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Sent:

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To:

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Cc:

Masterton, Susan S; Khazraee, Sandy A

Subject:

110303-OT, CenturyLink's Response to Rule 25-22.032 Survey Questions

Attachments: 110303-OT, CTL's response Rule 25-22.032, Survey Questions.pdf

Filed on Behalf of:

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Embarq Florida, Inc. d/b/a CenturyLink and Embarq Payphone Services, Inc. (collectively referred to as CenturyLink for ease of responding).

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Description: CenturyLink's Response to Rule 25–22.032 Survey Questions

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FPSC-COMMISSION CLERK



March 14, 2012

Judy Harlow c/o Ms. Ann Cole Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

RE: 110303-OT - CenturyLink's response to Rule 25-22.032, F.A.C., Survey Questions

Dear Ms. Harlow:

Enclosed for filing on behalf of Embarq Florida, Inc. d/b/a CenturyLink and Embarq Payphone Services, Inc., collectively referred to as CenturyLink for ease of responding. Attached is CenturyLink's response to Staff's memo dated February 24, 2012 regarding Rule 25-22.032, F.A.C., Survey Questions.

If you have any questions regarding CenturyLink's response please contact Harvey Spears at 850/599-1401 or <a href="https://harvey.spears@centurylink.com">harvey.spears@centurylink.com</a>.

Sincerely,

- Susan S. Masterton

Susan & Masterton

**Enclosures** 

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## Rule 25-22.032, F.A.C. - Survey Questions

The following survey questions apply to Rule 25-22.032, F.A.C, Consumer Complaints. For responding to these questions, please refer to Subsection 120.541(2), F.S., and Subparagraph 120.745(1)(b)2, F.S. "Transactional costs" are defined in Subparagraph 120.541(2)(d), F.S., as:

...direct costs that are readily ascertainable based upon standard business practices, including filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.

The Company's response data to these survey questions should be provided for the entire rule, unless the response data is available by rule section, in which case we request the response data be provided by rule section. Please present data in annualized format, if possible, and all cost or benefit dollar estimates should be stated in nominal terms.

1. What are the Company's estimated transactional costs resulting from the Company's compliance with Rule 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

Response: CenturyLink has employees charged with processing customer complaints/disputes at a national level; therefore, costs are not readily identifiable with respect to handing Florida customer complaints/disputes. Moreover, the costs associated with the Company's compliance with the rule have not been separately evaluated.

a. For the five year period beginning July 1, 2011, which requirements of Rule 25-22.032, F.A.C., if any, would be performed by the Company assuming the rule were not in effect? Please explain.

Response: CenturyLink takes customer complaints/disputes seriously; therefore, current processes in place for addressing customer concerns will continue. However, it would not be necessary to utilize the formalized handling and reporting process contained in the current rule.

b. For each of the requirements identified in 1a., what are the estimated transactional costs associated with such requirements for the five year period beginning July 1, 2011?

Response: CenturyLink does not track costs associated with adherence to the current rule for handling customer complaints; therefore, no specific data is available.

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1.

c. What are your actual transactional costs resulting from your Company's compliance with Rule 25-22.032, F.A.C., for the period July 1, 2011 to December 31, 2011?

### Response: See response to question 1, b.

2. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

## Response: Unknown

3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

#### Response: Unknown

4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in Questions 2 and 3, resulting from the implementation of 25-22.032, F.A.C., for the five year period beginning July 1, 2011?

# Response: Unknown

5. What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the company's service territory?

#### Response: Unknown

6. What does the Company believe is the expected impact of Rule 25-22.032, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five year period beginning July 1, 2011?

Response: To the extent the Company incurs regulatory costs that its competitors do not, the Company may be competitively disadvantaged. To the extent the Company passes those costs onto its customers, including its business customers, those customers may be disadvantaged as compared to customers of competitors that do not incur these regulatory costs.

