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July 27, 1998

Via Federal Express
Ms. Blanca Bayó, Director
Public Service Commission
Division of Records and Reporting
Room 110, Easley Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

ATC v. TSI
Docket No.: 951232-TI

Dear Ms. Bayó:

Enclosed for filing with the Public Service Commission are an original and fifteen copies of the following:

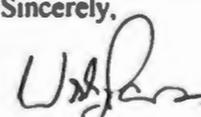
- (1) TSI's Prehearing Statement, ~~951232-98~~
- (2) TSI's Memorandum of Law in Opposition to Transcal's Renewed Motion for Sanctions, and ~~951232-98~~
- (3) Notice of Taking Deposition ~~951232-98~~

Also enclosed are additional copies to be file-stamped and returned to us in the enclosed self-addressed stamped envelope.

ACK _____
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Sincerely,

 Wesley R. Parsons

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 951232-TI

In Re: Dade County Circuit Court referral of)
certain issues in Case No. 92-11654 CA 11)
(Transcall America, Inc. vs. Telecommunications)
Services, Inc. and Telecommunications Services,)
Inc. vs. Transcall America, Inc. and Advanced)
Telecommunications Corp.) that are within the)
Commission's jurisdiction.)

TSI'S PREHEARING STATEMENT

Defendant, Telecommunication Services, Inc. ("TSI"), pursuant to the Order Establishing Procedures entered January 21, 1998, and Rule 25-22.038, Florida Administrative Code, submits its Prehearing Statement.

A. WITNESSES.

1. Joel Esquenazi. He will testify about the types but not the specific amount of overbilling by Transcall. He will describe the business relationship between Transcall and TSI, Transcall's billing practices, TSI's payment practices, and the events leading to TSI's disconnection by Transcall. He will identify the parties' agreement, and describe their commercial relations under the agreement.

2. William Shulman. He will describe his retention by TSI, describe the documents he reviewed, provide his opinion that TSI was overbilled by Transcall, and describe the basis of his opinions. His opinions are described in detail in his expert report filed as an exhibit to his direct testimony.

DOCUMENT NUMBER-DATE

JUL 28 1998

3. Joseph Holop. He is a current WorldCom employee. TSI expects he will describe the computer system in use by Transcall and ATC under which TSI's usage was recorded and by which TSI was billed, including bugs in the system; and raw call detail records of TSI's traffic over Transcall's switch. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(2) as a managing agent or designee of Transcall/ATC/WorldCom.

4. Ruddy McGlashan. He is a former ATC/Transcall employee. TSI expects him to testify he signed the agreement between the parties, a form contract of Telus; and that he is familiar with the system for recording and archiving TSI's usage at ATC/Transcall. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(3) if he is not available to provide live testimony.

5. Mary Jo Daurio. She is a current WorldCom employee. TSI expects her to testify about the billing system at ATC/Telus; the preparation of bills to TSI; payment terms provided to TSI; ATC/Telus' processing of complaints as to invoices; and errors in computerized billing system. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(2) as a managing agent or designee of Transcall/ATC/WorldCom.

6. David Resposo. He is a former ATC/Transcall employee. TSI expects him to describe the bugs in Transcall's computer system responsible for recording TSI's usage and generating invoices to TSI. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(3) if he is not available to provide live testimony.

7. Joseph Signorelli. He is a former WorldCom employee. TSI expects him to testify about the billing system at ATC/Telus; the retention of billing records; and to describe errors in Transcall's billing system. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(3) if he is not available to provide live testimony.

8. Dennis Sickle. He is a current WorldCom employee. TSI expects him to testify about the origin of the agreement between TSI and Transcall; the billing system at ATC/Telus; the preparation of bills to TSI; and the posting of credits by Transcall. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(2) as a managing agent or designee of Transcall/ATC/WorldCom.

9. Brian Sulmonetti. He is a current WorldCom employee. TSI expects him to testify as to Transcall's policies regarding the filing of interexchange agreements as tariffs, the corporate history and operations of Telus, Transcall, ATC, and WorldCom; the terms of the agreement between the parties; raw call detail records of TSI's traffic over Transcall's switch; and the implementation of payments to class members in the Dohan class action proceeding. TSI may use his prefiled deposition pursuant to Fla.R.Civ.P. 1.330(a)(2) as a managing agent or designee of Transcall/ATC/WorldCom.

