

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-

DATE: January 15, 2010

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Analysis (M. Watts) *MW*
 Office of the General Counsel (Tan) *Tan*
 Division of Service, Safety & Consumer Assistance (Moses) *Moses*

RE: Docket No. 090461-TL – Petition for modification of Service Guarantee Program by BellSouth Telecommunications, Inc. d/b/a AT&T Florida.

AGENDA: 01/26/10 – 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\RAD\WP\090461.RCM.DOC

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Case Background

On August 13, 2001, and February 13, 2002, the Florida Public Service Commission (Commission) issued Order Nos. PSC-01-1643-AS-TL (Docket No. 991378-TL) and PSC-02-0197-PAA-TL (Docket No. 010097-TL),¹ respectively, approving the Settlement Agreement between the Office of Public Counsel and BellSouth Telecommunications, Inc. (n/k/a BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast and hereinafter referred to

¹ Docket No. 991378-TL - Initiation of show cause proceedings against BellSouth Telecommunications, Inc. for violation of service standards; and Docket No. 010097-TL - Compliance investigation of BellSouth Telecommunications, Inc. for violation of service standards.

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as AT&T Florida), addressing AT&T Florida's quality of service and granting a limited waiver of certain service quality rules. This resulted in AT&T Florida's first Service Guarantee Program, which operated as an exemption from those quality of service rules.

On April 25, 2005, and May 20, 2005, the Commission issued Order Nos. PSC-05-0440-PAA-TL and PSC-05-0550-CO-TL,² respectively, modifying the first Service Guarantee Program and extending the rule waivers until Rule 25-4.085, Florida Administrative Code (F.A.C.), became effective on June 14, 2005. Rule 25-4.085, F.A.C., provides that a party is relieved from a set of service standard rules that is addressed in a Service Guarantee Program. The Service Guarantee Program as modified by the Commission's 2005 Orders is currently in effect. The current Service Guarantee Program may be terminated by either the Commission or the company at any time. The service quality rule waivers the company initially sought in 2001 became moot when Rule 25-4.085, F.A.C., became effective.

On September 29, 2009, AT&T Florida filed a petition (Attachment A) for modification of its current Service Guarantee Program. In addition to other changes, AT&T Florida's proposed Service Guarantee Program removes certain services it deems nonbasic from the protection of the existing AT&T Florida Service Guarantee Program. Removal of these services is based on AT&T Florida's interpretation of the Legislature's recently revised definitions of basic and nonbasic service in Chapter 364, Florida Statutes (F.S.). Because AT&T Florida's proposed Service Guarantee Program only affords protection to customers who receive basic services, AT&T Florida's proposed Service Guarantee Program would significantly reduce the number of customers who are currently benefitting from its existing Service Guarantee Program. As a result, staff believes that the determination of what services constitute basic or nonbasic service will have a significant impact on Florida consumers.

Staff believes it is imperative that the Commission determine what services constitute basic or nonbasic before approving AT&T Florida's proposed Service Guarantee Program. Furthermore, such a decision would provide guidance to the other carriers in Florida regarding what services should be covered by their Service Guarantee Programs or the Commission's service quality rules.

The Commission is vested with jurisdiction over this matter pursuant to Sections 120.569, 364.01, 364.03, 364.035, 364.15, 364.17, and 364.183, F.S.

² Docket No. 050095-TL - Petition for extension and modification of existing Service Guarantee Program and for limited waiver of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(d), F.A.C., by BellSouth Telecommunications, Inc.

Discussion of Issues

Issue 1: Pursuant to 364.02, F.S., what services constitute basic telecommunication service for purposes of AT&T Florida's proposed Service Guarantee Program?

Recommendation: Pursuant to Section 364.02(1), F.S., access to intraLATA and interLATA are basic services. Staff believes that an AT&T Florida customer who is presubscribed to intraLATA and interLATA services should not be exempted from the protection of AT&T Florida's proposed Service Guarantee Program. Presubscription simply provides a customer access to intraLATA and interLATA services. Furthermore, interLATA services are not unregulated because the Commission retains limited oversight and regulation of intrastate interexchange telecommunication (IXC) services. Presubscribing to interLATA and intraLATA toll should be identified as basic telecommunication service for purposes of AT&T Florida's proposed Service Guarantee Program. **(Tan)**

Staff Analysis: AT&T Florida's Service Guarantee Program exempts the company from specific service quality rules but allows the company to achieve the purpose of the statutes underlying the rules. AT&T Florida's Service Guarantee Program is intended to meet the quality of service provisions of Chapter 364, F.S., by providing a quick response time and compensation to qualifying customers should service issues arise. The benefits to the consumer include providing automatic payments in the form of credits to customers and penalties to AT&T Florida for not meeting objectives of installation and repair of service interruptions as established by the Commission.³ AT&T Florida's most recent Service Guarantee Program was last modified April 25, 2005, by Order No. PSC-05-0440-PAA-TL.⁴

In 2009 the Florida Legislature amended Chapter 364, F.S. These changes became effective on July 1, 2009.⁵ The legislature expanded the definition of nonbasic service to add that "any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service." Based upon the recent legislation, AT&T Florida filed a proposed modified Service Guarantee Program on September 29, 2009. On October 16, 2009, staff sent a data request to AT&T Florida regarding the proposed Service Guarantee Program and AT&T Florida's interpretation of the definition of basic and nonbasic service as defined by Chapter 364,

³ Rule 25-4.085, F.A.C., Service Guarantee Program, provides that "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 Plan."

