

REQUEST TO ESTABLISH DOCKET

(Please Type)

Date:

8-4-05

Docket No.:

050532 - TL

1. Division Name/Staff Name:

Curry/Cmp

2. OPR:

Curry, Davis

3. OCR:

4. Suggested Docket Title:

Investigation and determination of appropriate method for refunding overcharges assessed on directory assistance calls by Verizon Florida, Inc.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Provide NAMES OR ACRONYMS ONLY if a regulated company.

B. Provide COMPLETE NAME AND ADDRESS for all others. (Match representatives to companies.)

1. Parties and their representatives (if any):

Verizon Florida, Inc. (TL710)

2. Interested persons and their representatives (if any):

6. Check one:



Documentation is attached.



Documentation will be provided with recommendation.

DOCUMENT NUMBER-DATE

07565 AUG-4 08

David Christian
Assistant Vice President
Regulatory Affairs Florida



August 3, 2005

Mr. Don McDonald, U.S./Comm. Engineer Supervisor
Division of Competitive Markets & Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

106 E. College Ave
Tallahassee, Florida 32301

Telephone 850-224-3963
Fax 850-222-2912
david.christian@verizon.com

Dear Mr. McDonald:

The following information is provided in response to your letter dated July 19, 2005 requesting our plan for refunding the directory assistance overbilling that occurred between February 23, 2005 and June 15, 2005.

Credits will be computed on a per customer basis and issued to all affected customers. Customers will receive credit for the difference between the National DA rate of \$1.25 that was billed and the correct Local DA rate of \$.70. Customers who subscribe to a local package, which entitles them to unlimited local DA, will receive the full \$ 1.25 credit per call.

Interest will be calculated based on the highest 30 day commercial paper rate for the period of February 2005 to August 2005 and will be applied for each month of the overbilling period and each month between the overbilling and the period that the refunds are issued (February 2005 to September 2005). Where the interest amount is less than one cent, Verizon will round up to the nearest penny.

For those customers still on the system, a credit shall be made on the bill. For customers entitled to a refund but no longer on the system, the company will mail a refund check to the last known billing address except that no refund for less than \$1.00 will be made to these customers.

Once the refunds are processed, a report will be provided to staff which specifies the number of customers, the amount of money refunded, and the amount of any unclaimed refunds.

Mr. Don McDonald
August 3, 2005
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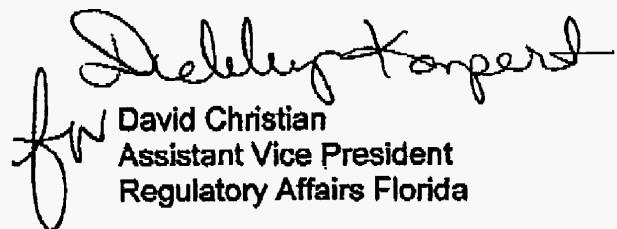
Based on the programming requirements and the current system release schedule, we expect the credits and interest to appear on the customer's bills beginning with the first bill cycle in October. An interim or final report will be provided to staff by November 10, 2005.

Until the programming is complete and a query is run, we are not able to determine or estimate the number of customers affected. Once a query is run we will provide staff with the number of customers affected and the revenue impact. We expect to be able to provide this information by September 16, 2005.

Comparing the number of Local and National Directory Assistance Calls billed between February 2005 and June 2005 to the previous 6 month average we estimate the overbilled revenue to range anywhere from \$187,300 to \$400,000 depending on the number of customers entitled to unlimited local DA.

If you have any questions or require additional information please feel free to contact me at 850-224-3963 or Debby Kampert of my staff at 813-483-2531.

Sincerely,


David Christian
Assistant Vice President
Regulatory Affairs Florida

COMMISSIONERS:
BRAULIO L. BAEZ, CHAIRMAN
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

STATE OF FLORIDA



DIVISION OF COMPETITIVE MARKETS &
ENFORCEMENT
BETH W. SALAK
DIRECTOR
(850) 413-6600

Public Service Commission

July 19, 2005

Mr. David Christian
Assistant Vice President
Verizon Florida, Inc.
106 East College Avenue
Tallahassee, FL 32301-7748

RE: Service Evaluation-2005

Dear Mr. Christian:

Staff received your company's response to the draft report dated July 12, 2005. During the evaluation, staff questioned Verizon as to why some directory assistance calls were billed at the local directory assistance rate and others were billed at the national directory assistance rate. Your response indicated that the problem was caused by software error and operator error.

