

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: July 7, 2005

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (M. Watts) *MA*
Division of Economic Regulation (Lester) *10/8*
Office of the General Counsel (Rojas, Ouellette) *c.f.f. for BK PL JDJ*

RE: Docket No. 050390-TI – Investigation and determination of appropriate method for refunding overcharges due to call duration errors on long distance calls by ACN Communication Services, Inc.

AGENDA: 07/19/05 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\050390.RCM.DOC

Discussion of Issues

Issue 1: Should the Commission accept ACN Communication Services, Inc.'s proposal to issue a refund of \$2,438.67, plus interest of \$62.63, for a total of \$2,501.30, to the Commission for overcharging end-users on intrastate calls made using services provided by ACN Communication Services, Inc. from June 2004 through February 2005, and require the company to remit the refund, plus interest, to the Commission for deposit in the State of Florida General Revenue Fund within 30 days of the issuance of the Consummating Order?

Recommendation: Yes. (M. Watts)

DOCUMENT NUMBER-DATE

06385 JUL-7-05

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Staff Analysis: From July 26, 2004, through August 24, 2004, the Florida Public Service Commission (Commission) evaluated the timing and billing accuracy of calls placed from an access line presubscribed to ACN Communication Services, Inc. (ACN). Staff calculated the amount that should be charged for each call based on the length of the call and ACN's tariffed rates. When staff compared its calculations with the bill from ACN, it identified some possible timing and overcharge problems.

Upon investigation of staff's findings, ACN found that its underlying carrier, Global Crossing, had overstated the duration of some calls by up to five seconds. For calls that were between 56 and 59 seconds in duration, Global Crossing reported the call durations to be between 61 and 64 seconds. This caused these calls to be erroneously rounded up to the next full minute for billing purposes, resulting in overcharges. Global Crossing has identified and corrected the problem in its system that caused the error.

ACN determined that the problem started in June 2004 and continued until February 2005. ACN reported that a total of 8,442 customers were overcharged a total amount of \$2,438.67, with an average refund of \$0.29 per customer. Staff calculated the interest on these overcharges to be \$62.63. ACN believes that issuing such small refunds to so many customers is impractical and cost-prohibitive, and has proposed issuing the refund to the Commission for deposit in the State of Florida General Revenue Fund.

Based on the above, staff recommends that the Commission accept ACN Communication Services, Inc.'s proposal to issue a refund of \$2,438.67, plus interest of \$62.63, for a total of \$2,501.30, to the Commission for overcharging end-users on intrastate calls made using services provided by ACN Communication Services, Inc. from June 2004 through February 2005, and require the company to remit the refund, plus interest, to the Commission for deposit in the State of Florida General Revenue Fund within 30 days of the issuance of the Consummating Order. The Commission has jurisdiction over this matter pursuant to Section 364.604, Florida Statutes.

Docket No. 050390-TI

Date: July 7, 2005

Issue 2: Should this docket be closed?

Recommendation: The Order issued from this recommendation will be a proposed agency action. Thus, the Order will become final and effective upon issuance of the Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of this Order. The company should remit payment of the refund, with interest, to the Commission for deposit in the State of Florida General Revenue Fund within 30 days of the issuance of the Consummating Order. Upon receipt of the refund, with interest, this docket should be closed administratively. **(Rojas/Ouellette)**

Staff Analysis: The Order issued from this recommendation will be a proposed agency action. Thus, the Order will become final and effective upon issuance of the Consummating Order if no person whose substantial interests are affected timely files a protest within 21 days of issuance of this Order. The company should remit payment of the refund, with interest, to the Commission for deposit in the State of Florida General Revenue Fund within 30 days of the issuance of the Consummating Order. Upon receipt of the refund, with interest, this docket should be closed administratively.