⁴ AT&T Florida's Service Guarantee Program was first approved in Docket No. 991378-TL, Initiation of show cause proceedings against BellSouth Telecommunications, Inc. for violation of service standards, by Order No. PSC-01-1643-AS-TL issued on August 13, 2001. AT&T Florida received additional time to implement the plan by Order No. PSC-02-0197-PAA-TL on February 13, 2002, in Docket No. 010097-TL, Compliance investigation of BellSouth Telecommunications, Inc. for violation of service standards. The SGP was modified by Order No. PSC-05-0440-PAA-TL on April 25, 2005, in Docket No. 050095-TL, Petition for extension and modification of existing Service Guarantee Program and for limited waiver of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(d), F.A.C., by BellSouth Telecommunications, Inc.

⁵ Chapter 2009-226, Laws of Florida.

F.S. In its October 23, 2009 response, AT&T Florida indicated that it considers nonbasic service to include access to interLATA services.⁶

Chapter 364, F.S.

The relevant statutes are referenced below with the 2009 changes underlined:

- Section 364.02(1), F.S., defines “Basic local telecommunications service” as voice-grade, single-line, flat-rate residential local exchange service that provides dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing, and access to the following: emergency services such as “911,” all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local exchange telecommunications company, the term includes any extended area service routes, and extended calling service in existence or ordered by the commission on or before July 1, 1995.
- Section 364.02(10), F.S., defines “Nonbasic service” as any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection arrangement described in s. 364.16, or a network access service described in s. 364.163. Any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service.

AT&T Florida’s position

In its petition, AT&T Florida identifies the modified Service Guarantee Program qualified lines as basic local telecommunication service (single line flat rate service). AT&T Florida states that based upon changes to the definition of nonbasic, nonbasic and unregulated services will not qualify under the modified Service Guarantee Program. According to AT&T Florida, if a customer has purchased basic service but chooses an interLATA service in addition to AT&T Florida’s basic service, the customer should be considered nonbasic. AT&T Florida stated that it believes that interLATA is an unregulated service and intraLATA (local toll) is a nonbasic service included in the Competitive Basket in AT&T Florida’s price plan approved in Docket No. 951159-TL, In re: Investigation to determine categories of non-basic services provided by local exchange telephone companies pursuant to Chapter 364.051(6), F.S., by Order No. PSC-96-0012-FOF-TL. AT&T Florida believes that both interLATA and intraLATA should be treated as a nonbasic service when in combination with basic service.

Staff sent data requests to AT&T Florida seeking clarification of what services it believed to be basic. In its Response to Staff’s Second Data Request filed on December 11, 2009, AT&T Florida listed its rationale for classifying a service as basic or nonbasic (Attachment B), including the concept that provision of long distance services renders a service nonbasic. AT&T

⁶ InterLATA, which is long distance, uses the carrier identification code (CIC) number, secured from the equal access database field, to route the call to the selected carrier’s point of presence (POP) for handling. The customer may access a specific carrier’s services in several ways. When the customer is presubscribed to a carrier, this code is referred to as the primary interexchange carrier (PIC) code and the customer uses a “1+10 digits” dialing pattern.

Florida also indicated that the company has the discretion to allow services that it considered to be nonbasic be considered as a basic service for the purposes of the Service Guarantee Plan (see rationales C through F in the footer of Attachment B).

Analysis

Access is a basic service

Staff believes that access⁷ to long distance service (i.e. intra and interLATA⁸) does not change a basic service to a nonbasic service. The legislative definition of basic is very clear as it pertains to access. AT&T Florida must give access for the following services pursuant to Section 364.02(1), F.S.:

- emergency services such as “911;”
- all locally available interexchange companies (1+ dialing);
- directory assistance;
- operator services (0+ dialing, 1010xxx or other dial around codes);
- relay services (dialing either 711 or 1+800 for Sprint Relay); and
- an alphabetical directory listing.

Staff believes that access to all the above services is included as a basic service and the use of the services once accessed should not fundamentally change a consumer’s level of service from basic service to nonbasic service. It would appear that AT&T Florida’s interpretation of basic service provides that once the consumer takes advantage of any access listed above, the consumer is nonbasic. If this interpretation is correct, the Service Guarantee Program is moot since every access line provided by AT&T Florida would be considered nonbasic if any dial around long distance call is made, any relay long distance call or operator service call such as accepting the charges for a collect call, or if the charges are billed on the LEC bill.