Although this problem has been corrected as outlined in your response, staff requests that you provide the number of customers that were affected by this overbilling and the total amount of revenue collected by charging the national directory assistance rate instead of the local directory assistance rate. Please provide a plan to refund this additional revenue to the affected customers.

Staff will compute the interest involved and issue a recommendation to the Commission for its approval upon receipt of the above information. Please provide a response by August 3, 2005 to remedy this overcharging issue.

If you have questions, please contact Penelope J. Davis at (850) 413-6518 or E-mail at pdavis@psc.state.fl.us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Don McDonald".

Donald B. McDonald
U.S. /Eng. Spec. Supr-SES

Enclosure

cc: Ray Kennedy, Penelope J. Davis
File: TL710 Verizon Florida, Inc. 2005 Service Evaluation TMS 1967

David Christian
Assistant Vice President
Regulatory Affairs Florida



106 E. College Ave
Tallahassee, Florida 32301

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July 12, 2005

Mr. Don McDonald, U.S./Comm. Engineer Supervisor
Division of Competitive Markets & Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

Dear Mr. McDonald:

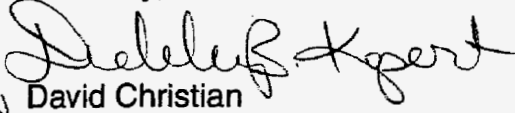
Subject: Draft Service Evaluation Report dated June 1, 2005

We have reviewed the draft copy of the service quality evaluation that was performed by Staff during the period of February 21 through March 18, 2005. Attached is Verizon's response to the areas where Staff's draft indicates that standards were not satisfied.

As you know, Verizon works very hard to make sure that its customers receive the highest level of service and we take Staff's service quality evaluations very seriously. As such, I am grateful for the opportunity to review and comment on the evaluation prior to its official release.

If you have any questions or concerns, please feel free to contact me or Debby Kampert of my staff at 813-483-2531.

Sincerely,

for 
David Christian

Attachment

DC:DBK

Verizon's Response to Staff's Draft Evaluation Report
Dated June 1, 2005
(Routine Service Evaluation Performed February 21, 2005 to March 18, 2005)

Issue 1: Business Office TDD Answer Time Results – Answer Time not met for calls made via TDD to the Verizon Center for Customers with Disabilities (VCCD)

Response:

Staff evaluated the VCCD based on the answer time objective that 80 percent of all calls to business offices shall be answered within 30 seconds after the last digit is dialed when no menu driven system is utilized. The VCCD did not meet the answer time objective.

The Verizon Center for Customers with Disabilities (VCCD) handles calls from residential customers concerning installation requests and billing inquiries. This call center serves any customer who identifies him/herself as having a disability and is a communication resource for people who are visually impaired or blind, hard of hearing or deaf, cognitively impaired, speech impaired, or mobility impaired. Since the customer set that is handled by the VCCD is not limited to speech or hearing impaired, the VCCD processes both TTY and voice calls. There are three VCCD centers in Verizon. The center in Oxnard, California handles customers within the Verizon footprint in the following states: CA, OR, WA, AZ, NV, TX, FL, SC, NC, MI, WI, IN, ID, IL, and OH.

Although the California center opened in October 2004, and in January 2005 became accessible to customers in Florida, the center is still relatively new and working through implementation and growth issues. In addition, the VCCD experienced higher than forecasted call volumes during the month of February.

The following issues impacted call volumes coming into the VCCD during the time of the February 2005 evaluation:

- California Consumer Protection Ruling (implemented on 12/4/04) addressed the Lifeline and Deaf Disabled programs that added more mandatory statements during order negotiation. The ruling also directed the Consumer Business Office associates to transfer "any customers identifying themselves as having a disability" to the VCCD.
- Heavy rain storms in California during the period of December through February, where over 50,000 customers were affected by service outages and other emergencies which impacted the call volumes.

Verizon's Response to Staff's Draft Evaluation Report
Dated June 1, 2005
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There are certain actions underway to improve the answer time results for the VCCD.

1. Additional headcount is being added to the center
2. A separate priority gate is being created for Florida calls

At the time of the February 2005 evaluation, the VCCD had 13 associates and 1 manager. Since February, 6 additional associates were added and one more will be added by the end of July, which will bring the total to 20 associates and 1 manager. This equates to an increase of 54% in headcount since February 2005.

In February 2005, the California VCCD accepted approximately 5,400 calls. Although we are not currently able to extract the exact number of calls received by individual state, we estimate the center accepted 740 calls from the state of Florida in February 2005. To better control Florida call distribution and to better monitor quality of service, we have submitted a request to split Florida call reporting into its own dedicated gate (priority queue). We expect the system change to be completed by the third week of July 2005.

