulation and Settlement will resolve all issues defined in Order No. PSC-00-1027-PCO-TL for the period from January 1, 1996 through December 31, 1999. BellSouth will provide monthly reports to the Commission and the Office of the Public Counsel within 30 days of the end of the reporting month detailing the amount of credits related to missed objectives for installation and repair.

(3) Term of Service Guarantee Plan

The term of the Service Guarantee Plan is for a period of two years beginning on the implementation date. Each party will work in good faith to address and correct any unanticipated difficulties in a manner consistent with the intent of the Service Guarantee Plan.

(4) General Terms

(a) Implementation Date: BellSouth will implement this Service Guarantee Plan no later than six months from the date of a final Commission order approving the Stipulation and Settlement.

(b) Credits: Credits to customers will be made automatically and will not require the customer to request them.

(5) Definitions

(a) Basic Local Service: As defined in Section 364.02 (2), Florida Statutes (1999).

(b) Day: The twenty-four hour period beginning and ending at midnight. (For example, if a trouble report is received at 3 p.m. on Monday, and the trouble is cleared at 3:01 p.m. or later on Tuesday, a credit for one day would apply. A credit for two days would apply if the repair is completed at any time during the period 12:01 a.m. through 11:59 p.m. on Wednesday; a credit for three days would apply if the repair is completed at any time during the period 12:01 a.m. through and 11:59 p.m. on Thursday; and so forth.)

(c) Service Guarantee Objective: The standard(s) agreed to within this agreement.

(d) Community Service Contribution: Contribution made by the Company to the Community Service Fund on an annual basis.

(e) Community Service Fund: The fund (i.e. corporate undertaking) established pursuant to Section 2(B) and/or the fund (i.e. corporate undertaking) created by the annual contribution from the Company.

3. MISCELLANEOUS MATTERS

This Stipulation and Settlement will become effective on the day following the vote of the Florida Public Service Commission approving this Stipulation and Settlement. The Florida Public Service Commission's decision will be reflected in a final order.

No Party to this Stipulation and Settlement will request, support or seek to impose a change in the application of any provision hereof. Furthermore, subject to the approvals of the Florida Public Service Commission set forth herein, all Parties hereto waive any right to request further administrative or judicial proceedings in regards to the establishment or implementation of this Stipulation and Settlement. This waiver of the

right to further administrative or judicial proceedings shall include (but not be limited to): a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code; a motion for reconsideration of the decision in this matter in the form prescribed by Rule 25-22.060, Florida Administrative Code; or a notice of appeal to initiate judicial review by the Florida Supreme Court pursuant to Rule 9.110, Florida Rules of Appellate Procedure, in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

This Stipulation and Settlement is contingent upon the Florida Public Service Commission's acceptance of the provisions herein, which acceptance shall include explicit recognition by the Florida Public Service Commission that all such matters are resolved by this Stipulation and Settlement.

This Stipulation and Settlement is also contingent upon approval in its entirety by the Florida Public Service Commission. This Stipulation and Settlement will resolve all matters in this docket pursuant to and in accordance with Section 120.57(4), Florida Statutes (1999). This docket will be closed effective on the date the Florida Public Service Commission order approving this Stipulation and Settlement is final. If this Stipulation and Settlement is not accepted and approved without modification by an order not subject to further proceedings or judicial review, then this Stipulation and Settlement shall be considered null and void and of no further force or effect.

In the event that the FPSC does not accept this document in its entirety pursuant to its terms, this document shall not be admissible in any hearing on the matters established by this docket, or in any other docket or forum. Moreover, no Party to this Stipulation and Settlement waives any position on any issue that it could have otherwise asserted in this or any other docket as if this document had never been developed and written.

This Stipulation and Settlement dated this 9th day of July, 2001 may be executed in counterpart originals and a facsimile of an original signature shall be deemed an original.

The Parties evidence their acceptance and agreement with the provisions of this Stipulation and Settlement by their signatures:

Office of Public Counsel
111 W. Madison Street, Room 812
Tallahassee, Florida 32399-1400

BellSouth Telecommunications, Inc.
150 South Monroe St., Suite 400
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By: Jack Shreve
Jack Shreve

By: Joseph P. Lacher
Joseph P. Lacher (22)

PC Docs 397300v1