Legislative intent

The Legislature modified the definition of “basic telecommunications service” to clearly delineate it from other services such as video and Internet based services. In addition, staff has reviewed the audio tapes of the committee meetings and there was no discussion that

⁷ 1+ access requires trunks that connect the IXC and local exchange telecommunications carrier (LEC) switches. IXCs establish what is called a “Point of Presence” (POP) close to the LEC’s switch so interconnection can be established. For the call to get to the POP, the LEC switch is programmed with the primary interexchange carrier (PIC) code of the IXC the customer has chosen as their long distance carrier. This code is what the LEC switch uses to route the call to the appropriate POP. IntraLATA 1+ calling works the same way except when the service is presubscribed to the LEC for completing the call. The call is then routed within the LEC network and does not get routed to a POP.

⁸ A Local Access and Transport Area (LATA) is a distinct geographical area that was created to identify the service areas for the local exchange carriers. IntraLATA service is a telecommunications service that originates and terminates in the same LATA, such as local and local long distance service. InterLATA service is a telecommunication service between a point located in a LATA and a point located outside such LATA. The completion of the call is handled by intrastate interexchange companies (IXCs).

presubscribing to interLATA service offered by a long distance company would change the service from basic to nonbasic service.

Unregulated services include Voice Over Internet Protocol, video, or wireless. Section 364.02(13), F.S., exempted video and Internet from the term “service” for the purposes of Chapter 364, F.S.⁹ With nonbasic service offerings such as video or broadband, there is an understanding that the customer has the ability to take market choice to another provider, thereby providing incentive for the company to provide high levels of service for those service offerings.

The basis for AT&T Florida’s argument is the addition of the language that “any combination of basic service along with a nonbasic service or an unregulated service is nonbasic service.” Consequently, because AT&T Florida believes that presubscription to an IXC offering long distance is an unregulated service, it falls into the nonbasic category. Staff disagrees with AT&T Florida’s assertion. Section 364.011, F.S., states that intrastate interexchange telecommunication services are exempt from oversight from the commission, except to the extent delineated in Chapter 364, F.S. Section 364.02(14), F.S., provides that intrastate interexchange telecommunications companies shall continue to be subject to Sections 364.025, 364.04, 364.10(3)(a) and (d), 364.163, 364.285, 364.336, 364.501, 364.603 and 364.604, F.S. IXCs shall also provide the commission with current information as the commission deems necessary to contact and communicate with the company. Furthermore, IXCs must follow the Rules governing interexchange telecommunications companies, Rules 25-24.455-25 through 24.495, F.A.C.

In addition, staff believes that IXCs do not provide nonbasic service because the service provided does not meet the definition of nonbasic. A nonbasic service is defined as any telecommunication service provided by a local exchange telecommunications company other than a basic local telecommunications service. An IXC is not a telecommunication company pursuant Section 364.02(14), F.S., which states that the term telecommunication company does not include intrastate interexchange telecommunications companies. Therefore, IXCs are regulated and the services they provide do not meet the definition of nonbasic service pursuant to Section 364.02(10), F.S.

IntraLATA service

AT&T Florida claims that intraLATA service is a nonbasic service. However, although intraLATA was in AT&T Florida’s price plan as a nonbasic service for pricing purposes, staff believes that intraLATA has never been defined as a nonbasic service for the purposes of service quality standards. This is a distinction between how pricing and service quality issues are

⁹ Section 364.02(13), F.S., states that “service” is to be construed in its broadest and most inclusive sense. The term “service” does not include broadband service or voice-over-Internet protocol service for purposes of regulation by the commission. Nothing herein shall affect the rights and obligations of any entity related to the payment of switched network access rates or other intercarrier compensation, if any, related to voice-over-Internet protocol service. Notwithstanding s. 364.013, and the exemption of services pursuant to this subsection, the commission may arbitrate, enforce, or approve applicable federal law or regulation. With respect to the services exempted in this subsection, regardless of the technology, the duties of a local exchange telecommunications company are only those that the company is obligated to extend or provide under applicable federal law and regulations.

handled. The Commission has established categories for basic and non-basic services for pricing. Staff notes that Order No. PSC-96-0012-FOF-TL states that Docket 951159-TL was opened to establish categories of non-basic services for the purpose of price regulation, which was created before the levels of service quality were established. In the last legislative session, the changes in law distinguished between basic and nonbasic service standards under the Commission's purview. However, intraLATA service is neither a basic service nor a nonbasic service.

Conclusion

Pursuant to Section 364.02(1), F.S., access to intraLATA and interLATA are basic services. Staff believes that an AT&T Florida customer who is presubscribed to intraLATA and interLATA services should not be exempted from the protection of AT&T Florida's proposed Service Guarantee Program. Presubscription simply provides a customer access to intraLATA and interLATA services. Furthermore, interLATA services are not unregulated because the Commission retains limited oversight and regulation of intrastate interexchange telecommunication (IXC) services. Presubscribing to interLATA and intraLATA toll should be identified as basic telecommunication service for purposes of AT&T Florida's proposed Service Guarantee Program.

Issue 2: Should the Commission approve AT&T Florida's request to modify its existing Service Guarantee Program, pursuant to the changes to the service quality rules necessitated by Chapter 2009-226, Laws of Florida?