10. Dan Merritt. He is a former ATC/Transcall employee. TSI expects him to describe his investigation of computer usage and billing errors and Transcall and ATC.

11. Ray Yeager. He is a former ATC/Transcall employee. TSI expects him to describe his investigation of computer usage and billing errors and Transcall and ATC.

12. Floyd Self. He is a current outside lawyer for WorldCom. TSI expects him to describe his investigation of computer usage and billing errors at Transcall and ATC.

13. All witnesses on plaintiff's list and rebuttal and impeachment witnesses

B. EXHIBITS.

<u>Exhibit</u>	<u>Witness</u>	<u>I.D. No.</u>
Agreement by and Between Telus Communications, Inc, and Telecomm Services, Inc. July 1989	Joel Esquenazi	MJD-8 RM-__
Fax cover sheet and letter from Mary Jo Daurio to TSI regarding payment arrangements 1/12/90	Mary Jo Daurio 8/24/94	MJD-10
Letter from Mary Jo Daurio to TSI re: payment of past due amount 5/2/90	Mary Jo Daurio 8/24/94	MJD-11
Letter from Mary Jo Daurio to TSI regarding payment of past due invoices 7/12/90	Mary Jo Daurio 8/24/94	MJD-12
Letter from Mary Jo Daurio to TSI regarding past due account 6/17/91	Mary Jo Daurio 8/24/94	MJD-14
Letter from Mary Jo Daurio to Joel Esquenazi acknowledging payment, giving instructions for future payments, with attached letter from Mary Jo Daurio to TS dated 12/27/89 and statement for service from 11/1/89 - 11/30/89 7/29/91	Mary Jo Daurio 8/24/94	MJD-15
Letters from Mary Jo Daurio to TSI attaching statement for services for 7/10/89 - 8/31/90, invoices for service 9/1/90 - 6/27/92	Mary Jo Daurio 8/24/94	MJD-16
Letter from Joel Esquenazi to Mary Jo Daurio regarding billing 2/13/90	Mary Jo Daurio 8/24/94	MJD-17

Letter from Joel Esquenazi to Mary Jo Daurio enclosing check and discussing inaccurate billing 4/20/90	Mary Jo Daurio 8/24/94	MJD-18
Letter from Joel Esquenazi to Mary Jo Daurio enclosing payment for March 1990 and discussing incorrect billing 6/17/90	Mary Jo Daurio 8/24/94	MJD-19
Letter from Joel Esquenazi to Mary Jo Daurio enclosing payment for April and May 1990, discussing incorrect billing 7/16/90	Mary Jo Daurio 8/24/94	MJD-20
Handwritten letter from Mary Jo Daurio to Joel Esquenazi attaching chart of charges, credits and payments from 10/89 - 2/91 3/13/91	Mary Jo Daurio 8/24/94	MJD-21
Fax letter and confirmation sheet from Joel Esquenazi to Mary Jo Daurio regarding discrepancy in accounting 3/13/91	Mary Jo Daurio 8/24/94	MJD-22
Schedule of payment arrangements through 6/4	Mary Jo Daurio 8/24/94	MJD-23
Letter and fax cover sheet from Mary Jo Daurio to Joel Esquenazi stating payment schedule unacceptable 3/13/91	Mary Jo Daurio 8/24/94	MJD-24
Letter from TSI to ATC regarding billing concerns 9/5/91	Mary Jo Daurio 8/24/94	MJD-28
TSI chart of Deductions and ATC Accounts Bills Incorrect and balance due	Mary Jo Daurio 8/24/94	MJD-32
Chart of adjustments to accounts	Mary Jo Daurio 8/24/94	MJD-33

