

REQUEST TO ESTABLISH DOCKET
(PLEASE TYPE)

Date June 23, 1999

Docket No. 990813-TI

- 1. Division Name/Staff Name Communications/Isler
- 2. OPR Communications/Isler
- 3. OCR Legal Services; Auditing and Financial Analysis

4. Suggested Docket Title Determination of Appropriate Method For Refunding Interest on Overcharged Intrastate Long Distance Calls Placed from Inmate Facilities by AT&T Communications of the Southern States, Inc. d/b/a Connect 'N Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business.

5. Suggested Docket Mailing List (attach separate sheet if necessary)

- A. Provide NAMES ONLY for regulated companies or ACRONYMS ONLY regulated industries, as shown in Rule 25-22.104, F.A.C.
- B. Provide COMPLETE name and address for all others. (Match representatives to clients.)

1. Parties and their representatives (if any)

<u>Rhonda Merritt</u>	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Interested Persons and their representatives (if any)

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Check one:
- Documentation is attached.
 - Documentation will be provided with recommendation.

I:\PSC\RAR\WP\ESTDKT.
PSC/RAR 10 (Revised 01/96)

DOCUMENT NUMBER-DATE
07629 JUN 23 88
FPSC-RECORDS/REPORTING

RECEIVED
FLORIDA
SERVICE
99 APR 33



Rhonda P. Merritt
Law & Government Affairs
Assistant Vice President - Florida

Suite 700
101 N. Monroe St.
Tallahassee, FL 32301
850 425-6342
FAX: 850 425-6361

April 27, 1999

Ms. Paula Isler, Research Assistant
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED

MAY 03 1999

GMU

RE: Your Letter of August 11, 1998, Regarding Correctional Facility Rates; AT&T's Response of April 23, 1999

Dear Ms. Isler:

During our last discussion of AT&T's Correctional Facilities Rates, you asked me to provide additional information regarding AT&T's handling of its recent customer refund. AT&T's supplemental response to your questions are as follows. All quoted figures include applicable taxes.

- Dollars collected due to rate update oversight = \$1,076,454.61
- Dollars refunded to date = \$1,072,956.81
- Dollars not refunded to date = \$3,497.80; AT&T is continuing to attempt to locate customers for refunds, so we hope to reduce this amount as our efforts to make refunds continue.
- Date refunds started: March 10, 1999
- Date refunds were completed: April 10, 1999, except for the unrefunded amount above which we continue to pursue.

As you can see, AT&T has handled this matter in a responsible and expeditious manner, making sure that Florida's consumers are treated as fairly as possible. A situation such as this is always regrettable, but we are quite pleased that we have been able to issue refunds for 99.9% of the amount in question.

If you have any further questions, please call me at 425-6342.

Sincerely,

Rhonda Merritt

Rhonda P. Merritt



99 APR 23
Rhonda P. Merritt
Law & Government Affairs
Assistant Vice President - Florida

Suite 700
101 N. Monroe St.
Tallahassee, FL 32301
850 425-6342
FAX: 850 425-6361

April 23, 1999

Ms. Paula Isler, Research Assistant
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Your Letter of August 11, 1998, Regarding Correctional Facility Rates

Dear Ms. Isler:

AT&T's responses to the questions in the above referenced letter are below.

BACKGROUND: Prior to the May 1, 1998 tariff filing, there was no distinction in either the intraLATA or interLATA rates between Operator Handled or Automated collect calls from inmate facilities. After May 1, 1998, Operator Handled and Automated collect calls were divided into two separate rates. For Automated calls, the rate of \$2.45 remained in effect for interLATA calls and a reduced rate of \$1.25 was established for intraLATA calls. The service charge for Operator Handled calls was established at \$3.95 for interLATA and a new rate of \$1.85 for intraLATA calls was introduced.

We have now learned that there was an inadvertent "update" oversight when the rates were changed, and the external vendor who records call detail did not correctly bill collect calls originating from Florida correctional facilities. Unfortunately, this meant that inmate collect calls recorded by AT&T's vendor may have been captured as Operator Handled rather than as Automated (non-live operator handled) calls.

We take this error very seriously and have taken steps to ensure that it does not happen again. Several meetings were held with both the internal and external message recording teams to determine the cause and scope of the issue. AT&T's billing data have been corrected and preventative measures have been implemented to prevent a future occurrence of this nature.