Recommendation: Yes, the Commission should approve AT&T Florida's request to modify its existing Service Guarantee Program, pursuant to the changes to the service quality rules necessitated by Chapter 2009-226, Laws of Florida. Customers, to whom the Service Guarantee Program applies, should be identified based on the Commission's decision in Issue 1. (M. Watts/Moses/Tan)

Staff Analysis: AT&T Florida seeks to modify its current Service Guarantee Program. Rule 25-4.085, F.A.C., 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 Plan.

AT&T Florida's current approved Service Guarantee Program relieves it from the requirements of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(a)-(c), F.A.C. These rules pertain to the establishment of primary service and repair of interrupted service within specific time frames, and the measurement of answer time for subscribers who call in to the residential business or repair office.

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:

Restoration of interrupted service shall be scheduled to ensure at least 90 percent shall be cleared within 24 hours of the report.

Rule 25-4.070(1)(b), F.A.C., provides:

In the event a subscriber's service is interrupted other than by a negligent or willful act of the subscriber and it remains out of service in excess of 24 hours after being reported to the company, an appropriate adjustment or refund shall be made to the subscriber automatically, pursuant to Rule 25-4.110, F.A.C. (Customer Billing). Service interruption time will be computed on a continuous basis, Sundays and holidays included. Also, if the company finds that it is the customer's responsibility to correct the trouble, it must notify or attempt to notify the customer within 24 hours after the trouble was reported.

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

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

(b) When a company utilizes a menu driven, automated, interactive answering system (referred to as the system or as an Integrated Voice Response Unit (IVRU)), at least 95 percent of the calls offered shall be answered within 30 seconds after the last digit is dialed. The initial recorded message presented by the system to the customer shall include the option of transferring to a live attendant within the first 60 seconds of the message.

(c) For subscribers who select the option of transferring to a live assistant, 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 90 seconds of being transferred to the attendant.

AT&T Florida's current Service Guarantee Program has been in effect since May 20, 2005, and meets the quality of service provisions of Chapter 364, F.S., by giving immediate and direct compensation to customers if certain quality standards are not met. Additionally, the Service Guarantee Program imposes similarly swift penalties on AT&T Florida for not meeting objectives that are consistent with the Commission's service rules. The rules and a Service Guarantee Program are not applied simultaneously, because doing so would constitute unfairness and an economic hardship by imposing duplicate penalties.

AT&T Florida's proposed modified Service Guarantee Program is similar to its existing Service Guarantee Program approved by the Commission in Order No. PSC-05-0440-PAA-TL, issued April 25, 2005, Docket No. 050095-TL, In Re: Petition for extension and modification of existing Service Guarantee Program and for limited waiver of Rules 25-4.066(2), 25-4.070(1)(b), 25-4.070(3)(a), and 25-4.073(1)(d), F.A.C., by BellSouth Telecommunications, Inc., except for the changes summarized in Table 2-1.

Table 2-1. Comparison of AT&T Florida's current vs. proposed Service Guarantee Program (SGP)

Repair – Out-of-Service (Restoration of Interrupted Service)

Existing SGP	Proposed Modified SGP
Where AT&T Florida fails to complete a repair within 24 hours from the time an order is received; The customer will receive an automatic credit on the bill in the amount of \$4.00, plus 3 times the daily local service charge, up to \$40.00 and no less than \$11.00. Saturdays and Sundays are included in calculating service credits. The SGP only applies to residential customers.	Identical except that the SGP applies only to residential basic local service (single line flat rate service).

Primary Service Installation

Existing SGP	Proposed Modified SGP
Where AT&T Florida fails to install a customer's primary or additional local service on the date which the customer and AT&T Florida agree, AT&T Florida will give the customer an automatic credit of \$25.00. Where AT&T Florida is offering a commitment date greater than 3 days and the customer requests an earlier date, the commitment credit will be based on the customer requested date, or on 3 days, whichever is greater.	Identical except that the SGP applies only to residential basic local service (single line flat rate service).

Term

Existing SGP	Proposed Modified SGP
No expiration date. The SGP may be terminated by either the Commission or the company at any time. The current SGP will remain in effect until Rule 25-4.085, F.A.C., becomes effective. At that time, the SGP will operate until that rule and the waivers become moot with no further Commission action.	The SGP will become effective on the day following the Commission's vote approving the program. AT&T Florida may petition the Commission to revert back to the existing Commission rules at any time.

Force Majeure

Existing SGP	Proposed Modified SGP
In the event of an emergency, AT&T Florida will operate under Force Majeure and when it is reasonable to expect that the company will be unable to meet its installation and repair commitments, it shall be relieved of its obligations to provide credits for failure to meet the objectives for installation and repair within the affected areas. AT&T Florida will also suspend payments into the Lifeline Community Service Fund for missed answer time measurements within the affected	Identical except that the SGP applies only to residential basic local service (single line flat rate service).

