

Talbott *WT*

Vandiver *DS for PV*

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

February 6, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (DAYO)

FROM: DIVISION OF LEGAL SERVICES (W. COX) *MCB*
DIVISION OF COMMUNICATIONS (C. LEWIS) *CL*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (R. WRIGHT) *RW*

RE: DOCKET NO. 961149-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST WILTEL NETWORK SERVICES, INC. FOR VIOLATION OF RULE 25-24.485(1)(1), FLORIDA ADMINISTRATIVE CODE; TARIFFS.

AGENDA: 02/18/1997 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\LEG\WP\961149TI.RCM

CASE BACKGROUND

As part of a service evaluation, staff made test calls in March, 1996, that indicated WilTel Network Services, Inc. (WilTel) was not properly rating intrastate calls. In June, staff notified WilTel of the problem and requested a response. (Attachment 1) WilTel replied by letter on June 28, 1996, (Attachment 2) and agreed that its tariff did not reflect a \$0.35 surcharge that was being applied to each call. WilTel also stated that the surcharge would be added to its tariff (Attachment 3) but suspended during the period from June 16 to October 1, 1996 to return its overcharge. WilTel believes this action would more than compensate the Florida users. WilTel stated that "due to an oversight the Florida intrastate tariff was not properly updated for this new rate."

DOCUMENT NUMBER-DATE

01420 FEB-97

FPSC-RECORDS/REPORTING

DOCKET NO. 961149-TI
DATE: January 23, 1997

On July 18, 1996, staff requested detailed information regarding this surcharge. Specifically, staff requested that WilTel answer the following questions: (Attachment 4)

- (1) How long has the surcharge been in effect?
- (2) Can WilTel determine how many customers were affected?
- (3) Can customers affected be issued refunds directly?
- (4) What is the amount of additional revenue received from the surcharge?
- (5) Why does WilTel believe that the period of the rebate, June 16th to October 1st, is sufficient to resolve this matter?

WilTel responded on August 2, 1996 (Attachment 4). The period for which the non-tariffed, "casual caller" surcharge was in effect was February 1, 1996 to June 15, 1996. Further, WilTel stated that it was unable to determine the number of customers impacted by the non-tariffed surcharge. WilTel claimed that to issue direct refunds to the impacted end users would be very difficult and inefficient. The amount of additional revenue received from the \$0.35 surcharge was reported to be \$111,495.00.

Because the August 2nd and November 1, 1996 responses by WilTel lacked sufficient detail, on November 15, 1996, staff issued its First Set of Interrogatories to WilTel (Attachment 5), containing questions similar to staff's letter of August 2, 1996. On December 10, 1996, WilTel responded to staff's interrogatories.

WilTel now states the actual revenue from the surcharge is \$132,788.60. WilTel has also provided information on the labor and cost requirements of a direct refund. WilTel estimates the cost of a direct refund to be \$60,000.00. The refund is estimated to take no longer than 30 to 60 days, but WilTel is uncertain of a definite time frame due to the need for manual checks and credits with independent local exchange companies.

WilTel also states that it has foregone \$140,000 in revenue from June 16 - November 15, 1996, by not charging the "casual caller" surcharge, which, as of June 10, 1996, has been filed as a part of its amended tariff with the Commission. WilTel believes this voluntary waiver of the surcharge will sufficiently compensate its Florida customers.

WilTel states the telephone number/automatic number identification (ANI) used by staff in this evaluation was "PIC'd" (i.e. presubscribed to the preferred interexchange carrier (PIC)) to WilTel, but the ANI did not have a WilTel account associated

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with it. Therefore, a casual caller surcharge was added to the test calls made by the Commission staff. WilTel acknowledges it received the staff's request to open the account for the evaluation. However, WilTel states it failed to establish an account for staff's evaluation test calls due to an oversight on its part. Therefore, WilTel added a "casual caller" surcharge to all of staff's test calls. Because WilTel appears to have added the non-tariffed surcharge to many of its casual callers, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should WilTel's proposal of a voluntary general rebate be accepted for purposes of customer reimbursement?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Staff performed the evaluation of WilTel Network Services with the cooperation of the company and the understanding that the Commission would be directly billed as a basic subscriber. In reviewing call records, staff could not reconcile WilTel's billing practices with its tariff, which prompted staff's inquiry. According to the tariff in effect at the time of the test, WilTel was overbilling the test calls. WilTel reported that the Commission was treated as a "Casual Caller" and therefore was surcharged \$0.35 per call. A Casual Caller surcharge was not defined in WilTel Network Services tariff as of June 7, 1996, the date of the inquiry. WilTel subsequently filed an amended tariff June 10, 1996, adding this surcharge.

