



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-

DATE: SEPTEMBER 24, 1998

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

FROM: DIVISION OF LEGAL SERVICES (BEDELL) *NCH/NCB*
DIVISION OF COMMUNICATIONS (LEWIS) *WEB*

RE: DOCKET NO. 980553-TI - PROPOSED SETTLEMENT OF OVERCHARGES BY TELALEASING ENTERPRISES, INC.

AGENDA: OCTOBER 4, 1998 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\980553.RCM

RECEIVED-PPSC
SEP 24 PM 2:20
RECORDS AND REPORTING

CASE BACKGROUND

On November 5, 1997, staff made a series of test calls using a Davel Prepaid Phone Card issued by Telaleasing, Inc., (TEI), and then requested the call record. TEI provided the call record by fax that day (Attachment 1, pages 4 through 6).

On February 3, 1998, staff notified TEI of an apparent discrepancy in the rates being charged and the rates stated in its filed tariff (Attachment 2, pages 7 through 10).

On February 18, 1998, TEI responded, agreed with staff's analysis and stated that the discrepancy occurred due to an administrative programming error (Attachment 3, page 11).

On March 2, 1998, staff requested further information concerning the effect of the additional surcharge on Florida consumers. (Attachment 4, pages 12 through 14).

DOCUMENT NUMBER-DATE

10592 SEP 24 88

PPSC-RECORDS/REPORTING

On March 18, 1998, TEI responded with the following:
(Attachment 5, pages 15 through 16).

1. The rates changed on July 1, 1997, with an application of a \$0.57 per call surcharge.
2. From January 1, 1997, to July 1, 1997, a total of 9,590 cards were in circulation. From July 1, 1997, to February 28, 1998, an additional 17,704 were activated.
3. The total amount of additional revenue derived from the application of the \$0.57 per call surcharge from July 1, 1997, to February 28, 1998 was \$28,610.
4. A total of 6 complaints were received concerning the additional surcharge.

After further discussion with staff, on June 15, 1998, Telaleasing submitted a proposal to contribute the \$28,610 in additional revenue plus a \$1,000 fine to the state General Revenue Fund. (Attachment 6, page 17).

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept TEI's settlement proposal.

RECOMMENDATION: Yes. The Commission should accept TEI's proposal to contribute \$29,610 as settlement of its apparent violation of Rule 25-24.485 (I), Florida Administrative Code. The contribution should be forwarded to the Office of the Comptroller for deposit in the state General Revenue Fund pursuant to Section 364.285(i), Florida Statutes.

STAFF ANALYSIS: Rule 25-24.485 (I), Tariffs, Florida Administrative Code states that all tariffs must be filed with the Commission, using the following guidelines, before becoming effective.

(I) Companies shall charge only the rates contained in their tariff. If a company desires to charge rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to

DATE: September 24, 1998

decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall include the heading "Promotion," and shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. The tariff page(s) describing the terms and rates of the temporary reduction shall immediately precede the permanent tariff pages for the service in the same section of the tariff.

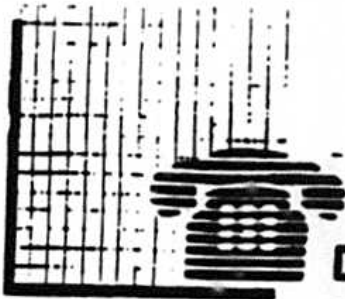
Staff believes that Telaleasing would not be able to identify the individual prepaid phone card users affected by the unauthorized surcharge. Normally, no customer information is obtained when selling prepaid phone cards. Therefore, staff believes that payment to the General Revenue Fund of the additional revenues is appropriate. Accordingly, staff recommends that the Commission approve TEI's proposal of a \$28,610 payment plus a \$1,000 fine.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending remittance of the settlement amount. Telaleasing will have 5 business days from the issuance of the Commission's order to submit the settlement. Any collected monies should be forwarded to the office of the Comptroller for deposit in the state General Revenue Fund pursuant to Section 364.285 (i), Florida Statutes. If Telaleasing fails to pay the settlement amount the Commission should require Telaleasing to show cause why its certificate should not be canceled for failure to comply with the Commission's rules and orders.

