



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

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**DATE:** FEBRUARY 17, 2000

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

**FROM:** DIVISION OF COMMUNICATIONS (MARSH) *rem*  
 DIVISION OF CONSUMER AFFAIRS (DEMELLO, STOKES) *MS*  
 DIVISION OF LEGAL SERVICES (FORDHAM) *z.f.f. BK*

**RE:** DOCKET NO. 000102-TL - COMPLAINT OF ABA PROFESSIONAL ASSOCIATION, INC. AGAINST BELL SOUTH TELECOMMUNICATIONS, INC. REGARDING BILLING FOR ISDN SERVICE

**AGENDA:** 02/29/00 - REGULAR AGENDA - FINAL ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMU\WP\000102.RCM

### CASE BACKGROUND

On December 10, 1998, Manuel Lora, of ABA Professional Association, Inc., (ABA) filed a complaint with this Commission regarding problems he encountered with ISDN service provided by BellSouth Telecommunications, Inc. (BellSouth or BST). This complaint was logged as CATS complaint number 237627R. The customer stated that he was informed by BellSouth that he would get better service through ISDN service than he had been receiving through analog service. He also was offered several features with the ISDN service. In the initial complaint, Mr. Lora complained that the installation was not completed in a timely manner and that at one point he had no service for two days. Once service was installed, Mr. Lora contends it was of poor quality for the next two weeks. Additionally, after the installation took place, Mr. Lora states that BellSouth informed him that he would be unable to receive all of the features that he had had with his analog service, due to incompatibility with

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the ISDN. Mr. Lora believes that he should not have to pay for the ISDN service, including installation and any other ISDN-related charges, because the service was not what the company committed to provide.

While it appears that both ABA and BellSouth endeavored to get the ISDN service to work, ultimately it was not possible to do so to Mr. Lora's satisfaction. As a result of the complaint filed with this Commission, BellSouth made a number of adjustments on the ABA accounts. On January 14, 1999, the case was closed by CAF. However, on January 15, 1999, Mr. Lora advised the Commission that there were still outstanding amounts that had not been addressed. A further adjustment was made by BellSouth. In a letter dated February 9, 1999, BellSouth advised ABA that BellSouth had credited ABA's accounts for the installation and monthly service of the ISDN services, as well as the installation charges associated with the reconnection of analog business lines. However, efforts to reach a resolution of the case were still unsuccessful.

On March 25, 1999, Mr. Lora requested an informal conference. Due to the complexity of the case, the Division of Consumer Affairs (CAF) staff recommended that the matter be sent to the Division of Telecommunications (CMU) for review in lieu of the conference. Mr. Lora agreed to this with the caveat that he was not waiving his informal conference rights by sending a letter to withdraw the conference request. On April 9, 1999, CAF advised Mr. Lora by letter that his file was being forwarded to CMU. The letter also outlined adjustments to the ABA accounts that had already been made by BellSouth. According to BellSouth, those credits were:

\$1,989.36 - Installation charges

\$5,489.11 - Equipment Order

\$ 544.43 - Additional Line

CMU staff further investigated the matter and came to the conclusion that no additional credits were due. CMU staff concluded that, in addition to the amounts shown above, ABA had been credited for another \$2,315.15, bringing the total to \$10,338.05. The amount included \$5,489.11 of non-regulated charges from BSFS Equipment Leasing (BSFS), a BellSouth affiliate. This appears to represent the entire amount charged for ISDN equipment, including shipping.

Mr. Lora was unsatisfied with the findings of CMU staff. He continued to maintain that he was due credit amounts which he had not received. He argued that staff only repeated what BellSouth said which, according to Mr. Lora, did not include all of the facts. As a result of his dissatisfaction with the staff determination, on July 30, 1999, Mr. Lora again requested an informal conference.

CAF again referred the matter to CMU. A different CMU staff member was assigned to the case this time. Staff obtained bills and other documentation from Mr. Lora and performed an independent analysis of the data provided. The bills provided cover the period from July 1998 through January 1999. BellSouth provided those bills that Mr. Lora was unable to provide. This recommendation addresses that analysis and the action to be taken as a result.

#### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should ABA's request for an informal conference be granted?

**RECOMMENDATION:** No. Pursuant to Section 25-22.032, Florida Administrative Code, ABA's request should be denied, and the complaint dismissed. ABA has already received a full refund for all amounts billed by BellSouth for ISDN service and by affiliates for associated services, including monthly and non-recurring charges and reinstallation of analog service. No further amounts are due. (MARSH)

**STAFF ANALYSIS:** As discussed in the Case Background, ABA requested an informal conference in its complaint against BellSouth for problems stemming from installation of ISDN service. Staff has investigated the matter at length. The results of that investigation are set forth below.

Mr. Lora of ABA has repeatedly complained that he has been charged for ISDN service that he should not have to pay for. He has devoted volumes of material to the various difficulties his company experienced due to untimely installation and incompatibility of features that he requested. Staff does not disagree with Mr. Lora that the service he received was unsatisfactory for his needs. The only issue remaining to be

resolved is what additional amount, if any, remains to be credited to his accounts.