Staff asked WilTel to define "Casual Caller" and "Basic Subscriber" for purposes of the WilPlus I product, the calling service utilized for staff's test calls. The response was:

A basic subscriber is simply a customer that has established an account with WilTel and has signed up for that rate schedule.

A casual caller is a customer without an established account and dialed;

1. Using an accepted company access code (e.g., 10XXX), from a line not presubscribed to the company or;

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2. From a line presubscribed to the company (i.e., when the caller does not have an established account and billing relationship with the WilTel network from that line.
3. Note, when the end user does not notify WilTel or their carrier that they added ANI's to their account, those calls will also be billed as a Casual Caller. If no one has claimed ownership for an ANI within 14 days of the first call date on the ANI, the call will be billed as casual.
(Attachment 5)

WilTel's proposal does not refund all customers affected directly, but WilTel pro-actively instituted a rebate to its new customers without accounts. In response to staff's inquiry regarding the non-tariffed surcharge, WilTel reported that the surcharge would be voluntarily suspended for the period June 16th to October 1, 1996. In addition to this action, WilTel implemented "a policy of full refunds to everyone calling in about these surcharges."

By initiating the suspension of the \$0.35 surcharge, WilTel has foregone \$140,000 in revenue. Therefore, staff believes the circumstances warrant approval of the voluntary rate reduction already completed.

ISSUE 2: Pursuant to Section 364.285, Florida Statutes, should WilTel be ordered to show cause in writing within 20 days of the issuance of the order why a fine of \$5,000 should not be imposed for violation of Rule 25-24.485 (1)(i), Florida Administrative Code, Tariffs?

RECOMMENDATION: Yes.

STAFF ANALYSIS: Staff believes that a show cause is warranted in this case because it appears that WilTel charged Florida consumers a surcharge that was not reflected in its tariff. Rule 25-24.485 (1)(i), Florida Administrative Code, states:

(i) Companies shall charge only the rates contained in their tariff. . . .

WilTel did not include the "Casual Caller" surcharge in its existing tariff at the time of staff's test calls. WilTel states that the omission was due to an oversight. WilTel's immediate action in compensating its customers demonstrates that WilTel

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recognizes its responsibility to file tariff changes with the Commission.

Staff, however, does not believe the suspension of its surcharge is a sufficient penalty for this apparent rule violation. Due to WilTel's billing practice, Florida customers were overcharged a significant amount. Furthermore, staff believes that WilTel's conduct has been "willful" in the sense intended by Section 367.161, Florida Statutes. Section 367.161(2), Florida Statutes, states in pertinent part:

(2) The commission has power to impose upon any entity that is subject to its jurisdiction under this chapter and that is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of not more than \$25,000, which penalty shall be fixed, imposed, and collected by the commission; or the commission may, for any such violation, amend, suspend, or revoke any certificate of authorization issued by it. . . . (emphasis added)

In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In re: Investigation Into the Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order the company to show cause why it should not be fined stated that:

In our view, "willful" implies intent to do an act, and this is distinct from intent to violate a rule. . . . It is uncontroverted that GTEFL adopted a policy of destroying records and willfully implemented it. GTEFL's behavior in this instance appears to rise to the level of a "willful violation" of the Commission's rule. Accordingly, such conduct warrants the imposition of a penalty.

WilTel apparently violated a Commission rule by charging a surcharge not included in its tariff. The imposition of the surcharge was a deliberate act. It was therefore a "willful violation" under the Florida statute and Commission decision described above. This act resulted in financial harm to consumers. In recognition of the seriousness of WilTel's violation of Rule 25-24.485(1)(i), Florida Administrative Code, staff believes a show cause is warranted.

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In previous dockets involving overbilling by interexchange companies, the fines imposed and penalties paid have ranged from \$2,947.45 to \$1,000,000. In this case, upon notification, WilTel proactively implemented a plan to forego \$140,000 in revenue in an attempt to rebate its customers for this overbilling. As a result, staff believes that the violation warrants a fine of \$5,000. Therefore, staff recommends that the Commission order WilTel Network Services, Inc. to show cause in writing within 20 days of the issuance of the order why it should not be fined in the amount of \$5,000 for violation of Rule 25-24.485(1)(i), Florida Administrative Code.