areas.	
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Answer Time	
Existing SGP	Proposed Modified SGP
<p>An answer time measurement applies to customers who call the residential business and repair offices and who do not interact with the automated answer system.</p> <p>Where AT&T Florida fails to meet the answer time measurement, it will credit the Lifeline Community Service Fund.</p> <p>The measurement will require at least 90% of the calls to the Business office and repair office to be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant. AT&T Florida will maintain 100% accessibility.</p> <p>The amount of the payment of credits shall be calculated separately for the business and repair offices and shall be applied based on AT&T Florida's performance in accordance with the following parameters:</p> <p>Less than 90%, but greater or equal to 80% - \$2,000 Less than 80%, but greater or equal to 70% - \$5,000 Less than 70% - \$7,000</p>	<p>Identical for customers who do not interact with the system, except that when customers are transferred to a live attendant, the attendant must be prepared to give immediate assistance within 90 seconds of being transferred to the attendant.</p> <p>Greater than 90% within 90 seconds - \$0 Less than 90%, but greater or equal to 80% - \$2,000 Less than 80%, but greater or equal to 70% - \$5,000 Less than 70% - \$7,000</p> <p>The proposed SGP also provides alternatives to being placed in a queue, i.e. an interactive voice response system that will allow customers to report trouble, get a trouble ticket number and make repair appointments without ever talking to a live attendant. Additionally, the company offers an automated Right Touch System, use of its web page, and a Customer Call Back System to complete other transactions without having to talk to a live attendant.</p> <p>If the customer interacts with the system in any way, answer time measurement no longer applies to the call.</p>

AT&T Florida states that it will continue to make payments to basic residential customers based on the standards of the current Service Guarantee Program, pending completion of changes to internal operations systems to implement the proposed Service Guarantee Program changes. When the system changes are complete, AT&T Florida will notify the Commission and subsequent Service Guarantee Program payments will be made in accordance with the changes approved by the Commission in this proceeding.

Accordingly, staff recommends that the Commission approve AT&T Florida's petition to modify its existing Service Guarantee Program, pursuant to the changes to the service quality rules necessitated by Chapter 2009-226, Laws of Florida. Customers, to whom the Service Guarantee Program applies, should be identified based on the Commission's decision in Issue 1.

Docket No. 090461-TL

Date: January 15, 2010

Issue 3: 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. **(Tan)**

Staff Analysis: At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications, Inc.)
d/b/a AT&T Florida for Modification to its Service)
Guarantee Program.)

Docket No.

Filed: September 29, 2009

**BELLSOUTH TELECOMMUNICATIONS, INC. d/b/a AT&T FLORIDA'S
PETITION FOR MODIFICATION OF SERVICE GUARANTEE PROGRAM**

BellSouth Telecommunications, Inc. d/b/a AT&T Florida ("AT&T Florida") submits this Petition for Modification of its Service Guarantee Plan pursuant to Rules 25-22.036 and 28-106.201, Florida Administrative Code. In support of its proposed modification, AT&T Florida states:

PARTIES

1. The name and address of the affected agency is the Florida Public Service Commission ("Commission"), 2540 Shumard Oak Blvd., Tallahassee, Florida 32399.
2. The name of the Petitioner is AT&T Florida. AT&T Florida is a Georgia corporation and its principal place of business is 675 W. Peachtree Street, NE, Atlanta, Georgia 30375.
3. All pleadings, notices and other documents filed in this proceeding should be directed to AT&T Florida's representatives as follows:

E. Earl Edenfield Jr.
Tracy W. Hatch
Manuel A. Gurdian
AT&T Florida
c/o Gregory R. Follensbee
150 South Monroe Street, Ste. 400
Tallahassee, FL 32301
ke2722@att.com
th9467@att.com

mg2708@att.com
305.347.5558 (telephone)
850.222.8640 (fax)

BACKGROUND

4. By Orders Nos. PSC-01-1643-AS-TL and PSC-02-0197-PAA-TL, issued August 13, 2001, and February 13, 2002, respectively, the Commission approved a Settlement Agreement between the Office of Public Counsel and BellSouth Telecommunications, Inc. (now d/b/a "AT&T Florida"), addressing AT&T Florida's quality of service and granting a limited waiver of certain service quality rules. By Order No. PSC-05-0440-PAA-TL, issued April 25, 2005, the Commission approved certain modifications to AT&T Florida's Service Guarantee Plan ("SGP") and extended the rule waivers until Rule 25-4.085, Florida Administrative Code, became effective June 14, 2005. Rule 25-4.085 provides that a party is relieved from a service standard set by rule that is addressed in an SGP.

5. The modifications of the SGP approved by the Commission in Order No. PSC-05-0440-PAA-TL conformed AT&T Florida's SGP to changes made in the service quality rules, in particular to limit the applicability of the service quality rules to residential service.

6. On July 1, 2009, Chapter 2009-226, Laws of Florida, became effective. Chapter 2009-226 modified numerous sections of Chapter 364, Florida Statutes, to reduce the level of regulatory oversight to exercised by the Commission in recognition of increased competition in the telecommunications market. In particular, the legislature amended Section 364.15, Florida Statutes, to limit its application to basic service.

7. In Docket No. 080641-TL, the Commission is conducting a comprehensive review, *inter alia*, of Rules 25-4.0185, 25-4.066, 25-4.070, 25-4.073 and 25-4.110 (hereinafter

“service quality rules”). Some of these rules are covered in AT&T Florida’s SGP. As a result of the changes wrought by Chapter 2009-226, the Commission issued a Notice of Changes to its proposed service quality rules to conform these rules to the limitations established by the amendment of Section 364.15.

