

MEMORANDUM

December 20, 1996

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FPSC-RECORDS REPORT

TO : DIVISION OF RECORDS & REPORTING

FROM : DIANA W. CALDWELL, ASSOCIATE GENERAL COUNSEL

**RE : DOCKET NO. 960254-TI - PROPOSED RULES 25-24.900 ET. SEQ.
RELATING TO PREPAID CALLING SERVICES**

awc

Enclosed is a Notice of Proposed Rule Development. Industry distribution is LECs, ALSCs, and IXC, as well as others listed in the docket. This document must be issued with 5 working days.

FD900.AED

Attachments

cc: Wanda Terrell

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sent to H.P.
629*

AWC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: 960254-TI

IN RE: Proposed adoption of Rules 25-24.900, F.A.C., et seq.,
relating to prepaid calling services.

NOTICE OF PROPOSED RULE DEVELOPMENT

TO

ALL INTERESTED PERSONS

ISSUED: December 20, 1996

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated the development of amendments to Chapter 25-24, Florida Administrative Code, to adopt provisions relating to prepaid calling services.

The attached Notice of Proposed Rule Development will appear in the January 3, 1997, edition of the Florida Administrative Weekly. It is not anticipated that a rule development workshop will be necessary; however, a request will be considered if submitted in writing and received by the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, no later than January 24, 1997. If a timely workshop request is granted, a workshop will be held at the following time and place:

Florida Public Service Commission
1:00 - 3:00 p.m., February 6, 1997
Betty Easley Conference Center
Room 171, 4075 Esplanade Way
Tallahassee, Florida

By Direction of the Florida Public Service Commission, this
20th day of December, 1996.

BLANCA S. BAYÓ, Director
Division of Records & Reporting

by: *Kay J. [Signature]*
Chief, Bureau of Records

(S E A L)

DWC

DOCUMENT NUMBER-DATE

13559 DEC 20 96

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO: 960254-TI

RULE TITLE:	RULE NO.:
Scope and Waiver	25-24.900
Terms and Definitions	25-24.905
Certificate of Public Convenience and Necessity Required	25-24.910
Application for Certificate	25-24.915
Tariffs	25-24.920
Standards for Prepaid Calling Service Contracts	25-24.925
Refunds	25-24.930
Adequacy of Service	25-24.935
Deposit Requirement and Discontinuance of Service	25-24.940
Penalties	25-24.945

PURPOSE AND EFFECT: To increase customer knowledge at the time of purchase and to ensure that the contracts between the customer and provider are fulfilled. Prepaid calling service (PPCS) providers will provide more dependable service in accordance with the terms of their contract with the customers and customers will be more protected through greater knowledge at the time of purchase and enforcement by the Commission.

SUBJECT AREA TO BE ADDRESSED: These rules require certification of companies as a LEC, ALEC, or IXC providing prepaid calling services and to require those companies to provide notice requirements.

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SPECIFIC AUTHORITY: 350.127(2) FS.

LAW IMPLEMENTED: 364.19, 364.337(4), 364.335, 364.33, 364.32, 364.04, 364.057, 364.08, 364.09, 364.10, 364.19, 364.27 FS.

IF REQUESTED AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE HELD ON THE TIME, DATE, AND PLACE SHOWN BELOW:

TIME AND DATE: 1:00 - 3:00 p.m., February 6, 1997

PLACE: Betty Easley Conference Center, Room 171, 4075 Esplanade Way, Tallahassee, FL 32399-0850

THE WORKSHOP REQUEST MUST BE SUBMITTED IN WRITING WITHIN 21 DAYS OF THE DATE OF THIS NOTICE TO THE COMMISSION'S DIVISION OF RECORDS AND REPORTING, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FL 32399-0850. THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT IS: Jim Strong or Phil Trubelhorn, Division of Communications, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

RULES OF THE FLORIDA PUBLIC SERVICE COMMISSION

RULES GOVERNING PREPAID CALLING SERVICES

Part XVI

- 25-24.900 Scope and Waiver**
- 25-24.905 Terms and Definitions**
- 25-24.910 Certificate of Public Convenience and Necessity Required**
- 25-24.915 Tariffs**
- 25-24.920 Standards for Prepaid Calling Services Contracts**

- 25-24.925 Refunds
- 25-24.930 Adequacy of Service
- 25-24.935 Deposit Requirement and Discontinuance of Service
- 25-24.940 Penalties

RULES GOVERNING PREPAID CALLING SERVICES

25-24.900 Scope and Waiver.