7. What does the Company believe are the benefits of Rule 25-22.032, F.A.C.?

<u>Response:</u> No direct benefit is anticipated. The company maintains a national complaint processing group that will continue to handle customer complaints/disputes with or without the rule.

8. Assuming Rule 25-22.032, F.A.C., is unchanged over the next five years, do you expect your Company's costs to comply with the rule going forward, to increase, decrease, or remain the same. Please explain your response.

<u>Response:</u> We cannot predict future costs; however, we expect the costs to remain relatively the same.

9. Does your Company currently have procedures/personnel in place to address complaints received directly from your consumers?

### Response: Yes

10. If Rule 25-22.032, F.A.C., were repealed would your Company continue to accept and address consumer complaints? Please explain your response.

## Response: See response to question 1, a.

11. Do you believe the costs, if any, incurred by your Company to comply with the records retention, reporting, and auditing requirements of Rule 25-22.032(10), F.A.C., for the five year period beginning July 1, 2011, if any, have an adverse impact on your Company? If so, please provide any and all data which supports your response.

<u>Response</u>: Formalized reporting requires additional research and documentation as well as responding to an audit that would not be necessary without the requirements within the rule. Associated specific adverse cost has not been identified, nor is it readily available.

- 12. Of the transactional costs estimated to be associated with compliance with 25-22.032, F.A.C., what percentage is spent on the following items:
  - a. Staffing
  - b. Document storage and retention
  - c. Postage and shipping
  - d. Communications (dedicated phone lines, emails or faxes)
  - e. Other

Response: See response to questions 11

13. How many staff members at your Company are currently responsible for handling consumer complaints associated with 25-22.032, F.A.C.?

Response: CenturyLink has employees charged with processing customer complaints/disputes at a national level and are therefore not specifically assigned to only handle Florida customers.

a. Are they full time employees?

Response: Yes

b. Do these employees have responsibilities apart from handling complaints?

Response: Yes, occasionally.

14. Section 3 of Rule 25-22.032, F.A.C., states that a customer's service shall not be discontinued during the complaint resolution process. Have there been instances within 2010 through 2011, when your Company was uncompensated for service provided as a result of a billing dispute?

Response: Unknown - CenturyLink does not track this type information.

a. In the majority of these cases, is the Company able to recoup these costs after the complaint is resolved?

Response: See response to question 14

15. Does your Company subscribe to the Florida Public Service Commission's telephone "transfer-connect" or email transfer system?

<u>Response:</u> CenturyLink does not subscribe to the Commission's telephone "transferconnect" or email transfer system.

a. What are the annual costs associated with subscription to these systems, including costs due to additional requirements for staffing, operating hours and document retention?

Response: Not Applicable

16. Approximately what percentage of complaints are resolved prior to reaching the Informal Conference stage described in section 8 of Rule 25-22.032, F.A.C.?

Response: Approximately 100%

a. How many times has your Company had a consumer complaint that has escalated all the way to the informal conference stage in the previous two years?

## Response: None

b. How many times within 2010 through 2011, has your Company had a complaint process that was escalated beyond the informal conference stage?

Response: None

17. Approximately what percentage of complaints from your customers filed with the Florida Public Service Commission are successfully resolved within 30 days?

Response: The number of days from receipt to resolution of customer complaints is not tracked. However, based on our experience we estimate a very high percentage, approximately 99.9%, are resolved within 30 days of receipt.

18. How has Rule 25-22.032, F.A.C., affected the way your Company processes complaints?

Response: This rule focuses on a lower subset of customer complaints than the previous rule, which included customer complaints concerning a variety of services. However, the process for handling complaints from Pay Telephone and Lifeline customers is basically the same as previously employed for a broader range of customer complaints, so the handling process is essentially unchanged from the prior process.

a. Has the rule had a positive, negative, or neutral impact on your Company?

## Response: Neutral impact

b. How has the rule affected the Company's cost of handling complaints?

<u>Response:</u> The cost of handling Pay Telephone and Lifeline customer complaints is unchanged.