ISSUE 3: Should this docket be closed without further Commission action?

RECOMMENDATION: No, this docket should remain open pending resolution of the show cause process. WilTel must respond in writing to the allegations set forth in the show cause order within 20 days of the issuance of the order. The company's response must contain specific allegations of fact and law.

STAFF ANALYSIS: If the Commission approves the staff recommendation on issue 2, an order to show cause will be issued. WilTel must respond in writing to the allegations set forth in the show cause order within 20 days of the issuance of the order. The company's response must contain specific allegations of facts and law. This opportunity to file a written response would constitute WilTel's opportunity to be heard prior to a final determination of noncompliance or assessment of penalty. A failure to file a timely written response to a show cause order would constitute an admission of the facts herein alleged and a waiver of the right to a hearing. Should WilTel file a timely written response that raises material questions of fact and request a hearing pursuant to Section 120.57(1), Florida Statutes, further proceedings may be scheduled before a final determination on this matter is made. If WilTel fails to respond to the show cause order within 20 days of the issuance of the order, a fine in the amount of \$5,000 should be imposed without further action of the Commission.

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State of Florida

ATTACHMENT 1
PAGE: 1 OF 3

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. RESLING
JOE GARCIA



DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(904) 413-6600

Public Service Commission

June 7, 1996

Ms. Vicki Lafond
Witel Network Services, Inc.
One Williams Center, M028-11
P.O. Box 21348
Tulsa, OK 74121

Re: Identification of service plan used for Witel Evaluation.

Dear Ms. Lafond:

We have received the bills from our recent evaluation of your company conducted at the Ft. Walton Beach exchange in March 1996. The bills were issued by Sprint/Centel on behalf of Witel. After reviewing Witel's tariff we were unable to locate a billing platform that matched the charges from the bill. Witel's customer service section could not identify the billing platform that was used to calculate the charges. Enclosed is a copy of the bill issued by Sprint/Centel. Please identify the service plan used to bill the calls that were made on the enclosed bill.

Rule 25-4.043, Florida Administrative Code, states: "The necessary replies to inquiries propounded by the Commission's staff concerning service or other complaints received by the Commission shall be furnished in writing within fifteen (15) days from the date of the Commission inquiry."

A written response for the service plan assigned is requested no later than July 1, 1996. Should you have any questions please feel free to contact Clayton Lewis (904) 413-6578.

Sincerely,

Don McDonald
U.S./Comm. Engineer Supervisor
Bureau of Service Evaluation

Encl.

AT 12:00 PM
 JAN 23 1997

ZEROPLUS DIALING, INC.

PAGE 2
 900-729-0200 (100)
 REV 22, 1996

SUMMARY OF CURRENT CHARGES

LONG DISTANCE CHARGES

SEE DETAIL
 SEE DETAIL

949.49
 110.62

TOTAL CURRENT CHARGES

1060.11

LONG DISTANCE CHARGES

NUMBER CALLED FROM PLAN NUMBER CHARGES PER MINUTE CHARGES

CALLER OR SERVICE OR PLAN	NUMBER CALLED	CHARGES PER MINUTE	PER NUMBER	PER MINUTE	CHARGES
1 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
2 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
3 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
4 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
5 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
6 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
7 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
8 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
9 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
10 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
11 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
12 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
13 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
14 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
15 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
16 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
17 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
18 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
19 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
20 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
21 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
22 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
23 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
24 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
25 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
26 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
27 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
28 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
29 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
30 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
31 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
32 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
33 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
34 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
35 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
36 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
37 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
38 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
39 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
40 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
41 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
42 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
43 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
44 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
45 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
46 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
47 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
48 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
49 000 00 00101000	001-400-0000	00	0.00	2.00	1.00
50 000 00 00101000	001-400-0000	00	0.00	2.00	1.00

Production
 01/23/97

CHARGES ON STATE OF TEXAS

THANK YOU FOR YOUR BUSINESS

DOCKET NO. 961149-TI
DATE: January 23, 1997

ATTACHMENT 2
PAGE 1 OF 1

WILTEL

BY OVERSIGHT MAIL

June 28, 1996

Mr. Don McDonald
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Wiltel's Evaluation

Dear Mr. McDonald:

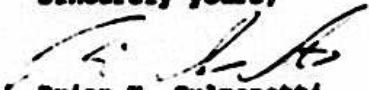
As we discussed, Wiltel Network Services has determined that the test calls made in March 1996 were on our WilPlus I product as a casual caller. Attached are the tariff pages referencing the appropriate plan. Given that the Commission did not have an account with Wiltel, the calls billed as casual and were subject to a \$0.35 surcharge plus usage.

