

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation and
determination of appropriate
method for refunding overcharges
and interest on 0+ calls made
from pay telephones by USLD
Communications, Inc.

DOCKET NO. 010937-TI
ORDER NO. PSC-01-1744-PAA-TI
ISSUED: August 27, 2001

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REFUND

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.

On May 18, 1990, USLD Communications, Inc. (USLD) obtained Florida Public Service Commission Interexchange (IXC) Certificate No. 2469. Subsequently, on February 1, 1999, Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements, was amended to cap rates for intrastate 0+ and 0- calls from pay telephones to \$.30 per minute plus \$3.25 for a person-to-person call or \$1.75 for a non person-to-person call.

On March 30, 2001, our staff sent a letter to USLD stating that staff had determined, as a result of pay telephone

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evaluations, that two 0+ test calls from separate pay telephones were billed differently. Our staff requested a detailed explanation of the charges for each call by April 17, 2001. Thereafter, on May 4, 2001, our staff received a letter from Mr. Peter Kirchhof, Director of Policy and Law for USLD, explaining the difference in billing between the two calls. Mr. Kirchhof explained that while the January 3, 2001, call was billed correctly, the January 22, 2001, call was incorrectly billed. The per-minute rate and operator surcharge for the second call was not billed in accordance with USLD's tariff. USLD also explained that it believes that due to a system error, the call was recognized as a 0- instead of a 0+ call. In either case, the company acknowledged that the charges should have been the same for each call. As of May 2, 2001, USLD had corrected the error in its billing systems for all operator services calls placed from pay telephones.

On July 10, 2001, our staff received another letter from Mr. Kirchhof in which the company calculated that 2318 calls were incorrectly billed from February 1999 through April 2001, resulting in overcharges of \$926.00, not including interest. USLD proposed a refund to Florida customers who have been overcharged to resolve the matters at issue in this Docket.

We are vested with jurisdiction over this matter pursuant to Sections 364.285 and 364.3376, Florida Statutes.

As noted above, USLD determined that it had an error in its billing system whereby calls recognized as 0- calls would be billed at \$0.28 per minute plus a charge of \$2.25. Therefore, all calls USLD's system recognized as 0- calls would be billed at rates exceeding our rate caps for 0+ or 0- intrastate calls made from pay telephones. Also, the calls were not billed in accordance with USLD's tariffed rates. USLD corrected the tables in the billing system used to calculate charges for 0+ and 0- intrastate calls made from pay telephones where USLD provides operator services.

In correspondence received on July 10, 2001, Mr. Kirchhof reports that USLD determined that 2318 calls were incorrectly billed from February 1999 through April 2001, resulting in overcharges of \$926.00. USLD's calculations were determined using a combination of actual data from the period May 1999 through April

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2001, plus an estimate for the months February 1999 through April 1999. As a result of changes in its internal accounting system, USLD can only recover records as far back as May 1999, without extraordinary efforts. USLD calculated the monthly average overcharges using actual data, and applied it to the overcharges for the three month period where no data were available.

In its refund proposal, USLD proposes to refund the affected customers' accounts, plus interest, during the month of September 2001. USLD states in its proposal that any portion of the total amount that proves to be unrefundable will be contributed to the State of Florida General Revenue Fund.

Based on the foregoing, we hereby accept USLD's refund calculation of \$926.00, adding interest of \$82.49, for a total of \$1,008.49, and proposal to credit end user customers' local exchange telephone bills beginning September 1, 2001, for overcharging end users on intrastate 0+ calls made from pay telephones from February 1, 1999 through April 30, 2001. At the end of the refund period, any unrefunded amount, including interest, shall be remitted to this Commission by January 2, 2002, and forwarded to the Comptroller for deposit in the General Revenue Fund. USLD shall submit a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds, by January 2, 2002.

It is therefore

ORDERED by the Florida Public Service Commission that the refund calculation and proposal offered by USLD Communications, Inc. is approved as set forth in the body of this Order. It is further

ORDERED that the company shall credit end user customers' local exchange telephone bills beginning September 1, 2001, for overcharges arising from the period February 1, 1999 through April 30, 2001, as set forth in the body of this Order. It is further

ORDERED that at the end of the refund period, any unrefunded amount, including interest, shall be remitted to us by January 2, 2002, and forwarded to the Comptroller for deposit in the General Revenue Fund. It is further

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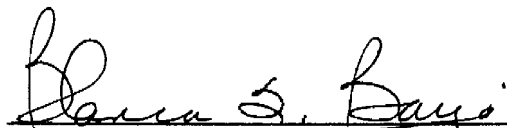
ORDERED that USLD shall submit a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds, by January 2, 2002.

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 the Commission Clerk and Administrative Services, 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 this docket shall remain open pending the completion of the refund and receipt of the final report on the refund. It is further

ORDERED that after completion of the refund and receipt of the final refund report, this docket may be closed administratively.

By ORDER of the Florida Public Service Commission this 27th Day of August, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 17, 2001.

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

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.