(1) This part applies only to companies that provide Prepaid Calling Services (PPCS) over their own facilities-based networks or that provide PPCS by purchasing time from an IXC for resale.

(2) A company that provides PPCS may petition for a waiver for any provision of this Part pursuant to Chapter 120. The Commission may grant a waiver to the extent that it determines that it is consistent with the public interest to do so. The Commission may grant the petition in whole or part, may limit the waiver to certain geographic areas, or may impose reasonable alternative regulatory requirements on the petitioning company. In disposing of a petition, the Commission may consider:

(a) The factors enumerated in Section 364.337(4), Fla. Statutes:

(b) The extent to which competitive forces may serve the same function as, or obviate the necessity for, the provision sought to be waived; and

(c) Alternative regulatory requirements for the company which may serve the purposes of this Part.

Specific Authority: 359.127(2), F.S.

Law Implemented: 364.19, 364.337(4), F.S.

History: New

25-24.905 Terms and Definitions.

For purposes of this part, the definitions to the following terms apply:

(1) "Prepaid Calling Services" means any prepaid telecommunications service that allows end users to originate outbound intrastate calls through an access number and authorization code, whether manually or electronically dialed.

(2) "Company" means a person providing prepaid calling services.

(3) "Prepaid Calling Card" or "Card" means any object that contains an access number and authorization code that enable an end user to use prepaid calling services.

(4) "Initial Face Value" means the prepaid minutes (units) of the card when sold to an end user.

(5) "Minute" or "Unit" means one minute of intrastate conversation time.

(6) "Conversation time" is the time when two-way telecommunications is possible.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.325, 364.327(4) F.S.

History: New

25-24.910 Certificate of Public Convenience and Necessity Required.

(1) A company shall not provide prepaid calling services without first obtaining a certificate of public convenience and

necessity as a LEC, ALEC, or IXC from the Commission.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.33, 364.335, 364.337(4) F.S.

History: New

25-24.915 Tariffs.

This section applies to all companies that provide prepaid calling services, regardless of certificate type or other tariffing requirements that otherwise apply. All tariffs must be filed with the Commission, using the following guidelines, before becoming effective.

(1) General.

(a) Each company shall maintain on file with the Commission tariffs which set forth all of the rates and charges for customer services, the different services available to subscribers, and the conditions and circumstances under which service will be furnished. Companies are authorized to provide services to other certificated telephone companies by individually negotiated contract rates in addition to filing and providing those services to end users pursuant to tariffs. When a company chooses to utilize such individually negotiated contract rates for services to other certificated telephone companies, and in any other instances in which the Commission has authorized contract rates for specific offerings, the conditions under which such contracts may be offered shall be clearly stated in the company's tariff but the contracts themselves need not be part of the tariff. The contracts must, however, be available for Commission review. The tariff shall not

include charges for customer premises equipment.

(b) Each company shall provide support to accompany any proposed changes as outlined in subsection (4)

(c) The tariff will be Florida-specific and all rates, charges, and service descriptions shall be for intrastate usage, unless interstate rates are necessary to compute the intrastate portion of a customer's monthly bill; then, the interstate rates, charges, and service descriptions shall also be quoted in the tariff to the extent necessary to compute the intrastate portion of a customer's bill.

(d) The tariff must be clearly expressed in simple words, sentences, and paragraphs. It must avoid unnecessarily long, complicated, or obscure phrases or acronyms so that the customer will understand that for which he is contracting.

(e) The tariff shall be written in a manner such that service will be provided on a non-discriminatory basis. No public statement of service quality, rates, or service offerings or billings should be misleading or differ from those stated in the tariff.

(f) A printed notice shall be kept posted by each company in a public and conspicuous place in each office where application for service may be made stating that its tariff and standard contract and agreement forms are on file at that office and are open to examination by any person. The company will also make available a list of the exchanges it serves.

(g) All proposed changes to the existing tariff shall be

directed to the Director of the Division of Communications, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0866. A filing must be received by the Division of Communications before 5:00 p.m. of a normal Commission workday in order for it to be "filed" on that day.

(h) All tariff changes shall be submitted to the Commission in quadruplicate in the form prescribed herein. After the effective date, one copy stamped "received" will be returned to the company, which shall be the notice to the company that the filing has been received and is on file. If acknowledgment of the filing at the time of receipt is desired, the letter of transmittal shall be sent in duplicate with a request that the duplicate be returned. (i) Companies shall charge only the rates contained in their tariff. If a company desires to charge rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall include the heading "Promotion," and shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. The tariff page(s) describing the terms and rates of the temporary reduction shall immediately precede the

permanent tariff pages for the service in the same section of the tariff.

