

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of ) DOCKET NO. 950788-TI  
appropriate method for refunding ) ORDER NO. PSC-95-1167-FOF-TI  
overcharges on intrastate long ) ISSUED: September 20, 1995  
distance service provided by MCI )  
Telecommunications Corporation )  
for calls placed from pay )  
telephones. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING REFUNDS

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

We routinely evaluate pay telephones for compliance with our rules. During these evaluations, our staff makes credit card calls and determines whether the rates comply with Rule 25-24.630(1)(a), Florida Administrative Code, and Order No. 24101. On November 16, 1994, we informed MCI Telecommunications Corporation (MCI) that test call toll charges appeared to be billed in error. Our tests showed that 1 minute calls were being billed as 2 minute calls. MCI responded that the charge for a 2 minute call was correct and in accordance with its tariff. The optional \$0.25 set use fee is not included in its tariff and it not used when calculating MCI pay telephone call charges. Even adjusting for that error, we found apparent errors in MCI's bills.

In December, 1994, MCI notified us it had discovered a timing discrepancy that represented a network switching problem which intermittently occurred on some pay telephone calls. On February 23, 1995, MCI sent a letter describing the network problem. The

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timing disparity occurred when three conditions were present: (1) the call was made using an approved credit card that is casual to MCI, such as a Bell Operating Company or the Centel credit card used for our test calls, (2) the call entered the MCI network on a non-bridging digital electronic switch (DEX), and (3) the called party disconnected before the calling party. The terminating switch correctly recorded the duration of the call. However, because of a delay in signaling back to the originating switch that the called party had disconnected, the originating switch's billing records were off by an average of 12 seconds, creating the possibility that call duration might be rounded upward to the next full minute.

This problem existed from January 22, 1994 through February 8, 1995. Due to the complexity of the network switch problem MCI proposed a method of estimating the overcharges. Considering the complications involved in finding and correcting the network timing problem, we believe the assumptions made by MCI to quantify the intrastate overcharges are viable and its proposed plan for implementing the refund will provide reasonable compensation for MCI customers. Approximately 72,000 calls were overcharged. MCI proposes to refund an estimated \$20,336 plus interest by reducing the customer dialed tariff surcharge from \$0.79 to \$0.74 for MCI credit cards and from \$0.80 to \$0.75 for other credit cards for its Florida pay telephone customers.

We approve MCI's proposal. MCI shall refund a total of \$21,856.55, consisting of \$20,336 in overcharges and \$1,520.55 in interest, pursuant to Rule 25-4.114, Florida Administrative Code, by reducing the customer dialed tariff surcharge from \$0.79 to \$0.74 for MCI credit cards and from \$0.80 to \$0.75 for other credit cards. MCI shall refund the money by crediting each customer's monthly bill and provide our staff with a report verifying the completed refund.

We prefer a direct refund to the individual overcharged customers. To accomplish this, MCI would have to sort 3.6 million call detail records and said that time and cost would be prohibitive. In a competitive interexchange market customers are constantly moving and changing interexchange carriers. It would be difficult for MCI to accomplish direct refunds.

MCI cooperated with our staff throughout the investigation. MCI provided a timely response to the inquiry concerning an apparent disparity between MCI timing and our test call timing. We were kept apprised of ongoing progress of the investigation to determine the cause and the implementation of corrective action. The problem was not associated with just our test calls but was a

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MCI network problem. Considering the cooperation in dealing with this problem, we do not believe a show cause order is necessary.

It is, therefore,

ORDERED by the Florida Public Service Commission that MCI Telecommunications Corporation refund \$21,856.55, consisting of \$20,336 in overcharges plus \$1,520.55 in interest pursuant to Rule 25-4.114, Florida Administrative Code. It is further

ORDERED that MCI Telecommunications Corporation accomplish the refund by reducing the credit card surcharge by \$.05 on all customer dialed calling card calls from its pay telephones and crediting each customer's monthly bill, as described in the body of this Order. It is further

ORDERED that MCI Telecommunications Corporation shall provide our staff with a report verifying completion of the refund.

ORDERED that, unless a person whose substantial interests are affected by the action proposed herein files a petition in the form and by the date specified in the Notice of Further Proceedings or Judicial Review, this Order shall become final and this docket shall be closed upon verification by staff that the refund is complete.

By ORDER of the Florida Public Service Commission, this 20th day of September, 1995.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 11, 1995.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.