As noted above, Staff evaluated the VCCD based on the answer time objective that 80 percent of all calls to business offices shall be answered within 30 seconds after the last digit is dialed when no menu driven system is utilized (Rule 25-4.073(1)(a)).

Because the VCCD provides an automated initial message to its callers, Verizon believes the VCCD should be evaluated on Rule 25-4.073(1)(c) where the answer time objective is 90 percent of the calls shall be answered by the live attendant prepared to give immediate assistance within 55 seconds of being transferred to the attendant.

The VCCD will continue its efforts to improve its answer time results. Verizon will also work with the Staff to reach agreement on the appropriate answer time objective for this unique and specialized center.

Issue 2: Adequacy of Directory Services - The customer information pages did not reflect current tariff rates

Response:

The FPSC staff reviewed the Plant City, Tampa and Zephyrhills customer information pages and found the books did not reflect the current tariff rates for directory assistance service, busy verification and emergency interrupt service.

Verizon determined that the update of the customer information changes for tariff revisions made in September 2004 was inadvertently overlooked. Verizon Product Management has established a process that will ensure timely updates of the customer information pages when tariff changes are made.

Verizon's Response to Staff's Draft Evaluation Report
Dated June 1, 2005
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Issue 3: Adequacy of Directory Services – New Numbers Requested- Voice and TTY – combined results achieved 93.4% (objective is 99%)

Response:

The FPSC draft report reflects a total of 165 **voice test calls** were made with 10 failures. This resulted in a 94% met (the FPSC objective is 99%).

Verizon believes that 5 of these 10 misses should be excluded from the results. Five of the new orders tested were completed on February 21, 2005, and the test calls for those five orders were made February 24. Due to President's Day holiday on February 21st, no directory assistance updates were processed that evening by Verizon's vendor, Volt, and the process was delayed by one day. Essentially, because these orders were placed on a federal holiday, it appeared to Verizon that they were actually completed the following business day, February 22, and thus the 48 hour clock started on February 22. The listings were all available after the evening of February 24, 2005.

If these five test calls are excluded, Verizon will have achieved a 96.9% result on the voice calls and a combined result of 95.7%.

After review of each of the remaining five failed calls, Verizon has taken the following actions:

1. Directory Assistance Operators have been coached to ask for a spelling when names are unique or no listing is found.
2. Verizon will continue to reinforce the importance of verifying the information with the customer and performing a complete search. Proper search procedures are reinforced on a regular basis.

A total of 47 **TTY test calls** were made with 4 failures. This resulted in a 91.5% result (the FPSC objective is 99%).

After review of each failed call, we have taken the following actions:

1. Directory Assistance Operators have been coached to ask for a spelling when names are unique or no listing is found.
2. Verizon corrected a problem with its the operator services retrieval system so that an expanded search will be performed when the community and telephone number exchanges do not match. This correction was made by Verizon's vendor, Excell Services.

Verizon's Response to Staff's Draft Evaluation Report
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Issue 4: Service Orders Completed within 3 working Days – Zephyrhills achieved 87.3% in January (objective is 90.0%)

Response:

The Zephyrhills results in January were affected by higher than normal volumes due to the holidays and due to seasonal customers returning to Florida. In addition, a higher-than-average number of orders for seasonal customers required a technician visit to repair damage to facilities (such as drops) from the 2004 hurricane season. Because the affected customers are seasonal customers, Verizon was not previously aware of the damage.

Issue 5 - Out of Service restored within 24 hours – Plant City achieved 85.6%, Tampa North achieved 91.4%, Zephyrhills achieved 88.0% (objective is 95%)

Response:

Note: The objective is 95%. All exchanges achieved a result of 85% or higher.

The objective was missed in these exchanges due to a higher than normal volume of trouble reports in January. The increase is attributable to seasonal customers returning to Florida to find that their service was interrupted due to the 2004 hurricanes.

Issue 6 – Service Affecting restored within 72 hours – Plant City achieved 92.9%, Zephyrhills achieved 84.1% (objective is 95%)

Response:

Note: The objective is 95%. All exchanges achieved a result of 84% or higher.

Repair priority is given to the out of service reports over service affecting (non-out of service) reports. The objective was missed due to all available manpower being allocated to out-of-service customers.

Issue 7 - Rebates for Out of Service reports that exceed 24 hours – 26 of 305 rebates reviewed were not provided to the customer.

