



Public Service Commission

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DATE: FEBRUARY 8, 2001

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

FROM: DIVISION OF LEGAL SERVICES (CHRISTENSEN)
DIVISION OF CONSUMER AFFAIRS (STOKES) *AS*
DIVISION OF COMPETITIVE SERVICES (KENNEDY) *RK*

RE: DOCKET NO. 001753-TL - COMPLAINT OF RON JOHNSON ON BEHALF OF INTERNATIONAL MEDIA SOLUTION AGAINST SPRINT-FLORIDA, INCORPORATED FOR ALLEGED IMPROPER BILLING.

AGENDA: 02/20/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\001753.RCM

CASE BACKGROUND

On June 6, 2000, the Commission's Division of Consumer Affairs (CAF) received a complaint from Mr. Ronald E. Johnson of R. T. Communications, Inc., on behalf of his client, International Media Solutions (customer or client) regarding alleged improper billing by Sprint-Florida, Inc., (Sprint or company). In his complaint, Mr. Johnson alleged that his client was improperly billed for installation of service that he canceled on behalf of this client. Mr. Johnson's complaint was forwarded to Sprint for its response.

On June 22, 2000, Sprint requested additional time to respond to Mr. Johnson's complaint. On July 10, 2000, Sprint submitted its response to CAF regarding Mr. Johnson's complaint. At this time, Sprint offered to settle Mr. Johnson's complaint by crediting his client's account for \$952.90.

DOCUMENT NUMBER-DATE

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RECORDED AND REPORTING

On July 12, 2000, CAF sent Mr. Johnson a letter outlining the results of staff's investigation that Sprint had not violated any rules or tariffs and Sprint proposed settlement. On July 13, 2000, staff met with Mr. Johnson to discuss the letter. However, Mr. Johnson was dissatisfied with the outcome of staff's investigation and Sprint's proposed resolution.

On August 8, 2000, Mr. Johnson submitted an informal conference request. Form X was provided by CAF in accordance with Rule 25-22.032 (8)(b), Florida Administrative Code, and returned by Mr. Johnson on August 25, 2000. In Form X, Mr. Johnson alleged that his client was improperly billed for installation charges and one line which was not installed. Mr. Johnson requested that his client be credited the full amount due on the account of \$1,544.25.

On October 25, 2000, the parties and a CAF staff member held an informal conference. Again, Sprint offered to settle Mr. Johnson's complaint by crediting his client's account by \$952.90. However, Sprint maintained that Mr. Johnson's client is responsible for the remaining \$585.00 balance due. The informal conference was concluded without a settlement.

This recommendation addresses the issue of whether Sprint should be required to credit or refund International Media Solution for the remaining disputed balance of \$585 based upon alleged improper billing for installation and subsequent cancellation of service to International Media Solution.

DISCUSSION OF ISSUES

ISSUE 1: Should Sprint be required to credit or refund International Media Solution for the remaining disputed balance of \$585 based upon alleged improper billing for installation and subsequent cancellation of service to International Media Solution?

STAFF RECOMMENDATION: No. Staff recommends that the Commission find that Sprint did not improperly billed International Media Solutions for the installation and subsequent cancellation of service. Staff further recommends that Sprint not be required to credit or refund International Media Solutions for the remaining disputed balance of \$585. (CHRISTENSEN, STOKES)

STAFF ANALYSIS:

As stated in the Case Background, on June 6, 2000, the Division of Consumer Affairs (CAF) received a complaint from Mr. Ronald E. Johnson on behalf of his client, International Media Solutions, alleging improper billing by Sprint. Mr. Johnson alleged that his client was improperly charged by Sprint for installation of 16 rotary lines. Mr. Johnson claims that he contacted Sprint's representative by phone the day the lines were to be installed and canceled the service.

Mr. Johnson provided to CAF documentation detailing the circumstances which he alleges resulted in Sprint's improperly billing his client. On February 11, 2000, Mr. Johnson sent a memo to Sprint requesting that his client's service be changed back to Sprint from U.S. Lec for his client's two offices at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714 and 375 Douglas Avenue, Suite 2115, Altamonte Springs, Florida 32714. In this memo, Mr. Johnson also requested 16 additional rotary lines be installed in each office. However, staff notes that the complaint only involves the Sprint bill for the installation of the 16 additional lines in the first office located at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714.