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, Telaleasing will have 5 business days from the issuance of the Commission's order to submit the \$29,610 settlement. Once the settlement amount is received, this docket may be closed administratively.

Attachment 1 page 1



DAVEL COMMUNICATIONS GROUP

TE1 Phone Zone

1429 Massaro Blvd. • Tampa, Florida • 33618 • Phone (813) 623-3545 • Fax (813) 626-9610

November 5, 1997

Mr. Chester Wade
Florida Public Service Commission

VIA FACSIMILE (813) 744-6056

Re: Pre-Paid Phone Card Call Detail

Dear Mr. Wade:

Attached please find the call records requested. Calls within the continental United States are billed at \$.57 surcharge plus \$.19 for the first minute and \$.19 for each additional minute thereafter. Calls are billed in one (1) minute increments and no charge is assessed for incomplete calls.

If I can provide any additional assistance or information, please don't hesitate in contacting me.

Sincerely,

DAVEL COMMUNICATIONS GROUP, INC.


Susan R. Courtney
V. P. Carrier Services

11/05/97

DEBIT ACTIVITY REPORT

PAC

ACCOUNT: 171345 DISTID: 070JAM00
 ORIG BALANCE: 5.00 J A MILES CO INC

FROM NUM	FROM LOC	DATE	TIME	DUR	CHARGE	CUR BAL	TO NUM	TO LOC
8137448583	TAMPA	FL 11/05/97	100129	00125	0.95	0.43	9044882285	TALLAHAS
8137448583	TAMPA	FL 11/05/97	095957	00001	0.76	1.38	9044882285	TALLAHAS
8137448583	TAMPA	FL 11/05/97	094251	00303	1.33	2.14	9044882285	TALLAHAS
8137448583	TAMPA	FL 11/05/97	093142	00049	0.76	3.48	9044136578	TALLAHAS
8137448583	TAMPA	FL 11/05/97	093015	00037	0.76	4.24	9044136578	TALLAHAS
TOTALS			5		4.56			

Commissioners:
 JULIA L. JOHNSON, CHAIRMAN
 J. TERRY DEASON
 SUSAN F. CLARK
 JOE GARCIA
 E. LEON JACOBS, JR.



DIVISION OF COMMUNICATIONS
 WALTER D'HAESELEER
 DIRECTOR
 (850) 413-6600

Public Service Commission

February 3, 1998

Ms. Susan Courtney
 V.P. Carrier Services
 Davel Communications Group, Inc.
 c/o Telaleasing Enterprises, Inc.
 1429 Massaro Blvd.
 Tampa, Florida 33619-3005

Re: Debit Card test; Authorization # 3454 1880 9676

Dear Ms. Courtney:

The Florida Public Service Commission evaluated TEI's Davel Prepaid Phone Card on November 5, 1997. We made a series of tests that we timed to determine whether the card provided the service as reflected in the tariff. Staff appreciates the prompt response to our request for call records. We found no problems with TEI's timing and billing increments used for the Prepaid Card Service. However, it appears that TEI did not rate the calls in accordance with its tariff filed with the commission or with the rate stated on the card.

Telaleasing's tariff and the rate posted on the card state that the rate per minute is \$0.25. In your November 5, 1997 letter to Mr. Wade, you state, "Calls within the continental United States are billed at \$.57 surcharge plus \$.19 for the first minute and \$.19 for each additional minute thereafter." It appears that Telaleasing is in violation of Rule 25-24.485(I), Florida Administrative Code.

Rule 25-24.485(I) states: "Companies shall charge only the rates contained in their tariff. If a company desires to charge rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall include the heading "Promotion," and shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. The tariff page(s) describing the terms and rates of the temporary reduction shall immediately precede the permanent tariff pages for the service in the same section of the tariff."