PROPOSED MODIFICATIONS TO AT&T FLORIDA’S SGP

8. AT&T Florida, consistent with the impending changes to the service quality rules, now proposes to modify its current SGP to modify the plan to reflect changes in the impending rules. The proposed modified SGP is attached hereto as Attachment A.

9. The proposed changes are summarized as follows:

(a) SGP qualified lines will be basic local telecommunications service (single line flat rate service) as defined in 364.02(1), Chapter 2009-226, Laws of Florida.

(b) Installation – Service installation standards will apply only to basic local telecommunications lines.

(c) Repair – Service repair standards will be revised to apply only to basic local telecommunications lines.

(d) Answer Time – Answer time standard will be revised to newly adopted standard in Rule 25-4.073.

10. As detailed in Attachment A, AT&T Florida’s Modified SGP will continue to automatically provide payments in the form of credits to customers in the event certain service commitments for installation and repair of service interruption objectives are not met. The Modified Service Guarantee Program will meet the quality of service provisions of Chapter 364 by giving immediate and direct compensation to customers and provides similarly swift penalties to AT&T Florida for not meeting objectives that are consistent with the service quality rules. It

should be noted that AT&T Florida will continue to make payments to residential customers based on the standards in the current SGP pending completion of changes to internal operations systems that will enable the company to operationalize the proposed changes to the SGP. When necessary systems changes are complete, AT&T Florida will notify the Commission and subsequent SGP payments will be made in accordance with the changes approved by the Commission.

11. AT&T Florida is committed to providing high quality service to our customers, and with this Modified SGP, our customers will receive immediate compensation if we do not meet our commitments. The Modified SGP will provide direct benefit to our customers and to the communities AT&T Florida serves. AT&T Florida is fully cognizant that in view of the competition in the local telecommunications market, good service plays an important part in retaining and maintaining customers. If we do not perform as we say, then we pay the customer and/or the customer chooses another provider.

DISPUTED ISSUES OF MATERIAL FACT

12. AT&T Florida is not aware of any disputed issues of material fact regarding the Modified SGP.

STATUTES AND RULES ENTITLING AT&T FLORIDA TO RELIEF

13. AT&T Florida is entitled to relief pursuant to Sections 364.01, and 364.15, Florida Statutes, and the revised service quality rules.

PRAYER FOR RELIEF

WHEREFORE, AT&T Florida respectfully requests that the Commission approve
AT&T Florida's Modified Service Guarantee Program as set forth herein.

Respectfully submitted this 29th day of September, 2009.

BellSouth Telecommunications, Inc. d/b/a AT&T Florida



E. EARL EDENFIELD JR.
TRACY W. HATCH
MANUEL A. GURDIAN
c/o Gregory R. Follensbee
150 South Monroe Street, Ste. 400
Tallahassee, FL 32301
(305) 347-5558

743846

Attachment A

**AT&T Florida's
Service Guarantee Program**

A. Service Guarantee Commitments and Credits

(1) Repair – Out of Service (Service Interruption)

AT&T Florida will make the applicable automatic credits on the bills of basic local telecommunications customers for whom AT&T Florida fails to meet the service objective. This automatic credit will apply to residential basic local service (single line flat rate service) 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 AT&T Florida fails to complete a repair within 24 hours from the time received (the service objective), 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 \$40.00. In no event, however, shall the customer receive a credit of less than \$11.00, and Saturdays, Sundays, and holidays are included in calculating service credits. Periods of time associated with and covered by the force majeure clause in Section D (1) Service Guarantee Program are excluded from this calculation.

An out-of-service condition for purposes of this Service Guarantee Program occur 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 AT&T Florida fails to install a customer's basic local telecommunications (single line flat rate service) service on the date which the customer and AT&T Florida have agreed, AT&T Florida will give the customer an automatic bill credit of \$25. The commitment due date for installation shall be agreed upon by AT&T Florida and the customer. Where AT&T Florida 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.

Periods of time associated with and covered by the force majeure clause in Section D (1) of the Service Guarantee Program shall be excluded from this calculation. AT&T Florida will be subject to FPSC Rule 24-006(5) and (7), Florida Administrative Code where central office or outside plant facilities are not readily available.

B. Answer Time – Residence Business Office and Residence Repair Office

(1) Measurements and Credits

Answer time for residential subscribers who do not interact with the system (nonplayers), shall be transferred by the system to a live attendant. The measurement will require at least 90% of the calls to the Business Office and Repair Office to be answered by the live attendant prepared to give immediate assistance within 90 seconds of being transferred to the attendant. AT&T Florida will maintain 100% accessibility. AT&T Florida will credit the Lifeline Community

Service Fund for disposition in the amounts specified in Table I based on the achieved monthly answer time measurement.