Mr. Lora has questioned numerous charges on the ABA bills. It is clear to staff why it has been so difficult for Mr. Lora to determine what the billed amounts are. Each time a change was made in the service, BellSouth appears to have opened a new "account" for Mr. Lora, resulting in a stack of very confusing bills. Upon changing an account, BellSouth sometimes transferred amounts from bill to bill with no explanation. For example, at the time the ISDN was installed, ABA had three months of unpaid bills on account 374-3131-607-0449. (Two suffixes are added to the telephone number to form an account number. This complaint involves several accounts for each telephone number, making it necessary to include full account numbers.) On the September 14, 1998, bill for 374-0497-618-0441, BellSouth transferred an unpaid balance of \$1,206.13 from 374-3131-607-0449. It simply appears on the new bill, with no explanation as to where it came from. It is called a "BellSouth Adjustment." BellSouth did give a credit for the unused portion of a month. Mr. Lora now questions the amount, stating that it never existed prior to the installation of the ISDN, and should not be paid. Despite the seemingly mysterious origins of the amount, staff is certain that it was transferred from the previous unpaid account which was in existence prior to the installation of ISDN, because there are corresponding credits on one account which are immediately added back to the other account. Therefore, no credit is due for this figure.

In another example, BellSouth gave credits on 374-0838-360-0441 of \$4,204.62, only to add it back on 374-0497-361-0442, again with no explanation. Nevertheless, staff believes the figures shown later in this recommendation are sufficiently accurate to make a final determination on this complaint.

Mr. Lora has also requested credit for various amounts that staff does not believe are appropriate as part of this complaint. Mr. Lora provided a \$1,903.00 invoice dated July 22, 1998, for ISDN modems and installation. The invoice form is a blank form that can be purchased at an office supply house. There is no vendor name or other information, and no evidence that this amount was ever paid. Additionally, BellSouth contended in documents previously provided to staff that ABA was provided with modems as part of the equipment leased from BellSouth's affiliate. Staff believes that the Commission should take no action on this undocumented invoice. Further, since the equipment in question is nonregulated CPE, this Commission has no

jurisdiction over it. ABA would need to pursue the matter through other avenues. Mr. Lora also provided a copy of a canceled check for \$287.90 which was the down payment on the equipment lease to BSFS. Again, this amount is for unregulated CPE, and, therefore, is not within the jurisdiction of this Commission. As discussed later, it appears Mr. Lora has received more than sufficient credits to cover everything he was charged. There is no reason for BellSouth to provide additional credits to cover these amounts.

Mr. Lora made notes on his bills regarding numerous charges he does not believe he should have to pay. These amounts include return call charges, remote call forwarding, and web page hosting which were billed consistently for many months. It appears Mr. Lora did use these services. Further, the amounts were not part of the original complaint, but were added some nine months after the original complaint was filed. These additional charges are unrelated to ISDN and were unaffected by the difficulties associated with the service. For example, the return call service is charged on a per-use basis. These charges appear on a number of different bills, giving evidence that ABA had a pattern of using the services in question well before the ISDN service was installed. In a telephone conversation in December 1999, Mr. Lora agreed with staff that for purposes of this complaint, only the ISDN should be dealt with. Staff notes that the amounts in question are small in relation to the overall bills. Should Mr. Lora wish to pursue these items, it should be done in a separate complaint. Additionally, such complaints should not preclude BellSouth from discontinuing service for nonpayment of other undisputed bills, including current charges.

One remaining item for which Mr. Lora requested credit was a series of payments he made on his bills. Those payments totaled \$2,337.07. The bills examined by staff show \$3,136.98 in long distance charges alone for the 374-0838-369-0441 account. It was on this account that Mr. Lora made the bulk of the payments. It is clear that the payments do not even equal the amount of long distance charges. Staff sees no reason for BellSouth to refund the payments to ABA.

Staff performed a line-by-line analysis of all of the bills for the ABA accounts. Tables 1 through 4 below break down the charges staff believes are associated with ISDN on each bill, or which were caused, directly or indirectly, by the changes made as a result of the ISDN installation. Table 5 shows the credits BellSouth made to the accounts. Table 6 summarizes Tables 1 through 5, showing the net effect on the ISDN accounts.