Due to an oversight the Florida intrastate tariff was not properly updated for this new rate. When this oversight was determined, Wiltel immediately filed the correct tariff. Also, Wiltel implemented a policy of full refunds to everyone calling in about these surcharges. The surcharge was added to recover the extra costs of billing through the LECs.

Wiltel believes the problem is minimal on a per customer basis. However, direct refunds to casual users are very difficult. Our proposed resolution to this issue is to waive the intrastate surcharge for Florida casual calling users until October 1, 1996 (in fact we have voluntarily implemented this plan as of June 16th). Wiltel believes this would more than compensate the Florida users for this oversight.

Wiltel apologizes for the oversight and would like to resolve this issue as quickly as possible. Please call me at (561) 750-2940 if you have any questions.

Sincerely yours,


Brian K. Sulmonetti
Director, Regulatory Affairs

Attachment



DOCKET NO. 961149-TI
DATE: January 1996
WorldCom Network Services, Inc.
d/b/a Wiltel Network Services, Inc.

ATTACHMENT 3
PAGE 1 OF 3
Doc # 961149-TI

1ST REVISED SHEET 100
CANCELS ORIGINAL SHEET 100

SECTION 3 - DESCRIPTION OF SERVICE (Cont'd)

3.7. MESSAGE TELECOMMUNICATIONS SERVICES (Cont'd)

3.7.17. Casual Calling

Customers may access Measured Service by means of Casual Calling. In Casual Calling, the Company allows Customers calling from a telephone not pre-subscribed to the Company or Customers without an established account with the Company to place calls by dialing either 10888 or another Company accepted access number. Casual Calls accepted by the Company will be billed at the WilPlus 1 Service rates listed in Section 4.4.1. In addition, Casual Calls will not be subject to a minimum monthly requirement, will not be subject to any recurring or non-recurring Ancillary Charges and will not receive any type of discount.

In addition to the above-referenced WilPlus 1 service rates, customers who access measured service by means of casual calling will be charged a Per Call Surcharge of \$0.35.

(N)
I
(N)

3.7.18. Prepaid Calling Card

Prepaid Calling Card Service allows Customers who pay in advance to complete calls via a Company-provided 800 number printed on the Prepaid Calling Card. Calls to 700, 900, 950 or 800 numbers, other than the 800 number printed on the card, may not be completed with the card.

Prepaid Calling Card Service card balances will be reduced and depleted based upon customer usage. Customer will be given notice one minute before the available card balance is depleted, based on the terminating location of the call. When the available balance is depleted, the call will be terminated.

Prepaid Calling Card Service cards are non-refundable and will expire on the date specified on the card, carrier or package in which the card is included.

Three types of Prepaid Calling Cards are offered: Basic Promotional Prepaid Calling Card, Enhanced Promotional Calling Card and Standard Prepaid Calling Card.

3.7.18.A Basic Promotional Prepaid Calling Card

1. Basic Promotional Prepaid Calling Card ("Promotional Card") Service offers direct dial Outbound Service and Directory Assistance. Promotional Card Service will be used for Customer's promotional purposes only, and the cards will be distributed through Customer's outlets and products. All advertising and promotional materials which refer to the Customer and the Company shall be jointly approved.
2. Promotional Cards are available in whole dollar denominations up to \$100. Calls placed via Promotional Card Service are billed in one minute increments with a one minute minimum initial period. A standard per minute rate is charged with no time-of-day discount. No Operator Service calls may be completed with the card. See Price List for current rates.

