



## The PSC Has Enhanced Its Consumer Services and Participation in Florida's Lifeline Program Has Substantially Increased

### *at a glance*

The Public Service Commission has addressed our recommendations to enhance its consumer protection services. The commission has developed guidelines to improve outreach for the Lifeline program and has provided additional guidance to telecommunications carriers responsible for providing Lifeline discounts.

Citizen participation in the Lifeline program has substantially increased, growing from 14% to 56% of eligible households. The commission also has taken additional steps to monitor the infrastructure needs of small water and wastewater utilities. The Legislature also has taken steps to consolidate telecommunications complaint processing.

### Scope

In accordance with state law, this progress report informs the Legislature of actions taken in response to a 2008 OPPAGA report.<sup>1,2</sup>

<sup>1</sup> Section 11.51(6), *F.S.*

<sup>2</sup> *The PSC and Legislature Could Consider Several Options*

### Background

The Florida Public Service Commission's (PSC) mission is to facilitate the efficient provision of safe and reliable utility services at fair prices. The commission accomplishes this goal by regulating the rates, service, and safety of privately owned electric and gas utilities. The PSC also has limited jurisdiction over municipal and cooperative electric utilities. In addition, the commission facilitates the development of competition in the local telecommunications market and regulates privately owned water and wastewater utilities in those counties that have opted to transfer regulatory jurisdiction to the PSC. As of June 2010, the commission had jurisdiction over more than 1,200 utility companies, with telecommunications companies making up the majority, at nearly 80% (see Exhibit 1).

*to Enhance Services and Consumer Protection, OPPAGA Report No. 08-63, November 2008.*

**Exhibit 1**  
**The PSC Has Jurisdiction Over More Than 1,200 Utilities**

Utility	Number of Companies	Percentage of Companies	
Privately Owned	Electric	5	0.4%
	Natural gas	7	0.6%
	Water and wastewater	151	12.1%
	Telecommunications	992	79.8%
Publicly Owned	Electric	57	4.6%
	Natural gas	31	2.5%
<b>Total</b>	<b>1,243</b>	<b>100.0%</b>	

Source: OPPAGA analysis of Public Service Commission data.

The commission is composed of a five-member board and has staff to assist in performing its regulatory functions. An executive director advises the commission and has responsibility for administering the overall activities of commission staff. For Fiscal Year 2010-11, the Legislature appropriated the commission \$27,798,184 and 323 full-time equivalent positions. The Florida Public Service Regulatory Trust Fund fully supports the commission’s operations; the trust fund includes regulatory assessment fees charged to utilities. The commission collected approximately \$32 million in regulatory assessment fees in Fiscal Year 2009-10.<sup>3, 4</sup>

**Current Status**

The PSC has developed additional guidelines for telecommunications carriers and taken steps to improve outreach for the Lifeline program. As recommended in our prior report, the commission has developed additional outreach guidelines to increase consumer awareness about the Lifeline Assistance Program, which provides financial assistance for telephone services to low-income residents. The PSC adopted rules requiring

telecommunications carriers responsible for providing Lifeline discounts to advertise service availability to eligible consumers. At a minimum, telecommunications carriers must include a notice of the availability of Lifeline in their directories and provide program information in customer billing statements.<sup>5, 6</sup>

In addition, the commission adopted rules outlining how eligible carriers should handle denied applications for Lifeline assistance. As of June 2010, eligible telecommunications carriers are required to provide written notice to denied applicants within 30 days of receipt of the application, providing the reason for denial and contact information for the applicant to obtain information regarding the denial.<sup>7</sup>

To increase consumer awareness about the program, the PSC has collaborated with state and local organizations for outreach activities held during Lifeline Awareness Week. For example, in September 2009, the commission collaborated with the Florida Association for Community Action to promote program awareness among clients of Community Action Agencies. The commission also worked with the Departments of Community Affairs and Elder Affairs to distribute information about Lifeline to eligible consumers and held information sessions throughout the state. The commission estimated that at least 500 residents were reached through these events.

The commission also established an ongoing outreach campaign to target organizations whose clientele may be interested in Lifeline. Each month, the PSC mails brochures and applications to some of the organizations and conducts follow up to determine their interest in planning an outreach event. The commission plans to continue this effort through the end of this year.

