

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Investigation and determination of appropriate method for refunding overcharges due to call duration errors on long distance calls by Trinsic Communications, Inc. | DOCKET NO. 050546-TI
ORDER NO. PSC-05-0961-PAA-TI
ISSUED: October 10, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING TRINSIC COMMUNICATIONS, INC.'S REFUND PROPOSAL

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.

I. Case Background

From February 14, 2005, through March 18, 2005, we evaluated the timing and billing accuracy of test calls placed from an access line presubscribed to Trinsic Communications, Inc. (TCI). We also calculated the amount that should be charged for each call based on the length of the call and TCI's tariffed rates. After we compared the calculations with the bill from TCI, the company identified some possible timing and overcharge problems.

We sent TCI a letter on April 20, 2005, to inform TCI of its evaluation findings and to request that TCI take action to identify and correct the billing errors. Upon investigation, TCI found that its billing system was pulling the call duration from the wrong field in the call detail record provided by its underlying carrier. In its response, TCI stated:

...our system was using the bill duration field, which contains the call duration for which our underlying carrier bills Trinsic, instead of the call duration field itself. The bill duration field is subject to rounding, so in some instances such as those you identified, the bill

DOCUMENT NUMBER-DATE

09650 OCT 10 05

FPSC-COMMISSION CLERK

duration is longer than the actual call duration. This error, combined with the fact that Trinsic rounds call durations to whole minute increments, caused the overtiming and overbilling identified in your audit.

This caused some calls to be erroneously rounded up to the next full minute for billing purposes, resulting in overcharges. TCI corrected the problem in its system in May 2005.

On May 24, 2005, we sent TCI another letter requesting it to identify the overcharges caused by the error in its billing system and submit a refund proposal. TCI submitted its refund proposal on August 23, 2005.

We have jurisdiction over this matter pursuant to Sections 364.04, 364.01, 364.02(14) and 364.604, Florida Statutes. Accordingly, we believe the following recommendations are appropriate.

II. Discussion

The issue before us is whether we should approve Trinsic Communications, Inc.'s proposal to issue a refund of \$1,200.00, plus interest of \$61.43, for a total of \$1,261.43, to its customers of record who are not subscribed to an unlimited long distance plan at the time of the refund in its January 2006 billing cycle for overcharging end-users on intrastate calls made using services provided by Trinsic Communications, Inc. from July 2003 through May 2005; and require the company to submit a report within 30 days after the completion of the refund to the Commission stating, (1) how much was refunded to its customers, and (2) the number of customers.

TCI determined that, although the portion of the software in its billing system that caused the problem had existed since its inception in 2000, it did not institute usage-based long distance service until the fall of 2003. Thus, the only period for which overbilling could have occurred was, at most, from July 2003 to May 2005. However, TCI maintains that the mistiming of calls would only have affected a small percentage of its customer base. To be affected, a customer would have had to meet the following conditions:

1. not be subscribed to an unlimited long distance plan;
2. exceed his/her calling allowance; and
3. make one or more calls of x minutes + 57, 58, or 59 seconds duration after exceeding the calling allowance.

TCI does not have the data to calculate the exact amount of the overcharges. However, it believes that call data from March through mid-June 2005 provides a representative sample of data from which it can estimate overcharges for the entire overbilling period. Making the unlikely assumption that *all* calls during this period were made by customers who did not have an unlimited calling plan and had exceeded their calling allowance, and that the calls were billed

at the highest tariffed rate of 10 cents per minute, TCI determined that the most it could have overcharged was approximately \$160 per month.

TCI stated that taking a more realistic view and assuming that the majority of these calls would have been incorporated into an unlimited plan or been covered by the customer's call allowance, and that many of the affected customers would have paid a 5- or 7-cents-per-minute rate, TCI believes that the amount of the overcharges was likely well below \$50 per month. Using this criteria, for the period that the overcharges occurred, the total amount of overcharges would be less than \$1,200.00. Therefore, TCI proposed issuing a refund of \$1,200.00, plus interest, during its January 2006 billing cycle, to be divided equally among its active customers who are not subscribed to an unlimited long distance plan, and to submit a refund report within 30 days after the completion of the refund. Since customers subscribed to unlimited long distance plans were never exposed to any overcharges, they are not included in the refund pool.

We find that TCI's rationale for estimating the amount of the refund is appropriate. Therefore, we approve Trinsic Communications, Inc.'s proposal to issue a refund of \$1,200.00, plus interest of \$61.43, for a total of \$1,261.43, to its customers of record who are not subscribed to an unlimited long distance plan at the time of the refund in its January 2006 billing cycle for overcharging end-users on intrastate calls made using services provided by Trinsic Communications, Inc. from July 2003 through May 2005. We also require the company to submit a report within 30 days after the completion of the refund to us stating, (1) how much was refunded to its customers, and (2) the number of customers.

This 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 shall submit its final report to the us within 30 days of the completion of the refund. Upon receipt of the final report, this docket shall be closed administratively if no timely protest has been filed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we hereby approve Trinsic Communications, Inc.'s proposal to issue a refund of \$1,200.00, plus interest of \$61.43, for a total of \$1,261.43, to its customers of record who are not subscribed to an unlimited long distance plan at the time of the refund in its January 2006 billing cycle for overcharging end-users on intrastate calls made using services provided by Trinsic Communications, Inc. from July 2003 through May 2005. It is further

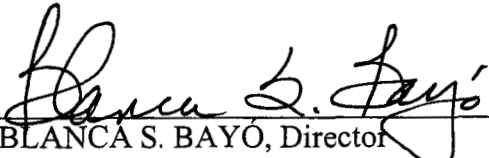
ORDERED that Trinsic Communications, Inc. shall submit a report within 30 days after the completion of the refund to us stating, (1) how much was refunded to its customers, and (2) the number of customers.

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 in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 10th day of October, 2005.


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

(SEAL)

JLS

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 October 31, 2005.

ORDER NO. PSC-05-0961-PAA-TI
DOCKET NO. 050546-TI
PAGE 5

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/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.