Handwritten note regarding domestic traffic at 1 minute increments and TSI being billed in increments of 6 seconds	Mary Jo Daurio 8/24/94	MJD-35
Invoices from Telus Communications, Inc.	Mary Jo Daurio 8/24/94	MJD-36
Fax cover sheet and handwritten letter from Joel Esquenazi to Betty De Simone requesting changes to accounts and incorrect billing 6/25/90	Mary Jo Daurio 8/24/94	MJD-39
Letter from Joel Esquenazi to Mary Jo Daurio regarding erroneous billing by ATC, attaching chart of incorrect invoices and deductions 9/26/90	Mary Jo Daurio 8/24/94	MJD-40
Letter from Joel Esquenazi to Mary Jo Daurio regarding ATC sending bills, advertising, etc. to TSI clients and transfer of accounts via magnetic tape 7/19/91	Mary Jo Daurio 8/24/94	MJD-42
Handwritten fax and memo from Cyndi to Betty De Simone regarding TSI clients being billed by ATC 8/13/91	Mary Jo Daurio 8/24/94	MJD-43
Letters between Mary Jo Daurio and TSI regarding amounts due and billing dispute	Mary Jo Daurio 6/26/98	JRD-9
Curriculum Vitae of William Schulman, C.P.A.	William Schulman	WS-1
Report on overbillings prepared by Lopez Levi & Associates 6/16/98	William Schulman	WS-2
Workpapers of Lopez Levi & Associates	William Shulman	

Letter from Rudolph McGlashan at Telus to Joe Esquenazi proposing service to TSI 6/21/89	Dennis Sickle	DS-14
Minutes of Special Meeting re: LDA / Teltec Billing Differentials 6/9/88	Dennis Sickle	DS-15
Transcall's Response to First Set of Fact Interrogatories 12/11/97	Brian Sulmonetti	BS-4
Letter from Joel Esquenazi to Ruddy McGlashan regarding resolution of dispute 9/15/92	Brian Sulmonetti	BS-10
Memorandum from Ruddy McGlashan to Norman Klugman regarding TSI wanting to sell base to ATC 10/29/92	Brian Sulmonetti	BS-11
Response to TSI's Third Request for Production of Documents to Transcall and ATC 1/6/98	Brian Sulmonetti	BS-12
Letter from Richard Alan Harding, ATC, to Joel Esquenazi notifying TSI that ATC is discontinuing service, effective immediately 5/14/92	Brian Sulmonetti	BS-13
Letter from Irwin M. Frost to Rudy McGlashan [sic] of ATC, regarding magnetic billing tapes not containing description of billing tape format with attached list of 800 customers needing to be reactivated, chart of magnetic tape format and chart of standard tape format 6/10/92	Joseph P Holop	JPH-2 RM-7

Memo from Joel Esquenazi to Mary Jo Daurio dated March 13, 1991	Rudy McGlashan	RM-2
Invoice for point to point usage dated August 26, 1991, and letter to ATC from TSI concerning problems with billing dated September 5, 1991	Rudy McGlashan	RM-3
Letter to Rudy McGloughlin [sic] of ATC from TSI regarding issues of concern <i>i.e.</i> , billing disputes dated 3/18/92	Rudy McGlashan	RM-4
Letter to Joel Esquenazi from ATC responding to letter of 3/18/92 regarding billing dispute	Rudy McGlashan	RM-5
Letter to Rudy McGlashan of ATC from TSI acknowledging receipt of fax letter requesting meeting on 3/25/92	Rudy McGlashan	RM-6
Check to TSI in the amount of approximately \$26,000 as class action settlement	Joel Esquenazi	JE-
Check from TSI to ATC in the amount of \$250,000	Joel Esquenazi	JE-
Rebuttal and impeachment exhibits		
All exhibits on plaintiff's list		

C. BASIC POSITION.

TSI was overbilled by Transcall in the amount of \$468,324.24.

D. QUESTIONS OF FACT.

Commission: Did Telus/Transcall improperly bill TSI in excess of or violation of the contract between the parties, including, but not limited to, the following specific alleged violations:

- improperly billing for calls not made, not completed, that were busy, or had bad connections;
- overcharging calls, double billing calls, or billing for the same call in consecutive bills;
- improperly charging TSI for 800 calls;
- billing in increments that were in violation of the contract;
- improper billing for travel cards and canceled accounts; and
- supplying improper and inaccurate billing details to TSI.