ISSUED: June 10, 1996

EFFECTIVE:

Issued by:

Brian K. Sulmonetti
Director, Regulatory Affairs
WorldCom Network Services, Inc.
d/b/a Wiltel Network Services, Inc.
1515 South Federal Highway, Suite 400
Boca Raton, FL 33432-7404

ORIGINAL SHEET 123-

SECTION 4 - RATES (Cont'd)

4.6. Message Telecommunications Services

4.6.1. WILPlus I

4.6.1.A. Minimum Monthly Usage Charge

All Customers of WILPlus I are subject to a minimum monthly usage charge of \$0.00 per account. If the total monthly billing for all WILPlus I services contained in this Tariff and subscribed to by the Customer is less than \$0.00, the Customer is billed \$0.00. If the total monthly billing for WILPlus I is more than \$0.00, the actual usage is billed.

4.6.1.B. Option I - Basic Long Distance

Per Minute Usage Charges:

Daytime Rates

Upper Mile Limit	First Minute	Additional Minutes
0 - 10	\$0.1862	\$0.0002
11 - 22	\$0.2597	\$0.1548
23 - 33	\$0.2597	\$0.2156
34 - 44	\$0.2597	\$0.2197
45 - 55	\$0.2597	\$0.2276
56 - 624	\$0.2622	\$0.2309
	\$0.2646	\$0.2391

* Material on this page was previously found in the WITel FPC Tariff No. 1, First Revised Sheet 24.0.

ISSUED: April 10, 1995

EFFECTIVE: JUL 27 1995

Issued by:

Brian R. Sulmonetti
Director, Regulatory Affairs
WorldCom Network Services, Inc.
d/b/a WITel Network Services
1515 South Federal Highway, Suite 400
Boca Raton, FL 33433-7404

ORIGINAL SHEET 134*

SECTION 4 - BATES (Cont'd)

4.6. MESSAGE TELECOMMUNICATIONS SERVICES (Cont'd)

4.6.1. WILPlus I (Cont'd)

4.6.1.B. Option I - Basic Long Distance (Cont'd)

Per Minute Usage Charges: (Cont'd)

Evening Rates

Upper Mile Limit	First Minute	Additional Minutes
0 - 10	\$0.1611	\$0.0668
11 - 22	\$0.1968	\$0.1188
23 - 34	\$0.1968	\$0.1634
35 - 46	\$0.1968	\$0.1665
47 - 58	\$0.1968	\$0.1725
59 - 70	\$0.2045	\$0.1749
71 - 82	\$0.2005	\$0.1812

Night/Weekend Rates

Upper Mile Limit	First Minute	Additional Minutes
0 - 10	\$0.0941	\$0.0446
11 - 22	\$0.1337	\$0.0782
23 - 34	\$0.1436	\$0.1139
35 - 46	\$0.1495	\$0.1188
47 - 58	\$0.1510	\$0.1238
59 - 70	\$0.1525	\$0.1238
71 - 82	\$0.1559	\$0.1287

* Material on this page was previously found in the WITel FPCC Tariff No. 1. First Revised Sheet 24.3.

ISSUED: April 10, 1995

EFFECTIVE: JUL 27 1995

Issued by:

Brian K. Sulmonetti
 Director, Regulatory Affairs
 WorldCom Network Services, Inc.
 d/b/a WITel Network Services
 1815 South Federal Highway, Suite 400
 Boca Raton, FL 33432-7404

DOCKET NO. 961149-T1
DATE: January 23, 1997

State of Florida

ATTACHMENT 4
PAGE: 1 OF 5

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
MILVA L. JOHNSON
DAVID K. REISLING
JOE GARCIA

DIVISION OF COMMUNICATIONS
WALTER D'HASSELBER
DIRECTOR
(904) 413-6400

Public Service Commission

July 18, 1996

Mr. Brian K. Sulmonetti
Director, Regulatory Affairs
Wiltel Network Services, Inc.
1515 South Federal Highway, Suite 400
Boca Raton, FL 33432-7404

Re: Your letter to Don McDonald dated 6-28-96 concerning Wiltel's resolution to non-
verified surcharge.

Dear Mr. Sulmonetti:

As you have stated, a non-verified surcharge of \$0.35 per call has been used in
determining charges for your "Casual Calling" service. Before staff can determine if Wiltel's
proposed resolution is equitable, please answer the following questions.

- (1) How long has the surcharge been in effect?
- (2) Can Wiltel determine how many customers were affected?
- (3) Can customers affected be issued refunds directly?
- (4) What is the amount of additional revenue received from the surcharge?
- (5) Why does Wiltel believe that the period of refund, June 16th thru October 1st,
is sufficient to resolve this matter?

