

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of appropriate method for refunding interest on overcharged intrastate long distance calls placed from inmate facilities by AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business.

DOCKET NO. 990813-TI
ORDER NO. PSC-99-1920-PAA-TI
ISSUED: September 28, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER REQUIRING REFUND OF INTEREST ON OVERCHARGES

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.

AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business (AT&T or the company) provides service for collect calls from several penal institutions around the state. On May 1, 1998, AT&T revised its tariff to reflect the following service charges:

\$2.45 - Automated interLATA call
\$1.25 - Automated intraLATA call
\$3.95 - Operator-handled interLATA call
\$1.85 - Operator-handled intraLATA call

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. PSC-99-1920-PAA-TI
DOCKET NO. 990813-TI
PAGE 2

On July 22, 1998, this Commission received a consumer complaint against AT&T concerning the increased cost of interLATA calls from a correctional facility for calls made on and after May 1, 1998. We asked AT&T to respond to the complaint. On July 31, 1998, the company responded, stating that due to a system error, all calls originating from the correctional facility were erroneously billed the operator-handled charge instead of the automated charge. On August 11, 1998, we wrote AT&T and requested additional information concerning the overcharges.

On January 20, 1999, AT&T found and corrected the problem, and on March 10, 1999, began making direct refunds to overcharged customers. In an effort to expedite the refund of the overcharges, AT&T, did not include the refund of interest required by Rule 25-4.114(4), Florida Administrative Code, because that would have required additional time for calculation. AT&T completed the overcharges refunding on April 10, 1999. The company subsequently advised our staff that it was able to refund all overcharges except \$2,779.17, which could not be refunded due to the company's inability to locate the customers.

On April 23, 1999, AT&T advised us that it had completed its investigation and determined that the rate recording requirements implemented by its external prison vendor were not consistent with the May 1, 1998, tariff revision. It also advised that the total amount overcharged was \$1,076,454.61. On August 6, 1999, our Division of Auditing and Financial Analysis Staff provided the interest calculation of \$33,681.56 on the overcharged amount. (ATTACHMENT A). AT&T advised that it would be able to refund the interest on the overcharges by December 31, 1999.

Accordingly, AT&T shall refund interest in the amount of \$33,681.56 to overcharged customers by December 31, 1999. Any interest monies that cannot be refunded shall be remitted to the Commission to be forwarded to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund by January 31, 2000. The unrefunded \$2,779.17 balance of the overcharged amount shall also be remitted to the Commission to be forwarded to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund by January 31, 2000. In addition, once all monies have been refunded, AT&T shall file, with the Commission, a report consistent with Rule 25-4.114, Florida Administrative Code, Refunds, by January 31, 2000.

ORDER NO. PSC-99-1920-PAA-TI
DOCKET NO. 990813-TI
PAGE 3

This Docket shall remain open pending the completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket shall be closed administratively.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business shall refund interest in the amount of \$33,681.56 to overcharged customers by December 31, 1999. Any interest monies that cannot be refunded shall be remitted to the Commission to be forwarded to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund by January 31, 2000. It is further

ORDERED that AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC shall remit the unrefunded \$2,779.17 balance of the overcharged amount to the Commission to be forwarded to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund by January 31, 2000. It is further

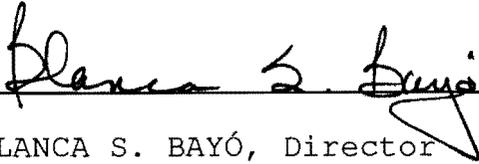
ORDERED that once all monies have been refunded, AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC shall file with this Commission, a report consistent with Rule 25-4.114, Florida Administrative Code, Refunds, by January 31, 2000. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall remain open pending the completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket shall be closed administratively.

ORDER NO. PSC-99-1920-PAA-TI
DOCKET NO. 990813-TI
PAGE 4

By ORDER of the Florida Public Service Commission this 28th
day of September, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

DMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 19, 1999.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

ORDER NO. PSC-99-1920-PAA-TI
DOCKET NO. 990813-TI
PAGE 5

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.