TSI: Yes as to all, except billing for 800 calls and travel cards and canceled accounts, as to which TSI has not developed sufficient evidence. Various former and current employees of Telus/ATC/Transcall have described the errors in the computer billing system that caused these errors. The amount of the errors are set forth in the expert report of William Shulman.

A. If Telus/Transcall improperly billed TSI in excess of or violation of the contract, did the improper billing result in overcharges?

TSI: Yes.

B. If overcharges occurred, what is the amount of such overcharges, including any applicable interest?

TSI: The amount is \$468,384.24, excluding interest.

C. Did TSI make any payments on any amount overcharged under the contract? If so, how much?

TSI: Yes. The amount owed by TSI, net of its payments, would be about \$181,939

D. After accounting for any overbilling, refunds, settlements or other credits that may be applicable, what amount, if any, does TSI owe Transcall for the services it received?

TSI: Yes. The amount owed by TSI, net of its payments, would be about \$181,939.

Commission: Did Telus/Transcall improperly bill TSI's customers in excess of or violation of the applicable tariff for intrastate traffic, including, but not limited to, the following specific alleged violations:

- improperly billing for calls not made, not completed, that were busy, or had bad connections.
- overcharging calls, double billing calls, or billing for the same call in consecutive bills;
- improperly charging of 800 calls and 800 customers;
- billing in increments that were in violation of the applicable tariff;
- improperly billing for travel cards and canceled accounts, and
- supplying improper and inaccurate billing details to TSI's customers

TSI: TSI takes no position on these matters at this time, but reserves the right to do so after reviewing evidence developed by the Staff of the Commission

A. If Telus/Transcall improperly billed TSI's customers in excess of or violation of the applicable tariff, did the improper billing result in overcharges?

TSI: TSI takes no position on these matters at this time, but reserves the right to do so after reviewing evidence developed by the Staff of the Commission

B. If overcharges occurred, what is the amount of such overcharges, including any applicable interest?

TSI: TSI takes no position on these matters at this time, but reserves the right to do so after reviewing evidence developed by the Staff of the Commission

C. Did TSI's customer's makes any payments on any amount overcharged? If so, how much was paid and to whom were payments made?

TSI: TSI takes no position on these matters at this time, but reserves the right to do so after reviewing evidence developed by the Staff of the Commission

D. After accounting for any overbilling, refunds, settlements or other credits that may be applicable, are TSI's customer due any refund amount? If so, who should pay the refund and how should it be implemented?

TSI: TSI takes no position on these matters at this time, but reserves the right to do so after reviewing evidence developed by the Staff of the Commission.

E. **QUESTIONS OF LAW.**

Commission: Does the Commission have jurisdiction over the disputes arising out of the Telus/TSI contract?

TSI: No. For the reasons argued extensively by TSI in the early stages of this proceeding, TSI respectfully submits that the Commission does not have such jurisdiction, or should not exercise such jurisdiction, and should return this proceeding to the Circuit Court of the Eleventh Judicial Circuit in and for Dade County, Florida, where ATC originally brought this case.

Recent TSI Issue: Whether a negative inference should be drawn against WorldCom/Transcall

due to its failure or refusal to provide the raw call detail records of TSI's traffic over its switch.

TSI: Yes. See TSI's Second Motion to Compel Production of Raw Call Detail Records.

F. POLICY QUESTIONS.

None.

G. STIPULATED ISSUES.

None.

H. REQUIREMENTS THAT CANNOT BE COMPLIED WITH.

1. TSI has been unable to depose Floyd Self, and can only speculate as to his testimony.
2. TSI has been unable to subpoena Dan Merritt for deposition, and can only speculate as to his testimony.
3. Transcall has refused to produce the raw call detail records required by the

Order of July 15, 1998, on page 3, second full paragraph, and does not know what it indicates about overbilling.

ADORNO & ZEDER, P A



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CERTIFICATE OF SERVICE

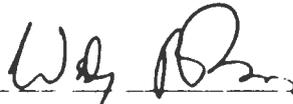
I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via U S

Mail this 27th day of July, 1998 to:

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