(1) The requirements of the following subsections shall apply on a prospective basis from the effective date of this rule. Existing tariffs on the effective date of this rule need not be amended to comply with the following except upon Commission staff request.

(2) Effective Date.

(a) The initial tariff will become effective on the effective date of the required Certificate of Public Convenience and Necessity, unless the company requests a later effective date.

(b) For all non-LEC companies, changes to an existing tariff will become effective on the day following the day it is filed with the Division of Communications unless the company requests a later effective date, or the Commission suspends or denies the filing prior to the effective date.

(3) Format.

(a) All tariffs filed shall be submitted in loose leaf form on 8 1/2" x 11" sheets, typewritten on a good grade of white three-hole paper of durable quality, using one side of the paper only. All copies must be clear and legible. Sufficient margin shall be allowed on each sheet for a left-hand binding edge so that when the tariff book is open all printed matter will be in view.

(b) Every sheet in the tariff shall be numbered.

(c) Each sheet shall bear the name of the company in the upper left-hand corner of the sheet.

(d) Each initially approved sheet in the tariff shall be marked "Original Sheet" in the upper right-hand corner of the sheet. As an example: Original Sheet No. 1, or Original Sheet No. 5.2.

(e) Revised sheets in the tariff shall be marked with the number of the revision in the upper right-hand corner and the number of the sheet it replaces. As an example:

First Revised Sheet No. 1

Cancel Original Sheet No. 1

OR

Fourth Revised Sheet No. 5.2.

Cancel Third Revised Sheet Nos. 5.2, 5.3 and Second Revised Sheet 5.4

(f) On the bottom of each sheet shall appear the name and title of the issuing officer of the company. To the right of the issuing officer's name there shall appear "Effective: _____."

(g) In general, the filed tariffs of the companies shall contain the following in the order listed:

1. Title Page. The title page shall adequately identify the volume as the tariff, filed by the particular company with the Florida Public Service Commission, governing the sale of the specific company service provided, and shall be sheet number 1.
2. Table of Contents and Index. All tariffs shall have a table of contents identifying the page location of each section in the tariff. In tariffs of less than 30

sheets, the table of contents may serve as subject index for the entire volume. In tariffs of 30 sheets or more, each section will also be individually indexed by subject.

3. Symbols Used in Tariff Filings. The following symbols will be used in any proposed change to the existing tariff in the manner described herein. The symbols will appear in the right hand margin of each sheet on the same line to which any change has been made. If three or more consecutive lines are affected, it shall be sufficient to place one symbol on the first and last lines of the group affected and a vertical line drawn connecting the two symbols. In all such cases the pair of symbols will be the same. In the event more than one type of change occurs on the same line, two or more types of symbols denoting the changes shall be placed next to each other on the affected line. The following are the only letters allowed to denote the following types of change:

D - Delete or Discontinue

I - Change Resulting In An Increase to A
Customer's Bill

M - Moved from Another Tariff Location

N - New

R - Change Resulting In a Reduction To A
Customer Bill

T - Change in Text or Regulation but No Change
to Rate or Charge

4. Technical Terms and Abbreviations. This section shall contain full and concise information as to the meaning of all technical and special terms and abbreviations used in the tariff.
5. Rules and Regulations. This section shall include all rules, regulations, practices, exceptions, and conditions made or observed relative to the company service furnished, which are general and apply to all or many of the services offered. It shall contain the company's credit rating requirements and its deposit requirements. If a general regulation does not apply to a particular service, that fact should be clearly stated.
6. Description of Service Offered.
 - a. Consistent with 25-24.925(7), F.A.C., this section shall contain a description of how a billable call is timed, when timing begins and ends, and the method used to make this determination.
 - b. When mileage-sensitive rates are charged, this section shall contain a description of how distance is measured for toll rating purposes and the formula used to compute it, as well as what points are used for origination and termination with respect to calculation of the distance between them.

c. This section shall contain a statement of the minimum call completion rate a subscriber can expect to encounter during the company's busy hour, expressed as a percentage, computed by dividing the number of calls completed by the number of calls attempted. The stated call completion rate for end-to-end Feature Group C & D service shall not be less than 90 percent.

d. This section shall detail all relevant information which pertains to a particular type of service, and will be subdivided into subsections for each type of service offered.

