

Nancy B. White
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BellSouth Telecommunications, Inc.
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February 2, 2005

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

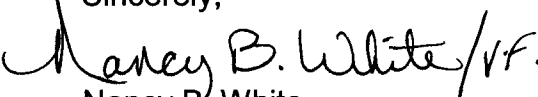
**RE: BellSouth Telecommunications, Inc.'s Petition for Extension
and Modification of BellSouth's Existing Service Guarantee
Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b);
25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code**

Dear Ms. Bayó:

Enclosed is BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's Existing Service Guarantee Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code, which we ask that you file in the captioned *new* 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,

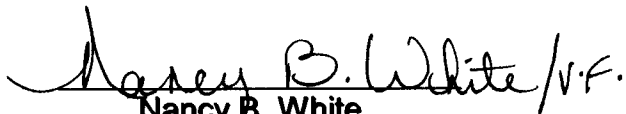

Nancy B. White

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey

CERTIFICATE OF SERVICE
BellSouth Telecommunications, Inc.'s Petition for Extension and
Modification of BellSouth's Existing Service Guarantee Program and for
Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and
25-4.073(1)(d), Florida Administrative Code

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via
Electronic Mail and U.S. Mail this 2nd day of February, 2005 to the following:

Beth Keating
Staff Counsel
Florida Public Service
Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
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bkeating@psc.state.fl.us


Nancy B. White

FLORIDA PUBLIC SERVICE COMMISSION

BellSouth Telecommunications, Inc.'s) Docket No.: _____
Petition for Extension and Modification of)
BellSouth's Existing Service Guarantee)
Program and for Limited Waiver of Rules)
25-4.066(2); 25-4.070(3)(a); 25-070(1)(b);)
and 25-4.073(1)(e) and (f), Florida)
Administrative Code)
_____) Filed: February 2, 2005

BellSouth Telecommunications, Inc.'s Petition for Extension and Modification of BellSouth's Existing Service Guarantee Program and for Relief From Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code

Pursuant to Section 120.542, Florida Statutes and Rule 28-104.002, Florida Administrative Code, BellSouth Telecommunications, Inc. ("BellSouth") hereby submits its Petition for Extension and Modification of BellSouth's Existing Service Guarantee Program and its petition for a limited waiver of Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code. Specifically, BellSouth submits the following:

I. Background and Introduction

On August 13, 2001 and February 13, 2002, the Florida Public Service Commission ("Commission") issued Orders No. PSC-01-1643-AS-TL and No. PSC-02-0197-PAA-TL, respectively, approving the Settlement Agreement between the Office of Public Counsel and BellSouth addressing BellSouth's quality of service and granting a limited waiver of certain service quality rules. The BellSouth Service Guarantee Program, instituted as a result of the Settlement Agreement between the Office of Public Counsel and BellSouth expires on February 28, 2005. To this end, BellSouth is attaching its proposal for

extension and modification of BellSouth's existing Service Guarantee Program (Attachment A). ("Extended and Modified Service Guarantee Program").

The proposed Extended and Modified Service Guarantee Program is not intended to eliminate the Commission's statutory authority to establish and monitor compliance with service quality standards.

II. BellSouth's Extended and Modified Service Guarantee Program

As detailed in Attachment A, BellSouth's Extended and Modified Service Guarantee Program 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. In addition, BellSouth will modify the Program by filing a tariff adding the National School Lunch Program as an eligible Lifeline criteria to augment the current eligibility guidelines. BellSouth's proposal includes an answer time service matrix and provides for credits to the Lifeline Community Service Fund if those commitments are not met. These credits will replace the annual lump sum contributions to the Community Service Fund and the free internet offerings to schools as found in Order Nos. PSC-01-1643-AS-TL and No. PSC-02-0197-PAA-TL. BellSouth intends to maintain its Extended and Modified Service Guarantee Program for the interim period of time between the date of this filing and the date upon which proposed Rule 25-4.085, Florida Administrative Code becomes effective. On the date proposed Rule 25-4.085, Florida Administrative Code becomes effective, BellSouth intends to convert this Extended and Modified Service Guarantee Program to one consistent with the proposed rules adopted in Docket No.