A written response to this inquiry is requested no later than August 19, 1996. Should
you have any questions please feel free to contact Clayton Lewis at (904) 413-6578.


J. Alan Taylor, Chief
Bureau of Service Evaluation

c Don McDonald
Clayton Lewis



131 South Federal Highway
Suite 400
Boca Raton, FL 33432
(407) 368-2100
(407) 368-2101

August 2, 1996

Mr. Alan Taylor
Chief, Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399



RE: Your letter dated July 18, 1996

Dear Alan:

Below is Witel Network Services, Inc.'s response to your questions regarding the "casual calling surcharge."

1) How long has the surcharge been in effect?

The intrastate surcharge in Florida was in charged from 2/1/96 to 6/15/96

2) Can Witel determine how many customers were affected?

Witel is unable to determine the number of customers

3) Can customers affected be issued refunds directly?

To issue direct refunds to the impacted end users would be very difficult and inefficient. Given that the customers are casual users billed through the LEC, Witel does not currently have the information necessary to refund directly to the end user. Also, given the age of some of these records, the LEC may not have them either.

4) What is the amount of additional revenue received from the surcharge?

Witel received \$111,495.00 in additional revenue.

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5) Why does Witel believe that the period of refund, June 18th through October 1st is sufficient to resolve this matter?

Witel was attempting to come up with a simple and quick resolution to this matter. We believe our proposed solution is fair and equitable to the end users in Florida. Given the complexity of direct refunds, we felt it was best to go forward and immediately implement a solution to this tariff oversight. Also, given the growth in our Florida traffic, we felt this waiver period was sufficient in resolving the issue.

In conclusion, Witel wanted to be proactive and provide an immediate and cost effective solution to the tariff oversight your team spotted. If you have any question, please call me at 561-750-2940.

Sincerely yours,



Brian Sulmonetti
Director, Regulatory Affairs

DOCKET NO. 961149-TI
DATE: January 23, 1997

PAGE 4 OF 5



FBI South Federal Highway, Suite 401
Boca Raton, FL 33433
(561) 993-2244
(561) 733-2244



BY FACSIMILE:

November 1, 1996

Mr. Clayton Lewis
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 961149-TI RE: Determination of appropriate method for refunding overcharges by WorldCom Network Services, Inc. d/b/a Witel Network Services on intrastate long distance calls.

Dear Mr. Lewis:

As per your request, Witel has complied the revenue information related to our waiver of the surcharge. As stated in our proposed solution to this tariff oversight, Witel has waived the \$0.35 surcharge since June 16, 1996. The foregone revenue from June 16 to September 22, 1996, is \$93,256.06 (see attached chart). This is an average of \$932.56 per day in foregone revenue. Based on this information, as of November 1, 1996, Witel has exceeded the additional revenue received from the surcharge. As noted in our letter of August 2, 1996, the amount of additional revenue was \$111,495. Using the daily average, Witel has foregone an additional \$37,302.40 from September 22 to November 1, 1996. The total amount of foregone revenue is \$130,558.46.

Given that Witel has far exceeded the amount in question, we plan to re-implement the surcharge as of November 15, 1996 (this will mean an additional \$13,000 in foregone revenue). Witel believes that it has meet the objectives outlined in our proposal. The proposed solution was fair and equitable to the end users of Florida. If you have any questions, please call me at 561-750-2940. Thank you.

Sincerely yours,

Brian Sulmonetti
Director, Regulatory Affairs

**Consolidation of Billing Tape Information
 Specific to Florida Intrastate
 Casual Cell Surcharge
 WITel Network
 June 16, 1996 through September 22, 1996**

BILL STATE	INTERLATA CALLS	INTRALATA CALLS
FL (ZP670878)	16,680	1,688
FL (ZP671248)	27,288	4,122
FL (ZP672446)	19,984	2,417
FL (ZP673045)	18,641	1,840
FL (ZP682088)	12,483	1,860
FL (ZP682886)	33,751	4,802
FL (ZP683088)	23,750	2,880
FL (ZP681267)	29,588	2,835
FL (ZP682836)	27,088	2,178
FL (ZP6A0271)	29,880	2,704
TOTAL	230,220	27,228

Revenue Foregone By Not Utilizing Tariff Surcharge (\$.35/call)

Cell Type	# of Calls	Surcharge	Revenue
Intrastate - InterLATA	230,220	\$0.35	\$80,728.00
Intrastate - IntraLATA	27,228	\$0.35	\$9,529.00
Totals	257,448		\$90,257.00

Docket No. 961149-TI

Witel's Responses to Staff's First Set of Interrogatories

1. Does Witel possess the billing records of the period of February 1, 1996 through June 15, 1996?

Witel's Response: Witel (through its billing agent) does possess the billing records for the Florida interstate calls that were made from the time period February 1 - June 15, 1996.