7. Rates. All standard rate schedules, rates and charges for all services, and other data necessary to compute the customers' monthly bills for intrastate service shall be placed in this section. If more than one type of service is offered, all information pertaining to an individual service shall be grouped together or clearly cross-referenced.

(4) Information to Accompany Tariff Filings.

(a) A letter of transmittal shall accompany each filing, which lists the sheets (by sheet number and revision level) being transmitted and gives a brief description of all changes included therein and the reasons for the changes.

(b) Along with each tariff filing the company shall include four copies of the tariff pages which contain proposed changes as they will appear in the approved tariff.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.04, 364.057, 364.08, 364.09, 364.10, 364.19,
364.27, 364.337, F.S.

History: New

25-24.920 Standards For Prepaid Calling Services Contracts.

(1) The name of the certificated company providing the prepaid calling services, its address including street, city, state, and zip code, and its headquarter's phone number shall be clearly printed on the card.

(2) Each company shall provide toll-free access to prepaid calling services. After reaching a toll-free access number, an end user shall not be required to incur toll charges or any additional fees or surcharges to access prepaid calling services.

(3) Each company shall provide, and legibly print, a toll-free customer service number on each card. The company shall record end user complaints or shall provide a live operator to answer incoming calls for 24 hours a day, seven days a week. The company shall acknowledge all recorded complaints within 24 hours.

(4) When the end user pays value for service, each company shall legibly print the initial face value expressed in minutes on the card, or its packaging. If the card is sold through a vending machine, each company shall legibly print the initial face value on the vending machine. A company shall deliver to the end user the above number of minutes (units).

(5) The billing increment shall not exceed one minute.

(6) Rechargeable cards allow the end user to purchase

additional minutes (units). At recharge, the rate per minute shall equal the tariffed rate. At recharge, each company must disclose to the end user the number of minutes (units) being purchased. The company shall not charge any additional fee for recharge.

(7) Each company shall only charge for conversation time. Rounding may be done up to the next full minute. The company shall not charge for ring time or uncompleted calls. Billing for a call shall end when either the calling or called party hangs up. (8) If a prepaid calling service has a specific expiration date, it shall be legibly printed on the card. Cards without a printed expiration date and with time remaining shall be considered active for a minimum of two years from the date of first use or last recharge, whichever is later. Each company may declare a card inactive after the minimum time period has passed.

Specific Authority: 359.127(2), F.S.

Law Implemented: 364.19 F.S.

History: New

25-24.925 Refunds.

(1) Each company shall have a refund policy that meets the following minimum requirements:

(a) For cards where a printed expiration date has not passed or are otherwise considered active, in accordance with Rule 25-24.925(8), F.A.C., each company shall provide a cash refund equal to the value remaining in the account in the event that the company or the carrier providing the network access deactivates the prepaid calling service.

(b) Each company shall provide a cash refund or replacement card equal to the value remaining in the account when an end user is unable to use the prepaid service as a result of technical difficulties with the card or the service, the card being defaced, the magnetic strip having been demagnetized, or some similar problem.

(c) All refunds must be made to the end user within 60 days of notification by the end user.

(2) Each company shall not be required to provide a refund when a card has legitimately expired or is lost or stolen.

(3) Each company shall publish the refund policy in its tariffs. The company shall provide the refund policy in legible print on the card or, upon request, through its customer service operator.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.12, F.S.

History: New

25-24.930 Adequacy of Service.

Each company shall ensure that:

(1) a minimum of 90 percent of all call attempts shall be completed to the called party. Station busies will be counted as completed calls.

(2) a minimum of 95 percent of all call attempts shall be completed to a company's toll-free customer service number. Station busies will not be counted as completed calls.

(3) a minimum 97 percent (allowing for a one-second variation)

timing accuracy of conversation time shall be achieved.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.19, F.S.

History: New

25-24.935 Deposit Requirement and Discontinuance of Service.

A carrier that provides network access to a company for the provision of prepaid calling services may require a deposit not to exceed three month's estimated minutes of use charges. In the event that the company that ordered the network access fails to pay the charges, the carrier shall not discontinue the network access number until the amount of the past due charges equals or exceeds the deposit amount.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.19, F.S.

History: New

25-24.940 Penalties

Upon completion of show cause proceedings, the Commission shall impose penalties of not less than \$10,000 to uncertificated companies who are selling or have sold prepaid calling services within the state of Florida.

Specific Authority: 350.127 (2) F.S.

Law Implemented: 364.205 F.S.

History: New