991473-TP, i.e., the Extended and Modified Service Guarantee Program under the proposed rules will eliminate automatic credits for single-line business installation and repair.

III. Petition for a Limited Waiver of Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d) , Florida Administrative Code

Pursuant to Section 120.542, Florida Statutes and Rule 28-104.002, Florida Administrative Code, BellSouth respectfully requests that, upon approval of the Extended and Modified Service Guarantee Program, BellSouth be granted a relief from the applicability of Rules 25-4.066(2); 25-4.070(1)(b); 25-4.070(3)(a); and 25-4.073(1)(d), Florida Administrative Code.

Rule 25-4.066(2), Florida Administrative Code, requires that 90% of all requests for the primary service be satisfied within three working days. Rule 25-4.070(1), Florida Administrative Code, requires the classification of troubles as "out of service" or "service affecting". Subsection (b) of Rule 25-4.070(1), Florida Administrative Code requires that if the subscriber's service remains out of service in excess of 24 hours after being reported, an adjustment will be made to the subscriber automatically pursuant to Rule 25-4.110. Rule 25-4.070(3) (a), Florida Administrative Code, requires that 95% of interrupted service be cleared within 24 hours of report in each exchange.

Rule 25-4.073(1)(d), Florida Administrative Code, requires that, when a company uses a menu driven automated, interactive answering system, at least 95% of the calls must be answered within 15 seconds after the last digit is dialed and the customer must be given the option of transferring to a live attendant in the initial message. This rule also states that for business office calls, 85% of

such calls shall be transferred by the system to a live attendant within 55 seconds after the last digit is dialed. For other calls (such as repair), at least 95% of the calls shall be transferred by the system to a live attendant prepared to give immediate assistance within 55 seconds after the last digit is dialed.

Pursuant to Section 120.542, Florida Statutes, BellSouth submits that its Extended and Modified Service Guarantee Program satisfies the requirement that a demonstration be made that the purpose of the underlying statute will be achieved by other means. By providing direct credits to customers whose service is affected by delayed installation or repair, by credits to the Community Service Fund if answer time requirements are not met, and by expanding Lifeline eligibility, the purposes of the underlying statutes are achieved. Provisions of Florida Statutes authorizing or directing the Commission to establish, monitor and enforce service standards, such as Section 364.01(4), 364.025, Florida Statutes (1999) (carrier of last resort obligations, service availability) will be adequately met if the basic service subscriber receives a direct and material credit for being without basic service. In addition, the Lifeline Community Service Fund and the added National School Lunch Program criteria will assist customers in becoming more educated about Lifeline and potentially could expand the participation in the Lifeline Program, as well as telephone subscribership.

The Extended and Modified Service Guarantee Program meets the quality of service provisions of Chapter 364 by giving immediate and direct compensation to customers and provides similarly swift penalties to BellSouth for

not meeting objectives that are consistent with the existing Commission service rules. In addition, application of the above rules to BellSouth at the same time direct credits are being made or accrued would constitute unfairness or economic hardship by imposing duplicate penalties. For this reason, BellSouth requests the waiver so that the Extended and Modified Service Guarantee Program can be implemented. It is further the intent of BellSouth that the waiver will be effective as to any amendments to the subject rules for the duration of the Extended and Modified Service Guarantee Program. BellSouth will track and report its performance under the Extended and Modified Service Guarantee Program.

The Petition of BellSouth meets the standards of Section 120.542, Florida Statutes. The purpose of the underlying statutes, 364.01(4), 364.025, 364.15, 364.183 and 364.19 is, in part, to promote competition, to protect the public health, safety and welfare, and ensure service availability. The limited waiver will not undermine these purposes.

IV. Conclusion

BellSouth is committed to providing high quality service to our customers, and with this Extended and Modified Service Guarantee Program, our customers will receive immediate compensation if we do not meet our commitments. BellSouth believes that this Program will give direct benefit to our customers and to the communities that BellSouth serves. We realize that the local telecommunications market is becoming more competitive, and that 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.