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TABLE 1  
 AMOUNTS BILLED-ASSOCIATED WITH ISDN  
 374-0838-559-0448

DATE	LATE CHGS	ISDN LOCAL	ISDN MISC. CHGS	NONRECUR. CHGS	TAXES (EST.)	TOTAL
9/14/98		\$190.36			\$35.00	\$225.36
10/14/98	\$3.81	\$0.00			\$ 0.00	\$ 3.81
TOTAL	\$3.81	\$190.36	\$0.00	\$0.00	\$35.00	\$229.17

TABLE 2  
 AMOUNTS BILLED-ASSOCIATED WITH ISDN  
 374-0838-360-0441

DATE	LATE CHGS	ISDN LOCAL	ISDN MISC. CHGS	NONRECUR. CHARGES	TAXES (EST.)	TOTAL
10/14/98		\$300.38	\$401.85	\$532.19	\$189.00	\$1,423.42
11/14/98	\$40.52	\$300.35			\$65.00	\$ 405.87
12/14/98	\$39.69	\$300.35		\$186.00	\$ 80.00	\$ 606.04
TOTAL	\$80.21	\$901.08	\$401.85	\$718.19	\$334.00	\$2,435.33

TABLE 3  
 LATE CHARGES BILLED-ASSOCIATED WITH ISDN<sup>1</sup>  
 374-0497-361-0442

1/14/99	\$28.73
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<sup>1</sup>See other tables. Amounts shown on this bill included transfers from other accounts.

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TABLE 4  
OTHER NONRECURRING CHARGES THAT APPEAR TO  
BE ASSOCIATED WITH RECONNECTIONS

DATE	ACCOUNT NO.	AMOUNT
9/14/98	374-0497-618-0441	\$ 38.00
1/14/99	371-3131-710-0441	\$ 80.00
9/14/98	371-3131-710-0443	\$ 102.00
10/14/98	374-0838-359-0440	\$ 93.00
11/14/98	374-0838-923-0443	\$ 199.00
Est. Taxes		\$ 77.00
TOTAL		\$589.00

TABLE 5  
CREDITS GIVEN BY BELLSOUTH - ISDN RELATED

BILL DATE	PHONE NO.	CREDIT AMOUNT
9/14/98	374-0838-559-0448	\$ 44.47
10/14/98	374-0838-559-0448	\$ 61.34
1/14/99	374-0838-923-0443	\$ 335.93 <sup>2</sup>
1/14/99	374-0838-559-0448	\$ 249.82
1/14/99	374-0838-360-0441	\$4,204.62 <sup>3</sup>
1/14/99	374-0497-361-0442	\$ 44.46
1/14/99	374-0497-361-0442	\$ 218.07
1/14/99	374-0497-361-0442	(\$ 920.73)
1/14/99	374-0497-361-0442	(\$ 994.68)
	374-0497	\$ 544.43 <sup>4</sup>
TOTAL		\$3,787.27

<sup>2</sup> Although this was a non-ISDN account, the credit appears, in part, to be associated with a reconnection.

<sup>3</sup> 374-0838-360-0441 credit partially charged back, with net of \$920.73 added back to 374-0497-361-0442 bill. Reason for add-back unknown. Net effect is reflected in total credit amount.

<sup>4</sup> Amount of credit not independently verified by staff.

TABLE 6  
TOTAL AMOUNTS RECOMMENDED FOR REFUND AND CREDITS GIVEN  
(REGULATED ONLY)  
(TOTALS FROM TABLES 1 THROUGH 5)

REASON	AMOUNT
ISDN BILLINGS FOR 374-0838-559-0448	\$ 229.17
ISDN BILLINGS FOR 374-0838-360-0441	\$2,435.33
ISDN-RELATED LATE CHARGES 374-0497-361-0442	\$ 28.73
NONRECURRING CHARGES	\$ 589.00
CREDIT GIVEN BY BST	(\$3,787.27)
AMOUNT REMAINING (EXCESS CREDIT)	(\$ 505.03)

The figures are derived solely from the bills provided by Mr. Lora, with the exception of two bills that he was unable to provide. Those were obtained from BellSouth. While the bills showed many credits on the bills that previous staff believed ABA had received, the bills also showed in some cases that the credited amounts were simply added back on other bills. One credit of \$544.43 would have been given after the dates of the bills provided to staff and has not been independently verified. There were a few credits over the period of time in question which were simply adjustments for unused partial months when service was changed. Other differences may arise from the fact that when taxes are credited on the bills, they are often netted against current amounts, making it very difficult to determine the full credit given. The verified credit amounts appear to be less than what staff initially believed was credited to ABA; nevertheless, the analysis shows that ABA received sufficient credit to cover the ISDN charges, including related late charges and non-recurring charges. Accordingly, it appears that BellSouth has given all credits that are due.

#### Conclusion

While it is clear that BellSouth did not perform the services requested by ABA in a manner acceptable to Mr. Lora, staff's analysis shows that the company has credited ABA's

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accounts for all amounts that appear to be associated with the ISDN transactions and reinstallation of analog service.

Therefore, staff recommends that, pursuant to Section 25-22.032, Florida Administrative Code, ABA's request should be denied, and the complaint dismissed. ABA has already received a full refund for all amounts billed by BellSouth for ISDN service and by affiliates for associated services, including monthly and non-recurring charges and reinstallation of analog service. No further amounts are due.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, this docket should be closed. (FORDHAM)

**STAFF ANALYSIS:** No further action is required in this docket; therefore, it should be closed upon issuance of the Order.