Page 7

Ms. Courtney
Page 2
February 3, 1998 -

Rule 25-4.043, Response to Commission Staff Inquiries, F.A.C. 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."

Please explain this explain this discrepancy in writing by February 19, 1998. If you should have any questions please contact Clayton Lewis at (850) 413-6578 or fax (850) 413-6579.

Sincerely, .



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

Enclosures

cc: Theodore C. Rammelkamp - Senior Vice Pres. & General Counsel/TEI
Clayton Lewis
Chet Wade
File: TMS 3583

TELELEASING ENTERPRISES, INC.

Florida Tariff No. 1
1st Revised Sheet 34
Cancels Original Sheet 34**SECTION 4.0 - RATES (Cont'd)****4.7 Flat Rate Direct Dial Service**

(T)

Calls are billed in full minute increments.

Rate Per Minute: \$0.1700

4.8 Flat Rate Direct Dialed Coin Service

(T)

Calls are billed in full minute increments.

Rate Per Minute: \$0.2500

4.9 Teleleasing Debit Card Service

(N)

Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute.

Per Minute Rate:	Series 1 Card - \$0.25
	Series 2 Card - 0.33
	Series 3 Card - 0.35
	Series 4 Card - 0.40

4.10 Teleleasing Debit Card Service - Sponsor Program

Per Minute Rate: \$0.40

(N)

ISSUED: January 15, 1997

EFFECTIVE:

BY: Ted Rammelkamp
Senior Vice President
1429 Massaro Boulevard

JAN 16 1997

TO PLACE A LONG DISTANCE CALL

1. From any touch-tone telephone,
Enter > 1-800-467-1076 For English
1-800-468-9658 Para Español
2. At the tone: Enter Your Card Number: **3454 1890 9676**
For Domestic calls, Enter > 1 + area code + number
For International calls, Enter > 011 + country code + city code + number
3. At the tone:
• To make another call, do not hang-up. After called party disconnects, press the # key and repeat step #3.

Calls within the Continental United States are charged against the card balance at the rate of \$25 per minute. International Rates, Alaska and Hawaii are available from Customer Service. This card is non-refundable and expires at the end of the date twelve months from the date of initial use or January 1, 1993. For additional information on terms and conditions, see the accompanying information or, for machine dispensed cards, the notice posted on the vending machine.

For Customer Service, Call: 1-800-468-9653

00000000171346

8338811346



Service provided by Davel Communications Group, Inc.
or its wholly owned subsidiary, Telecasting Enterprises, Inc.



TEI DAVEL COMMUNICATIONS GROUP
1429 Massaro Blvd. • Tampa, Florida • 33619 • Phone (813) 623-3545 • Fax (813) 626-9610

Attachment 3 page 1

98 FEB 20 AM 10:04
MAIL ROOM

February 18, 1998

Florida Public Service Commission
Attn: Don McDonald
U.S./Comm. Engineer Supervisor
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Debit Card Test; Authorization #3454 1880 9676

Dear Mr. McDonald:

I am responding to your letter dated February 3, 1998. After reviewing the information in your letter it appears that due to an administrative programming error, the rates which were charged as well as that indicated on the back of the debit card were not properly reflected in our tariff filed with the Florida Public Service Commission. Further, we found a small group of cards under previous programs, which due to the same programming error were charged rates which did not correspond to that on the card or for which tariffs were not filed in some cases; although our operations unit believed the utilized tariffs had been requested and filed.

We have corrected the programming error regarding all old cards to ensure that the printed rates on all of these cards still in the field corresponds to the rates being charged for calls made on those cards. Further we have revised our debit card rates that are filed with the Commission, to reflect the new maximum rate rule. If you have additional questions or need further assistance, please contact me at (813) 623-3545.