2. What is the amount of revenue from the "Casual Caller" surcharge for this time period?

Witel's Response: Since our last response we have done a more detailed report (see response to #4) and the actual revenue number is \$132,788.60.

3. Does Witel have the ability to identify the customers affected by the surcharge from the billing records?

Witel's Response: Witel only has the ANIs for each end user, not the customer's name or address.

4. What are the costs associated with a direct refund to all affected customers? Please explain in detail.

Witel's Response: Witel has spent \$1,000 with USBI/ZPDI (our billing agency) to create the report for the time period of February 1 - June 15, 1996. This report shows what ANIs received the surcharge. This does not include the cost for internal research.

This report shows that there are 277,302 billable calls amounting to \$97,055.70 to be credited electronically through the LEC. The cost for this would be an estimated \$28,000. This report also shows that there are 102,094 calls amounting to \$35,732.90 that cannot be electronically credited back to the customer. Some independent LECs do not accept electronic credit. Witel would have to request that USBI/ZPDI issue manual checks or credits for each of the ANIs. Based upon our historical average of 20-25 calls per annual customer, the number of annual credits/checks would be approximately 4,000. This would be a very labor intensive and expensive process. We would also have to purchase from the LEC the BNA for each ANI.

This would be an estimated cost of \$1,320 (using NECA tariff rate of \$.033 per BNA record), plus non-recurring charges. Please note, however, United charges \$0.45 per record. In addition, Witel would have to increase its customer service staff to handle this project, costing an estimated \$20,000. Finally, issuing the checks would be done through an outside vendor (if we cannot issue credits via ZPDI) costing an estimated \$10,000. The total cost for the project would be an estimated \$60,000, plus unknown amounts of internal man hours spent by various departments.

Finally, as reported in our earlier responses, Witel has forgone revenues of over \$140,000 from June 16 - November 15, 1996 (see November 1 letter). Witel believes that the cost of direct refunds would be expensive and time consuming. Given that this docket will not be resolved until February, 1997, our original proposal seems to have been the most efficient and proactive solution to the tariff oversight.

5. How much time would be required to refund all affected customers?

Witel's Response: If the Commission does order direct refunds, it would take approximately 30-60 days to refund the calls via electronic credits (through USSD/ZPDI). To do the manual checks/credits, Witel is unable to determine how long it will take. It will take longer because Witel would first have to obtain the name and addresses from the independent LECs. If a decision is made in February, 1997, end users would be receiving refunds for calls that are over a year old.

6. Define "Casual Caller" and "basic subscriber" for purposes of the WitPlus I product. Please explain in detail.

Witel's Response: A "casual caller" are calls made by customers without an established account and dialed:

1. Using an accepted company access code (e.g., 10XXXX) from a line not pre-subscribed to the company; or

2. From a line pre-subscribed to the company (i.e., when the customer does not have an established account and billing relationship with Witel or another carrier using the Witel network)

3. Note, when the end user does not notify Witel or their carrier that they added ANIs to their account, those calls will also be billed as a Casual Caller.

If no one has claimed ownership for an ANI within 14 days of the first call date on the ANI, the call will be billed as casual.

A "basic subscriber" is simply a customer that has established an account with Witel and has signed up for that rate schedule.

7. Specifically, why was the Commission billed as a "Casual Caller" for purposes of its March, 1996 evaluation of the WitPlus I product? (Note: The Commission was a basic subscriber utilizing one plus timing for purposes of this evaluation). Please explain in detail.

Witel's Response: Originating ANI - 904-729-2206 was the ANI that was "PIC'd" to Witel. This ANI did not have a Witel account associated with it. The Commission only added their ANI to the LEC, and therefore charged as a Casual Caller and received the casual call rate per minute plus the surcharge. Witel did receive the Commission's notification of the test, but due to an oversight within our company, an account was not established. Under normal circumstances, the customer would have called in after receiving the first bill and Witel would have re-rated the calls. In addition, we would have established a Witel account.