Table I

Non-Player Gate Service Level	Proposed Penalty (per month missed)
>= 90% within 90 sec.	\$0
<90% but >=80%	\$2,000
<80% but >=70%	\$5,000
<70%	\$7,000

(2) Payment of Credits

Payment of any applicable Lifeline Community Service Credits shall be determined separately for the residential business office and residential repair office. For example, 78% within 90 seconds. for Business Office, and 84% within 90 seconds for Repair Office equates to a community service credit of \$7,000 for the reporting month (\$5,000 for Business Office and \$2,000 for Repair Office.)

(3) Alternatives

Additionally, AT&T Florida will to continue to provide its customers with alternatives to being placed in queue. The IVR in AT&T Florida's Repair Office allows customers to report a trouble, get a trouble ticket number and make repair appointments without talking to a live attendant. AT&T Florida also offers its customers the automated Right Touch System, use of our web page, and the Customer Call Back (CCB) System. The Right Touch System allows a customer in the Business Office to complete transactions such as the ordering of additional

services and billing inquiries without ever talking to a live attendant. At any time in the IVR, the customer can "opt out" by taking the appropriate action, i.e., "pressing 5", or some other option, and the call will be routed to the queue for answer by a live operator. Customer Call Back monitors incoming calls in queue for AT&T Florida Consumer Sales, Service, and Collections Centers. Once the customer reaches the queue, whether by selecting the "0" option, opting out or depressing the appropriate key, an announcement will be provided stating the expected wait time before a live attendant will answer. When the wait time exceeds a pre-designated threshold the customer is given the following options: (1) allow the system hold his call in line until such time as it is his turn to be answered, and the system will call the customer back; (2) schedule a callback at a time and telephone number convenient to the end user; or (3) remain on the line for the next available representative.

C. Other Provisions of the Service Guarantee Program

(1) Force Majeure

In the event of an emergency due to major events such as hurricanes, work stoppages, or acts of third parties outside of AT&T Florida's control (when it is reasonable to expect that AT&T Florida will be unable to meet its installation and repair commitments) AT&T Florida may declare a service emergency. In declaring a service emergency, AT&T Florida will: 1) define the geographic area(s) (on a minimum of an exchange basis) where emergency exists, 2) may make indefinite commitments for installation and repair services within the affected areas, 3) initiate public service announcements to inform customers of the emergency, and 4) notify the Commission at the time of implementation and termination of the service emergency period. In such cases, AT&T Florida will be relieved of its obligations to provide credits/payments for failure to meet the commitments for installation and repair of basic telephone service, and answer time.

Where AT&T Florida is relieved of meeting its commitments, 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

It is AT&T Florida's intent that the Commission will have the right to enforce the provisions of this Service Guarantee Program, including, but not

limited to, verification that the credits are made consistent with the Service Guarantee Program. Furthermore, it is not the intent of AT&T Florida to deprive the Commission of its authority to resolve customer complaints and to monitor and ensure that services provided are adequate and reasonable. AT&T Florida contemplates that the Commission will retain its ability to monitor service through reviewing filed reports. AT&T Florida will file quarterly reports to the Commission within 30 days after the end of each quarter detailing the amount of credits given.

(3) *Credits*

Credits to customers will be made automatically and will not require the customer to request them.

(4) *Definitions*

(a) **Basic Local Service:** As defined in Section 364.02(1), Florida Statutes (2009).

(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 11:50 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 Credits:** Credits made by AT&T Florida to the Community Service Fund.

(e) **Community Service Fund:** The fund i.e. corporate undertaking established pursuant to Order No. PSC-01-1643-AS-TL, issued on August 13, 2001, Order No. PSC-02-0197-PAA-TL, issued on February 13, 2002, and extended pursuant to Order No. PSC-05-0440-PAA-TL on April 25, 2005.

D. Miscellaneous Matters

AT&T Florida's Service Guarantee Program will become effective for purposes of Rule 25-4.085, Florida Administrative Code, on the day following the vote of the Florida Public Service Commission approving the program. The Florida Public Service Commission's decision will be reflected in a final Order. AT&T Florida may at any time petition the Commission to revert back to the existing Commission rules.

Table B-1. AT&T Florida response to Second Data Request, question 7

No.	Feature	SGP Eligible	Rationale Label*
a.	Inside wire maintenance	N	A
b.	Caller ID	N	B
c.	Call Forwarding	N	B
d.	Call Waiting	N	B
e.	Any combination of Caller ID/Call Forwarding/Call Waiting	N	B
f.	Caller ID Blocking	N	B
g.	Anonymous Call Rejection	N	B
h.	Three-way calling	N	B
i.	Return Call	N	B
j.	Repeat Dial	N	B
k.	Call Trace	N	B
l.	User-ordered third party product submitted by a clearinghouse and billed via the LEC	Y	C
m.	AT&T Internet Service	N	A
n.	AT&T Unlimited toll calling plan (With LPIC/PIC)	N	A
o.	PIC and LPIC to AT&T LD without selection of an AT&T LD calling plan	N	A
p.	PIC and LPIC to AT&T LD with selection of an AT&T LD calling plan	N	A
q.	Completes a 911 call	Y	D
r.	Completes 0+ call billed via the LEC	Y	D
s.	Completes 0+ call not billed via the LEC	Y	D
t.	Completes Relay Call via 711 billed via the	Y	E