Sincerely,

Jade M. Maxwell
Jade M. Maxwell

Legal Assistant
Office of Regulatory Affairs

cc: Theodore Rammekamp
Susan Courtney

RECEIVED

FEB 20 1998

TEI

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF COMMUNICATIONS
WALTER D'HAESELEER
DIRECTOR
(850) 413-6600

Public Service Commission

March 2, 1998

Ms. Jade M. Maxwell
Legal Assistant
Office of Regulatory Affairs
Davel Communications Group, Inc.
c/o Telaleasing Enterprises, Inc.
1429 Massaro Blvd.
Tampa, Florida 33616-3005

Re: February 18, 1998 letter to Don McDonald

Dear Ms. Maxwell:

It appears that Telaleasing has made several violations of the Florida Administrative Code. In your response to our February 3, 1998 inquiry you stated: *"due to an administrative programming error, the rates which were charged as well as that indicated on the back of the debit cards were not properly reflected in our tariff filed with the Florida Public Service Commission. Further, we found a small group of cards under previous programs, which due to the same programming error were charged rates which did not correspond to that on the card or for which tariffs were not filed in some cases; although our operations unit believed the utilized tariffs had been requested and filed."*

Rule 25-24.485 (e)(g)(h)(I), Tariffs, states: All tariffs must be filed with the Commission, using the following guidelines, before becoming effective.

(e) The tariff shall be written in a manner such that service will be provided on a non-discriminatory basis. No public statement of service quality, rates, or service offerings or billings should be misleading or differ from those stated in the tariff.

(g) All proposed changes to the existing tariff shall be directed to the Director of the Division of Communications, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0866. A filing must be received by the Division of Communications before 5:00 p.m. of a normal Commission workday in order for it to be "filed" on that day.

Page 12

Ms. Jade M. Maxwell
 Page 2
 March 2, 1998

(h) All tariff changes shall be submitted to the Commission in quadruplicate in the form prescribed herein. After the effective date, one copy stamped "received" will be returned to the company, which shall be the notice to the company that the filing has been received and is on file. If acknowledgement of the filing at the time of receipt is desired, the letter of transmittal shall be sent in duplicate with a request that the duplicate be returned.

(I) Companies shall charge only the rates contained in their tariff. If a company desires to change rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall include the heading "Promotion," and shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. The tariff page(s) describing the terms and rates of the temporary reduction shall immediately precede the permanent tariff pages for the service in the same section of the tariff.

Please provide the following information.

1. What date did the rates charged for debit cards change from the rates stated in the Florida tariff?
2. What was the number of debit cards distributed and sold from January 1, 1997 to February 28, 1998, within the state of Florida?
3. What is the amount of additional revenue obtained due to the addition of the \$0.57 surcharge per call within the state of Florida?
4. How many complaints were received from consumers within the state of Florida from January 1, 1997 to February 28, 1998?

Rule 25-4.019 (1)(2), *Records and Reports in General* states: "(1) Each utility shall furnish to the Commission at such times and in such form as the Commission may require, the results of any required tests and summaries of any required records. The utility shall also furnish the Commission with any information concerning the utility's facilities or operations which the Commission may reasonably request and require. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's annual report to the Commission. (2) Where a telephone company is operated with another enterprise, records must be separated in such manner that the results of the telephone operation may be determined at any time."

Ms. Jade M. Maxwell
Page 3
March 2, 1998

Rule 25-4.043, Response to Commission Staff Inquiries 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 response to the above questions is requested by March 18, 1998. Should you have any questions, please contact Clayton Lewis at (850) 413-6578 or fax at (850) 413-6579.

Sincerely,



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

Enclosures

February 3, 1998 PSC letter to Davel.
February 18, 1998 Davel response to PSC.

cc: Alan Taylor
Ann Shelfer
Clayton Lewis
Ms. Susan Courtney, V.P. Carrier Services / TEI
Mr. Theodore Rammelkamp, Senior Vice Pres. & General Counsel / TEI

DAVEL COMMUNICATIONS GROUP, INC.

Tel leasing Enterprises, Inc.