In addition to the service request memo, Mr. Johnson provided to CAF a copy of the Sprint's Firm Order Confirmation (FOC) which listed the 16 additional rotary lines requested for the first office. The FOC assigned the installation with a Service Order Number of N817311 WNPk. Also, Mr. Johnson provided to CAF a copy of his February 18, 2000, memo to the company requesting cancellation of Service Order Number N817311 WNPk, that stated "Customer does not want this service." In addition, he provided a copy of Sprint's FOC dated February 18, 2000, canceling the 16

lines to the office at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714. However, Sprint noted at the bottom of the FOC that it was unable to "cancel" Order N817311 WNPK because this installation had been completed. Mr. Johnson also provided several letters between Sprint and himself regarding his billing dispute. Mr. Johnson provided a copy of the February 2000 Sprint bill in the amount of \$1,544.25. Staff notes that the address listed on the bill is for the office at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714.

Sprint provided its final report of its investigation into Mr. Johnson's complaint to CAF in a letter dated July 10, 2000. In its July 10, 2000 letter, Sprint acknowledged that Mr. Johnson contacted it on behalf of his customer and requested 16 lines to be installed on February 17, 2000. The company reported that Mr. Johnson filed a complaint with the company on April 3, 2000, contending that the service for the 16 lines had not been canceled as requested. Sprint stated that in his complaint, Mr. Johnson stated that he had a three-way conversation to cancel the service. Sprint stated that it determined that no three-way conversation had taken place. Rather, on February 17, 2000, the Sprint technician found Mr. Johnson's business card taped on the demarcation point with instructions for the technician to call him after the lines were installed. Sprint contended that the technician contacted Mr. Johnson who expressed satisfaction with the installation. Sprint stated that on February 18, 2000, it received a faxed letter from Mr. Johnson requesting service disconnection since the service was no longer needed. The company stated that the service was disconnected on February 24, 2000, with an effective billing date of February 18, 2000. Sprint reported that the customer owed \$1,544.25 on its February 2000 bill. The company stated that it notified International Media Solutions on May 12, 2000, and Mr. Johnson on May 26, 2000, that no credit would be issued since the 16 lines had been installed and disconnected as requested by Mr. Johnson.

In its letter, Sprint indicated that it was willing to waive \$952.90 associated with the minimum one-month charge since the customer had not used the service to place or receive calls and Mr. Johnson had submitted written cancellation request. However, the company stated that the customer would continue to be responsible for the "unrecoverable costs" of \$585, which is associated with the service order (\$25) and access line activation of the 16 lines at \$35 each (\$560) in accordance with its General Exchange Tariff, Section A5, Original Sheet 19, B, 9, a, 4.

Informal Conference

On October 25, 2000, an informal conference was held with the parties and a staff member. Mr. Johnson maintained that he had a three-way conversation on February 17, 2000, with Sprint's technician and Sprint representative, Ron Long, Administrator Carrier of Accounts, in which he requested that service be canceled. Mr. Johnson asserted that he confirmed with the Sprint representative, Mr. Long, that a technician had gone out the day before and had completed the installation for the office located at 375 Douglas Avenue, Suite 2115. However, Mr. Johnson contended that the installation for the office located at 435 Douglas Avenue, Suite 2305, had not been completed at that time. He stated that he notified Mr. Long that his customer did not want service. Mr. Johnson asserted that the technician was at the site of installation or very close to it during this conversation. Mr. Johnson alleged that he told Mr. Long, "We need to see if we can get that stopped." He maintained that the technician was paged, and the technician called his telephone number or Mr. Long's telephone number, resulting in a three-way telephone conversation. Mr. Johnson claimed that he visited the site and the RJ21X jack was never placed. Mr. Johnson maintained that Mr. Long told him to send a memo requesting cancellation. He also implied that Sprint had previously resolved similar problems without a charge. Mr. Johnson asserted that Sprint should issue a full credit on the account. Later, Mr. Johnson offered to pay one-half of the \$585 outstanding balance. However, the amount in dispute relates to the installation of 16 lines at his client's office at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714.

In the conference, Sprint acknowledged that it received a request from Mr. Johnson to install lines. Sprint stated that on February 15, 2000, it issued Service Order N817311 for installation of the 16 lines to be activated on February 17, 2000. Staff notes that Service Order N817311 corresponds to FOC which list the 16 lines to be installed at the first office at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714. The company stated it faxed a completed FOC to Mr. Johnson. Sprint stated that FOC form is used to fax back confirmations upon receipt of written request from vendors.