* Rationale Label Table

- A. The service added to the basic line is an unregulated service.
- B. The service added to the basic line is a nonbasic service.
- C. The service added to the basic line would be an unregulated service. However, for purposes of the SGP AT&T Florida will treat the line as basic.
- D. The service added to the basic line is a nonbasic service, resulting in the line being classified as nonbasic. However, for purposes of the SGP AT&T Florida will treat the line as basic.
- E. The service added to the basic line is a nonbasic service, resulting in the line being classified as nonbasic. However, the scenario identified in the table is not a possible combination since the service added is to be provided free of charge. Regardless, for the purposes of the SGP, AT&T Florida will treat the line as basic.
- F. The service added to the basic line is a nonbasic service, resulting in the line being classified as nonbasic. However, until AT&T Florida is able to determine such a scenario is occurring, for SGP purposes AT&T Florida will treat the line as basic.
- G. Basic line pursuant to definition of statute.
- H. The scenario identified a PIC and/or local toll PIC (LPIC), which indicated the customer has long distance service on their account, and therefore makes the line nonbasic. Depending on the PIC and/or LPIC, the service would be unregulated (IXCs) or nonbasic (ILECs providing intraLATA long distance service). Whether a customer selected to dial a carrier other than the one selected by the PIC or LPIC doesn't change the fact that the customer has a nonbasic or unregulated long distance service on their account.

No.	Feature	SGP Eligible	Rationale Label*
	LEC		
u.	Completes Relay Call via 711 not billed via the LEC	Y	F
v.	Completes Relay Call via toll-free access billed via the LEC	Y	E
w.	Completes Relay Call via toll-free access not billed via the LEC	Y	F
x.	Completes DA Call – service provided and billed by the LEC	Y	D
y.	Completes DA Call – service not provided by the LEC but billed via the LEC	Y	D
z.	Completes DA Call – service not provided by the LEC and not billed via the LEC	Y	E
aa.	No LPIC/No PIC	Y	G
ab.	No LPIC/No PIC and Local Toll Call completed by dial around code, billed by LEC.	Y	D
ac.	No LPIC/No PIC and Local Toll Call completed by dial around code, not billed by LEC.	Y	F
ad.	No LPIC/No PIC and LD Toll Call completed by dial around code, billed by LEC.	Y	D
ae.	No LPIC/No PIC and LD Toll Call completed by dial around code, not billed by LEC.	Y	F
af.	No LPIC/With PIC	N	A
ag.	No LPIC/With PIC – LD calls billed by LEC	N	H
ah.	No LPIC/With PIC – LD calls not billed by LEC	N	H
ai.	No LPIC/with PIC and Local Toll Call	N	H

* Rationale Label Table

- A. The service added to the basic line is an unregulated service.
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No.	Feature	SGP Eligible	Rationale Label*
	completed by dial around code, billed by LEC.		
aj.	No LPIC/with PIC and Local Toll Call completed by dial around code, not billed by LEC.	N	H
ak.	No LPIC/with PIC and LD Toll Call completed by dial around code, billed by LEC.	N	H
al.	No LPIC/With PIC and LD Toll Call completed by dial around code, not billed by LEC.	N	H
am.	With LPIC/No PIC and Local Toll Call completed by dial around code, billed by LEC.	N	H
an.	With LPIC/No PIC and Local Toll Call completed by dial around code, not billed by LEC.	N	H
ao.	With LPIC/No PIC and LD Toll Call completed by dial around code, billed by LEC.	N	H
ap.	With LPIC/No PIC and LD Toll Call completed by dial around code, not billed by LEC.	N	H
aq.	With LPIC/With PIC	N	A
ar.	With LPIC/With PIC and Local Toll Call completed by dial around code, billed by LEC.	N	H
as.	With LPIC/With PIC and Local Toll Call completed by dial around code, not billed by LEC.	N	H
at.	With LPIC/With PIC and LD Toll Call completed by dial around code, billed by LEC.	N	H
au.	With LPIC/With PIC and LD Toll Call	N	H

* Rationale Label Table

- A. The service added to the basic line is an unregulated service.
- B. The service added to the basic line is a nonbasic service.
- C. The service added to the basic line would be an unregulated service. However, for purposes of the SGP AT&T Florida will treat the line as basic.
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No.	Feature	SGP Eligible	Rationale Label*
	completed by dial around code, not billed by LEC.		
av.	With LPIC/With PIC – all toll calls billed via LEC	N	H
aw.	With LPIC/With PIC – all toll calls not billed via LEC	N	H
ax.	Collect Call billed via the LEC	Y	D
ay.	Collect Call not billed via the LEC	Y	F
az.	900 Service Calls billed via the LEC	Y	D
ba.	PIC and LPIC to an IXC other than AT&T/AT&T affiliate	N	A

* Rationale Label Table

- A. The service added to the basic line is an unregulated service.
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- C. The service added to the basic line would be an unregulated service. However, for purposes of the SGP AT&T Florida will treat the line as basic.
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