DavelTel, Inc.

1429 Massaro
Tampa, FL 33619
813-623-3545 (v)
813-626-9619 (f)

Legal Department

March 18, 1998

By Telefax to 850-413-6579
Florida Public Service Commission
Don McDonald
Capital Circle Office Center
Tallahassee, FL 32399-0850

Re: Tel leasing Enterprises, Inc. - Debit Card Surcharges

Dear Sirs:

This is in response to your inquiry of March 2, 1998.

1. *What date did the rates charged for debit cards change from the rates stated in the Florida tariff?*

July 1, 1997.

2. *What was the number of debit cards distributed and sold from January 1, 1997 to February 28, 1998, within the state of Florida?*

The total number of active Tel leasing cards in circulation in Florida as of July 1, 1997 was 9,590. From July 1, 1997 through February 28, 1998 an additional 17,704 cards were activated. The 9,590 cards in circulation as of July 1, 1997 did not disclose the application of any per call surcharges on the back of the card. All of the 17,704 cards activated after July 1, 1997 accurately disclosed the surcharge applied to the calls even though the surcharge was not tariffed until March 1, 1998.

3. *What is the additional amount of revenue obtained due to the addition of the 57¢ surcharge per call within the state of Florida?*

The total amount of surcharge revenue derived from the application of the 57¢ surcharge from July 1 through February 28 was \$28,610. Allocating this amount based on the number of active cards between cards not giving notice to the consumer of the surcharge and those giving notice to the consumer of the surcharge, \$10,239.97 is attributable to cards which did not disclose the

Attachment 5 page 2

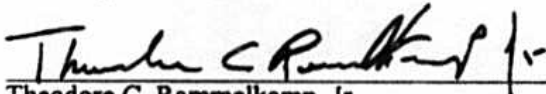
surcharge and \$18,361.03 is attributable to cards which did properly inform the consumer of the surcharge.

4. How many complaints were received from consumers within the state of Florida from January 1, 1997 to February 28, 1998?

Except for complaints concerning improper operation of the vending machine from which the card was purchased, there are 13 documented complaints from consumers, of these six concerned the imposition of the surcharge. In all cases, Telaleasing made appropriate refund or applied additional credit to the customer's card as the customer directed.

The rate files on all outstanding cards as of February 28, 1998 have been reviewed and adjusted to correspond to the tariff and the information shown on the back of the card. Based upon your inquiry and investigation and the foregoing information, Telaleasing believes that the harm caused by its error is limited to those instances where the consumer did not have notice of the surcharge and would propose voluntarily refunding that amount as directed by the Commission. If you need additional information, please advise.

Sincerely,



Theodore C. Rammelkamp, Jr.
General Counsel

cc:
RH
PD
JM

Attachment 6 page 1

DAVEL COMMUNICATIONS GROUP, INC.

Telaleasing Enterprises, Inc.

DavelTel, Inc.

1429 Massaro
Tampa, FL 33619
813-623-3545 (v)
813-626-9619 (f)

Legal Department

June 15, 1998

By Telefax to 850-413-6250
Florida Public Service Commission
Kathy Bedell
Capital Circle Office Center
Tallahassee, FL 32399-0850

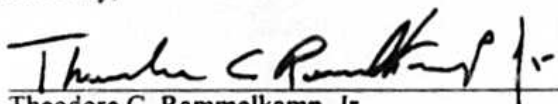
Re: Telaleasing Enterprises, Inc. - Debit Card Surcharge Inquiry

Dear Ms. Bedell:

In accordance with our telephone conversation of earlier today and our prior correspondence of March 18, 1998, Telaleasing Enterprises, Inc. hereby offers to settle the overcharges discussed in our correspondence of March 18, 1998 by way of payment of \$\$28,610.00 in respect of such overcharges plus a fine of \$1,000.00 without further proceeding.

Thank you for your consideration of this offer. Please advise.

Sincerely,



Theodore C. Rammelkamp, Jr.
General Counsel