The company maintained that on February 17, 2000, a technician was dispatched to International Media Solutions' site. The company stated that the technician found Mr. Johnson's business card taped to the demarcation point requesting a telephone call to him upon completion of the installation to activate the 16 lines. Sprint asserted that the technician called Mr. Johnson, and explained that

the 16 lines had been activated. The company stated that Mr. Johnson expressed satisfaction that the installation was completed. Sprint contended that at no time during this conversation with the technician, did Mr. Johnson request service disconnection or express a need to talk with Mr. Ron Long. Sprint denied that either Mr. Ron Long and the technician had a three-way telephone conversation with Mr. Johnson on February 17, 2000, regarding the cancellation of the disputed 16 lines.

The company contended that the central office portion of the work relating to Service Order N817311 was completed on February 16, 2000. Sprint stated, "This work activated the 16 lines to the field terminal. This is prior to technician dispatch." Sprint stated that at 4:45 p.m. on February 17, 2000, the service order was closed which began the billing process. Sprint maintained that the first time that Mr. Johnson requested disconnection of the disputed lines was in his memo dated February 18, 2000, containing the statement the "Customer does not want this service." Sprint stated that an order was issued to disconnect the service on February 24, 2000, with an effective billing date of February 18, 2000, to correspond with the disconnection request date. The company stated that it waived the charges associated with the minimum monthly billing in an effort to settle the dispute. However, Sprint maintained that the customer is responsible for payment of the outstanding \$585 balance. The informal conference was concluded without a settlement.

Conclusion

Rule 25-4.112, Florida Administrative Code, states, "Any customer may be required to give reasonable notice of his intention to discontinue service. Until the telephone utility shall be notified, the customer may be held responsible for charges for telephone service." In reviewing the documentation submitted by Mr. Johnson, it is clear that the 16 lines to the first office at 435 Douglas Avenue, Suite 2305, Altamonte Springs, Florida 32714, were installed before Mr. Johnson requested written cancellation of those lines. Staff believes even if Mr. Johnson contacted Sprint the day service was being installed that would not be reasonable notice to Sprint. Staff believes that pursuant to Rule 25-4.112, Florida Administrative Code, Sprint can hold International Media Solutions responsible for the charges related to the installation of the 16 lines to the first office. Therefore, staff believes that Sprint did not improperly bill International Media Solutions' account.

However, Sprint stated that it was willing to waive the local service charges associated with the minimum one-month bill in an effort to resolve the complaint because the customer had not placed or received calls on the disputed 16 lines. The \$585 outstanding balance is for the "unrecoverable costs" associated with the service ordering and access line charges. Sprint's tariff Section A5, B9, a, 4, states:

Cancellation Charge - If the customer cancels the order prior to the start of service, a cancellation charge will apply. The charge will include all unrecoverable costs incurred by the Company up to and including the time of cancellation for the provision of the specific customer request.

Therefore, staff believes that the customer should bear the burden of the expenses associated with the service installation. Staff believes that International Media Solutions is responsible for payment of the \$585 balance, which included \$25 Service Ordering Charge and \$560 Access Line Activation Charge (\$35 x 16) for the 16 disputed lines. These charges are consistent with Sprint's tariff. Moreover, staff believes that Sprint did not violate any of the Commission's rules when it installed and activated the service for International Media Solutions based on Mr. Johnson's request.

Based on the foregoing, staff recommends that the Commission find that Sprint did not improperly bill International Media Solutions for the installation and subsequent cancellation of service. Staff further recommends that Sprint not be required to credit or refund International Media Solutions for the remaining disputed balance of \$585.

DOCKET NO. 001753-TL
DATE: JANUARY 4, 2001

ISSUE 2: Should this docket be closed?

STAFF RECOMMENDATION: Yes. If no person whose substantial interests are affected by the Commission's order in this docket timely files a protest within 21 days of the issuance of this order, this docket should be closed upon the issuance of a consummating order.

STAFF ANALYSIS: If no person whose substantial interests are affected by the Commission's order in this docket timely files a protest within 21 days of the issuance of this order, this docket should be closed upon the issuance of a consummating order.