RECEIVED

APR 26 1999

CMU

- Has a cause been determined at this time? If yes, what caused the apparent overcharge? RESPONSE: Yes. AT&T conducted a comprehensive investigation of the message detail for incorrectly rated collect calls that originated from Florida Correctional Facilities. The scope of the investigation included both the message recording and rating processes. During the course of this investigation, it was determined that the recording requirements implemented by AT&T's external prison vendor were not consistent with the May 1st tariff change.
- When was the problem corrected? RESPONSE: January 20, 1999.
- How many calls have been overcharged? RESPONSE: Total message impact is 679,231.
- What corrective measures have been implemented to prevent future overcharges? RESPONSE: A quality team has been established to monitor billing integrity specific to AT&T's Prison Payphone Collect service. The quality team will be responsible for conducting message recording requirements walkthrough sessions with the external recording vendor(s). The team will audit recording requirements prior to the implementation of service changes and system enhancements.
- Concerning the automatic credit adjustments, how does AT&T propose to accomplish this? RESPONSE: In addition to the manual adjustments that were issued, mechanized credit adjustments were generated and applied to impacted accounts. Each account received one summary adjustment, including applicable taxes, for all calls and messages that were incorrectly rated.
- Have you verified that the remaining inmate facilities at which you provide service are not overcharging? RESPONSE: Yes. Because the problem was caused by an update oversight, all AT&T intrastate/interLATA collect calls from Florida Correction Facilities were affected and have been corrected. Affected customers have been credited.
- Please check other inmate facilities at which you provide service for possible overcharges. RESPONSE: See above responses.

I would like to emphasize that this was an inadvertent error, which we have taken very seriously. We believe that our corrective measures will prevent the problems from recurring. As always, AT&T regrets that its customers have been inconvenienced and has worked diligently to minimize the impact to our customers.

If you have any further questions, please call me at 425-6342.

Sincerely,

Rhonda P. Merritt
Rhonda P. Merritt



Rhonda P. Merritt
Assistant Vice President
Law & Government Affairs

Suite 700
101 N. Monroe St.
Tallahassee, FL 32301
904 425-6342
FAX: 904 425-6343

RECEIVED

SEP 04 1998

September 4, 1998

CMU

Ms. Paula J. Isler, Research Assistant
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Your Letter of August 11 Regarding Rates Charged From A Correctional Facility

Dear Paula:

AT&T is currently conducting a comprehensive investigation of the message details for collect calls that originated from correctional facilities in Florida. The scope of the investigation includes both the rating and message recording processes for calls from all correctional facilities which are serviced by AT&T.

As AT&T conducts the above investigation, any message and/or rating discrepancies will be discovered and corrected. Mechanized credit adjustments will be generated and applied to impacted customers.

The ongoing process of scanning the message database to identify both the number of customers and messages impacted by the problem will take several more weeks to complete. We anticipate that the investigation process will be completed in late September or early October. At the conclusion of the ongoing investigation, AT&T will supplement this letter with specific details of our findings as well as a detailed plan for crediting customers.

If you have any further questions or would like to discuss this matter further, please call me at 425-6342.

Sincerely,

Rhonda P. Merritt

Rhonda P. Merritt

STATE OF FLORIDA

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



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

Public Service Commission

August 11, 1998

Ms. Rhonda P. Merritt
Assistant Vice President
AT&T of the Southern States, Inc.
101 North Monroe Street, Suite 700
Tallahassee, FL 32301-1549

Dear Ms. Merritt:

The Commission recently received a consumer complaint about the rates charged from a correctional facility. According to AT&T's letter dated July 30, 1998 from Marolyn Felder in response to the complaint, a system error occurred causing calls to be billed the incorrect operator charge. The letter went on to state that the error "may have occurred on or after May 1, 1998" and that "automatic credit adjustments will apply to those customers impacted by the error."

Please provide a written response by August 31, 1998, to the following questions:

1. AT&T's July 30, 1998 letter stated that an exact cause of the billing error has not yet been determined. Has a cause been determined at this time? If yes, what caused the apparent overcharge? If no, when do you expect the cause to be determined?
2. When was the problem corrected?
3. How many calls have been overcharged?
4. What corrective measures have been implemented to prevent future overcharges?
5. Concerning the automatic credit adjustments, how does AT&T propose to accomplish this?
6. Have you verified that the remaining inmate facilities at which you provide service are not overcharging?

Ms. Rhonda P. Merritt
Page 2
August 11, 1998

Please check other inmate facilities in the state at which you provide service for possible overcharges. Should you discover that other locations are overcharging, please provide the information requested in questions 2 through 5 for these locations.

If you have any questions, please contact me at (850) 413-6502.

Sincerely,

A handwritten signature in cursive script that reads "Paula J. Isler".

Paula J. Isler, Research Assistant
Bureau of Service Evaluation

Enclosure