<sup>3</sup> This amount includes regulatory assessment fees collected as of June 30, 2010.

<sup>4</sup> The commission also collects penalties and fines from utilities; however, these funds are deposited into the General Revenue Fund, not the Regulatory Trust Fund.

<sup>5</sup> Rule 25-4.0665(17), *Florida Administrative Code*.

<sup>6</sup> The commission has drafted additional rules requiring eligible telecommunications carriers to conduct specific outreach activities and develop materials to reach new customers. However, these rules have not been adopted.

<sup>7</sup> Rule 25-4.0665(13), *Florida Administrative Code*.

Since our prior report, participation in Florida’s Lifeline Assistance Program has increased significantly, with the number of eligible households enrolled in the program increasing from 14% in 2007 to more than 56% in 2010 (see Exhibit 2). Commission officials believe the increased enrollment is primarily due to implementing automatic enrollment and designating Safelink Wireless and Easy Telephone Service as eligible telecommunications carriers.<sup>8, 9, 10</sup>

**Exhibit 2  
Lifeline Program Participation Has Increased**

Year <sup>1</sup>	Lifeline Enrollment	Eligible Households	Participation Rate
2007	164,626	1,173,173	14.0%
2008	183,972	1,186,015	15.5%
2009	618,774	1,185,516	52.2%
2010 <sup>2</sup>	663,412	1,183,011	56.1%

<sup>1</sup> Data for 2007 was reported as of September, while data for the remaining years was reported as of June.

<sup>2</sup> Commission staff estimated the Lifeline enrollment and eligible households for 2010 based on data from the January 2010 Florida Legislature Demographic Estimating Conference.

Source: Public Service Commission.

The commission has taken steps to monitor the infrastructure needs of small water and wastewater utilities. As recommended, the commission has taken additional steps to ensure that small water and wastewater utilities adequately invest in infrastructure. In 2009, the PSC surveyed all regulated small water and wastewater utilities to compile

<sup>8</sup> In September 2007, the PSC approved proposed amendments to Rule 25-4.0665, *Florida Administrative Code*, to include the Lifeline automatic enrollment process. This process allows low-income individuals to automatically enroll in Lifeline following enrollment in a qualifying public assistance program.

<sup>9</sup> The commission approved TracFone/SafeLink, Florida’s first fully prepaid wireless provider, as an eligible telecommunications carrier in May 2008.

<sup>10</sup> Easy Telephone Service was designated as an eligible telecommunications carrier in March 2010.

information about the age of infrastructure facilities and planned improvements.<sup>11</sup> The commission found that one utility planned to make infrastructure improvements and had applied for federal funding. Several other utilities had infrastructure that was approaching the end of average service life and would require replacement.<sup>12</sup> The PSC plans to provide information about infrastructure funding options to these utilities. In addition, the commission continues to monitor and address infrastructure needs of small water and wastewater utilities when evaluating utility rate cases.

The Legislature has taken steps to consolidate responsibility for telecommunication complaint resolution. At the time of our 2008 report, responsibility for helping consumers resolve problems with telecommunication providers was divided among three agencies. The PSC was responsible for helping consumers resolve all quality of service complaints against wireline telecommunications companies, while the Department of Agriculture and Consumer Services and the Office of the Attorney General were each responsible for different aspects of wireless complaints. The 2009 Legislature consolidated this responsibility by eliminating the commission’s authority to resolve quality of service complaints for non-basic wireline service.<sup>13, 14</sup> As of July 2009, responsibility for quality of service complaints about non-basic wireline services resides with the Department of Agriculture and Consumer Services.

<sup>11</sup> The commission received data from 33 of the 110 utilities it surveyed.

<sup>12</sup> The average service life for water and wastewater lines is outlined in Rule 25-30.140(2), *Florida Administrative Code*.

<sup>13</sup> Section 364.051(5)(b), *F.S.*

<sup>14</sup> Non-basic service includes any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service. Any combination of basic service along with a non-basic service or an unregulated service is considered non-basic.

*The Florida Legislature*  
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