

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Investigation and determination of appropriate method for refunding apparent overcharges by Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance due to overbilling on certain calling card calls.

DOCKET NO. 060578-TI
ORDER NO. PSC-06-0837-PAA-TI
ISSUED: October 9, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION
ORDER ACCEPTING 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:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance (VLD) is registered as an intrastate interexchange company (IXC) with the Florida Public Service Commission.

As part of this Commission's service quality evaluation program, staff evaluated access lines presubscribed to VLD during a comprehensive telephone service evaluation conducted in the Sarasota exchange during the period April 24, 2006, to May 18, 2006. Staff conducted a series of test calls to measure the accuracy of timing of toll calls for billing purposes.

Staff analyzed VLD's billing records for the test calls and compared them to staff's records to determine timing and billing accuracy. Staff found that calls made using VLD's Type 2 Travel Card were charged at the rate of \$0.75 cents per minute. VLD's tariff, Section 5.4.1.A, defines the per minute charge for that card at \$0.50 per minute.

On June 23, 2006, staff informed VLD of its evaluation findings and requested that VLD identify and correct the billing error, and submit a refund proposal. VLD investigated and found

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that a small number of presubscribed customers on certain optional long distance calling plans were incorrectly billed for calling card calls. VLD reported that as of August 23, 2006, its billing tables were corrected so that the appropriate calling card rate will be applied to future calls. VLD submitted its refund proposal on August 25, 2006.

We are vested with jurisdiction over this matter pursuant to Sections 364.02, 364.04, and 364.285, Florida Statutes.

II. Analysis:

Rule 25-24.485(1)(g), Florida Administrative Code, states in part that companies shall charge only the rates contained in their tariff. VLD's tariff rate for its Travel Card 2 product is \$0.50 cents per minute. Some customers were charged \$0.75 cents per minute, which is a higher rate than defined by the tariff. On August 23, 2006, VLD corrected its billing tables to reflect the tariff rate for the calls.

For those customers still on its system, VLD proposes to issue credits on the customers' bills. For customers entitled to a refund but no longer in its system, VLD proposes to mail a refund check to the last known billing address, except that no refund for less than \$1.00 will be made to these customers. Any monies that are unrefundable shall be remitted for deposit in the General Revenue Fund by February 12, 2007.

VLD also proposed to calculate interest based on the highest 30 day commercial paper rate (5.36%) for the period January 2004 to August 2006. VLD will apply that rate for each month of the over billing period, and for each month between the over billing and the period that the refunds are issued. Where the interest amount is less than one cent, VLD will round up to the nearest cent. As a result, VLD will pay more in interest to its customers than is required by Rule 25-4.114, Florida Administrative Code, Refunds. VLD has elected to use this interest rate because programming its systems to calculate the refund is more efficient with one rate versus multiple interest rates. VLD will report the actual amount of interest paid in its final refund report.

III. Decision:

Accordingly, we find it appropriate accept Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance's proposal to issue a refund of \$89,559.50, plus interest, to the affected customers beginning with the first billing cycle in October 2006, for overcharging subscribers for calling card calls made from September 2004 through August 2006; require the company to remit monies that cannot be refunded to this Commission for deposit in the State of Florida General Revenue Fund by February 12, 2007, and require the company to submit a report by February 12, 2007, stating, (1) how much was refunded to its customers, (2) the number of customers, and (3) the amount of money that was unrefundable.

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, identified by docket number, and a check for the unrefunded amount (if any), made payable to the Florida Public Service

Commission, by February 12, 2007. Upon receipt of the final report and unrefunded monies, if any, 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 Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance's proposal to issue a refund of \$89,559.50, plus interest, to the affected customers beginning with the first billing cycle in October 2006, for overcharging subscribers for calling card calls made from September 2004 through August 2006, be accepted. It is further

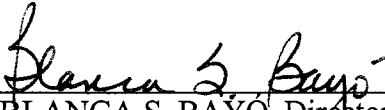
ORDERED that the company be required to remit monies that cannot be refunded for deposit in the State of Florida General Revenue Fund by February 12, 2007, and require the company to submit a report by February 12, 2007, stating, (1) how much was refunded to its customers, (2) the number of customers, and (3) the amount of money that was unrefundable. It is further

ORDERED that the company shall submit its final report, identified by docket number, and a check for the unrefunded amount (if any), made payable to the Florida Public Service Commission, by February 12, 2007. Upon receipt of the final report and unrefunded monies, if any, this docket shall be closed administratively if no timely protest has been filed.

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 9th day of October, 2006.



BLANCA S. BAYO, 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 October 30, 2006.

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.