Response:

Verizon has researched the twenty-six reports (26) and has determined that nine (9) of the misses were due to employee errors where the employees incorrectly created service affecting (non-out of service NOOS) tickets rather than out-of-service (OOS) trouble reports. Each associate will be coached on the proper procedure. The appropriate rebate has been issued to these nine (9) customers.

Verizon's Response to Staff's Draft Evaluation Report
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Verizon has determined that the remaining seventeen (17) were not misses and were in process of being issued at the time of Staff's testing.

Specifically, the process for issuing out of service credits is as follows:

- The Trouble Administration System (TAS) (now replaced by vRepair) automatically generates a Repair Credit Allowance report whenever a line is out of service for twenty-four hours or more.
- The Support and Response Center (SRC) imports the report in to an internet-based system, called "TOS Webtool," to distribute the individual accounts to the SRC employees for credit.
- With the information in the TOS Webtool, the SRC employee will access the customer billing record, check for previous credits to prevent duplicate credits, and issue a credit voucher for the number of days appearing in the web tool.
- The SRC employee will indicate in the TOS Webtool that the credit is complete.

The remaining seventeen (17) accounts had been correctly routed to the TOS Webtool and rebates were in the process of being issued. Thus, the appropriate rebate has been issued to these seventeen accounts.

Issue 8 – Periodic Report –Results reported for completed service orders within 3 working days in Zephyrhills vary from Results Found

Response:

For first quarter 2005, Verizon reported that Zephyrhills met the FPSC objective of 90% of new installations completed with 3 working days, however the audit found a slightly lower result.

Verizon's Periodic Report	90.2 %
Staff's Audit Findings	87.3%

Although Verizon cannot determine specifically why staff's audit results vary from the results that Verizon reported, Verizon believes the 90.2% it reported is correct.

Specifically, the periodic report includes all new installations for the month of January, whereas staff's review is based only on a sample.

In addition, the periodic report includes CLEC orders, whereas staff excluded CLEC orders from the evaluation. There were 33 CLEC orders included in Verizon's periodic report and those 33 orders were completed within the 3 day objective.

Verizon's Response to Staff's Draft Evaluation Report
Dated June 1, 2005
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Issue 9: Safety & Adequate Grounding on New Installations – Staff found that of 72 new installations, two were not adequately grounded. Results achieved were 97.2% (objective is 100%)

Response:

FPSC Engineers identified that two of 72 new installations had inadequate grounding. Verizon technicians have corrected those discrepancies. Moreover, following a thorough investigation, Verizon determined the two instances of inadequate grounding were installed by the same technician. That technician was counseled and retrained on proper grounding requirements and procedures.

Other Issue:

As part of the routine service evaluation, test calls were made to evaluate the accuracy of billing Directory Assistance calls. Staff determined that Verizon billed in compliance with its General Service tariff in regards to the three call allowance per line (A3.10.2.a.(1)) and the handicapped exemption (A3.10.2.1a.(3)).

Although the billable test calls made to Verizon's Directory Assistance were billed a tariffed rate, staff questioned why some calls were billed at the Local Directory Assistance (LDA) rate and others were billed at the National Directory Assistance rate (NDA).

After extensive research and testing, it was determined that, due to a workstation software update on February 23, 2005, some customers were billed the NDA rate for LDA requests.

After investigation, Verizon discovered that the February 23rd software update was missing a safeguard that ensures accurate billing of the call even if an operator keys in the following incorrect search sequence:

1. The call arrives with a system-generated default locality and default Locality Search Area (LSA)
2. The operator types over the default locality with an LSA Name (State Code)
3. Because a new LSA is entered over the default LSA (even if the locality is the same) the system generates a national billing indicator. In other words, even if the default LSA is changed to the same LSA by the operator, the system interprets it as a change in LSA status and rates the call as an NDA call.

Verizon's Response to Staff's Draft Evaluation Report
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The software update should have included a workstation code that would prevent the creation of a NDA record if the "from Locality Search Area (LSA)" provided by the system at call arrival is the same as the "to Locality Search Area (LSA)" manually entered by the operator.

On May 23, Verizon distributed a training advisory to the operators. In addition, Verizon provided a refresher training session for each operator emphasizing the importance of following proper procedures in handling DA calls. All training was completed the first week of June.

In addition, Verizon corrected the software on all operator workstations as of June 17, 2005.

Credits will be issued to all affected customers. Customers will receive credit for the difference between the National DA rate of \$1.25 that was billed and the correct Local DA rate of \$.70. Customers who subscribe to a local package, which entitles them to unlimited local DA, will receive the full \$ 1.25 credit per call.

Based on the programming requirements and the current system release schedule, we expect the credits to appear on the customer's bills beginning with the last bill cycle in September .