



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: JANUARY 6, 2000

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

FROM: DIVISION OF TELECOMMUNICATIONS (ISLER) *DK*
 DIVISION OF LEGAL SERVICES (STERN) *WKS*
 DIVISION OF AUDITING AND FINANCIAL ANALYSIS (D. DRAPER)

RE: DOCKET NO. 991359-TI - INVESTIGATION AND DETERMINATION OF APPROPRIATE METHOD FOR REFUNDING INTEREST AND OVERCHARGES ON INTRASTATE 0+ CALLS MADE FROM PAY TELEPHONES AND IN A CALL AGGREGATOR CONTEXT BY QCC, INC.

AGENDA: 01/18/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\991359.RCM

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RECORDS AND REPORTING
ALM

CASE BACKGROUND

- **12/12/90** - QCC, Inc. was granted IXC Certificate No. 2483.
- **02/01/99** - Rule 25-24.630, F.A.C., Rate and Billing Requirements was amended to cap rates from pay telephones or a call aggregator context to \$.30 per minute plus the operator charge.
- **08/09/99** - Staff reviewed QCC's tariff for compliance with Rule 25-24.630, F.A.C., and found that QCC's tariffed rates appeared to exceed the rate cap. Staff wrote QCC a certified letter and requested additional information by August 24, 1999.

DOCUMENT NUMBER-DATE

00176 JAN-68

FPSC-RECORDS/REPORTING

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- **08/12/99** - The United State Postal Service returned the receipt, which showed the certified letter was signed for and delivered on this date.
- **08/25/99** - QCC's response was received.

Staff believes the following recommendations are appropriate.

ISSUE 1: Should the Commission accept QCC, Inc.'s offer of refund and refund calculation of \$479.55, plus interest of \$30.88, for a total of \$510.43, for overcharging customers from pay telephones between February 1 and August 12, 1999?

RECOMMENDATION: Yes. The Commission should accept QCC's refund calculation of \$479.55, adding interest of \$30.88, for a total of \$510.43, and proposal to credit customer bills beginning March 1, 2000, and ending April 30, 2000, for overcharging customers from pay telephones and motels/hotels between February 1 and August 12, 1999. The refunds should be made through credits to customers' bills beginning March 1, 2000. At the end of the refund period, any amount not refunded, including interest, should be remitted to the Commission and forwarded to the Comptroller for deposit in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. In addition, QCC should be required to file a report consistent with Rule 25-4.114, Florida Administrative Code, Refunds, with the Commission once all monies have been refunded. (Isler)

STAFF ANALYSIS: Staff compared QCC's tariff for operator service rates to the rate cap established in Rule 25-24.630, F.A.C. Based on the comparison, it appeared QCC's tariffed rate exceeded the rate cap. On August 9, 1999, staff wrote QCC and advised of the discrepancy and requested information by August 24, 1999. Immediately upon receipt of staff's letter, a QCC representative called staff and advised that the oversight would be corrected promptly.

The company's tariff, which became effective October 17, 1996, included an operator dialed surcharge and a payphone surcharge that was not provided for in the current rate cap rule. The company removed the surcharges and ceased billing customers for the surcharges. On August 25, 1999, QCC provided detailed information in response to staff's letter and stated that 308 customers were overcharged a total of \$479.55.

Based on the foregoing, staff recommends that the Commission accept QCC's refund pursuant to Rule 25-4.114, F.A.C. Staff believes the amount of refunds should be \$510.43, including interest of \$30.88. QCC has agreed to credit end users' bills for the overcharge plus interest. The credit will appear on the local telephone company statement between March 1 and April 30, 2000. Staff recommends that any unrefunded monies, including interest due, should be remitted to the Commission and deposited in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida

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Statutes. In addition, staff recommends that QCC should be required to file a report consistent with Rule 25-4.114, Florida Administrative Code, Refunds, with the Commission once all monies have been refunded.

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ISSUE 2: Should QCC, Inc. be required to show cause why it should not pay a fine for overbilling of calls in excess of the rate cap established in Rule 25-24.630, F.A.C., Rate and Billing Requirements?

RECOMMENDATION: No. (Isler)

STAFF ANALYSIS: By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000, if such entity 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 Chapter 364. Staff does not believe that QCC's conduct rises to the level that warrants an order to show cause.

QCC corrected the problem and cooperated fully with staff during the investigation. Moreover, QCC has agreed to refund those overcharged customers, including interest.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. If no person, whose interests are substantially affected by the proposed action files a protest within the 21 day protest period, this docket should remain open pending the completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket may be closed administratively. (Stern)

STAFF ANALYSIS: Whether staff's recommendation on Issue 1 is approved or denied, the result will be a proposed agency action order. If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Order, this docket should remain open pending the completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket may be closed administratively.