WHEREFORE, BellSouth respectfully requests that the Commission approve BellSouth's Extended and Modified Service Guarantee Program and grant BellSouth's Petition for Limited Waiver.

Respectfully submitted this 2nd day of February, 2005.

BELLSOUTH TELECOMMUNICATIONS, INC.

Handwritten signature of Nancy B. White in cursive, followed by a horizontal line.

NANCY B. WHITE
c/o Nancy Sims
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301
(305) 347-5558

Handwritten signature of R. Douglas Lackey in cursive, followed by a horizontal line.

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675 W. Peachtree Street
Suite 4300
Atlanta, Georgia 30375
(404) 335-0747

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**BellSouth Telecommunications, Inc.'s Extended and Modified
Service Guarantee Program**

A. Service Guarantee Commitments and Credits

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

BellSouth will make the applicable automatic credits on the bills of each primary residential and single line business location customer for whom BellSouth fails to meet the service objective. This automatic credit will 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 BellSouth 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 \$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 D (1) Service Guarantee Program are excluded from this calculation.

An out-of-service condition for purposes of this Service Guarantee Program 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 BellSouth have agreed, BellSouth will give the customer an automatic bill credit of \$25. The commitment due date for installation shall be agreed upon by BellSouth and the customer. Where BellSouth 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. 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. Filing of a National School Lunch Eligibility Tariff for Lifeline

BellSouth will file a tariff adding the National School Lunch Program as an eligible Lifeline criterion. This test for eligibility will augment, rather than replace, the current eligibility guidelines based on participation in certain low income assistance programs and the income eligibility test at 125% of the federal poverty income guidelines.

C. 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 55 seconds of being transferred to the attendant. BellSouth will maintain 100% accessibility. BellSouth 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 55 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 55 sec. for business office, and 84% within 55 sec. 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, BellSouth will continue to provide its customers with alternatives to being placed in queue. The Integrated Voice Response Unit ("IVRU") in BellSouth's repair office allows customers to report a trouble, get a trouble ticket number and make repair appointments without talking to a live attendant. BellSouth also offers its customers the automated Right Touch system, use of our web page, and the Customer Call Back (CCB) System. Right Touch 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 IVRU, the customer can "opt out" by taking the appropriate action, i.e., "pressing 5", etc., and the call will be routed to the queue for answer by a live attendant. Customer Call Back is software that monitors incoming calls in queue for BellSouth 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 to 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 customer; or (3) Remain on the line for the next available representative.

D. 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 BellSouth's control, when it is reasonable to expect that BellSouth will be unable to meet its installation, repair and answer time commitments, BellSouth may declare a service emergency. In declaring a service emergency, BellSouth shall define the geographic area, on a minimum of an exchange basis, where the emergency exists, may make indefinite commitments for installation and repair service shall suspend payments into the Lifeline Community Service Fund for missed answer time commitments 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, BellSouth 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

It is BellSouth's intent that the Commission shall 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 BellSouth to deprive the Commission of its authority to resolve customer complaints and monitor and ensure that service is adequate and reasonable. BellSouth contemplates that the Commission will retain its ability to monitor service through auditing and reviewing filed reports. BellSouth will file quarterly reports to the Commission within 30 days after the end of each quarter detailing the amount of credits given.

(3) *Term of Service Guarantee Program*

The term of the Service Guarantee Program is for the interim period of time between the date of this filing and the date upon which the rules adopted in Docket No. 991473-TP providing for the filing of a permanent service guarantee program, becomes effective. On the date these rules become effective, BellSouth intends to convert this Extended and Modified Service Guarantee Program to one consistent with the rules adopted in Docket No. 991473-TP, i.e., the automatic credits for single line business installation and repair will be eliminated.

(4) *General Terms*

(a) **Implementation Date:** BellSouth will implement this Service Guarantee Program no later than 45 days from the date of a final Commission order approving the Service Guarantee Program.

(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(1), Florida Statutes (2005).

(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 Credits: Monthly credits made by BellSouth to the Community Service Fund for missed answer time objectives.

(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 and Order No. PSC-02-0197-PAA-TL, issued on February 13, 2002.

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