SCHEDULE A

ACC BUSINESS (AT&T COMMUNICATIONS OF THE SOUTHERN STATES)

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVER CHARGE	ACCUM. OVER CHARGE	INTEREST ON MONTHLY OVER CHARGE	MONTHLY OVERCHARGE PRINCIPAL & INTEREST	BALANCE FORWARD PLUS INTEREST	REFUND BALANCE	ACCUM INTEREST
MAY 98	5.52%	0.46%	119,606.00	119,606.00	274.84	119,880.84	0.00	119,880.84	274.84
JUNE	5.55%	0.46%	121,200.00	240,806.00	280.28	121,480.28	120,435.29	241,915.57	1,109.57
JULY	5.58%	0.47%	115,300.00	356,106.00	268.07	115,568.07	243,040.48	358,608.55	2,502.55
AUG	5.54%	0.46%	122,783.00	478,889.00	283.42	123,066.42	360,264.12	483,330.55	4,441.55
SEP	5.37%	0.45%	127,800.00	606,689.00	285.95	128,085.95	485,493.45	613,579.41	6,890.41
OCT	5.16%	0.43%	116,426.00	723,115.00	250.32	116,676.32	616,217.80	732,894.11	9,779.11
NOV	5.30%	0.44%	126,725.00	849,840.00	279.85	127,004.85	736,131.06	863,135.91	13,295.91
DEC	5.20%	0.43%	136,878.00	986,718.00	296.57	137,174.57	866,876.17	1,004,050.74	17,332.74
JAN 99	4.86%	0.40%	89,737.00	1,076,455.00	181.53	89,918.53	1,008,112.96	1,098,031.49	21,576.49
FEB	4.83%	0.40%	0.00	1,076,455.00	0.00	0.00	1,102,451.07	1,102,451.07	25,996.07

MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE	OVERCHARGE INTEREST	TOTALS
MARCH	1,073,675.83	540,081.24	4,321.55	537,916.13	1,076,455.00	1,076,455.00
APRIL	537,916.13	540,081.24	2,165.11	(0.00)	25,996.07 +	32,482.72
TOTAL			6,486.66	0.00		1,108,937.72

OVERCHARGES REFUND BALANCE	1,076,455.00 (1,073,675.83) 2,779.17	REFUNDED AMT UNPAID BALANCE INTEREST	(1,073,675.83) 2,779.17 32,482.72
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ATTACHMENT A

SCHEDULE B

ACC BUSINESS (AT&T COMMUNICATIONS OF THE SOUTHERN STATES)

<u>MONTH</u>	<u>AVERAGE MONTHLY INTEREST RATE</u>	<u>MONTHLY INTEREST FACTOR</u>	<u>MONTHLY OVER CHARGE</u>	<u>ACCUM. OVER CHARGE</u>	<u>INTEREST ON MONTHLY OVER CHARGE</u>	<u>MONTHLY OVERCHARGE PRINCIPAL & INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
MAY	4.83%	0.40%	35,261.89	35,261.89	141.78	35,403.68	0.00	35,403.68	141.78
JUNE	4.95%	0.41%	0.00	35,261.89	0.00	0.00	35,549.72	35,549.72	287.82
JULY	5.08%	0.42%	0.00	35,261.89	0.00	0.00	35,700.06	35,700.06	438.17
AUG	5.08%	0.42%	0.00	35,261.89	0.00	0.00	35,851.04	35,851.04	589.15
SEPT	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,002.66	36,002.66	740.77
OCT	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,154.93	36,154.93	893.03
NOV	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,307.83	36,307.83	1,045.94
MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE					TOTAL
DEC	36,307.83	36,461.38	152.91	0.00		BAL. FORWARD	35,261.89		35,261.89
TOTAL			152.91	0.00		INTEREST	1,045.94 +	152.91	1,198.84
						REFUND	36,307.83		36,460.74
ACCUMULATED INTEREST		32,482.72							
UNREFUNDED BALANCE		2,779.17							
TOTAL		35,261.89							

ORDER NO. PSC-99-1920-PAA-TI
 DOCKET NO. 990813-TI
 PAGE 7