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

DATE: April 21, 2005

TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM: Melinda H. Watts, Engineering Specialist III, Division of Competitive Markets & Enforcement *MW*

RE: Docket No. 050268-TI - Investigation and determination of appropriate method for refunding long distance monthly recurring charge overcharges by Sprint Communications Company, Limited Partnership d/b/a Sprint.

Please add the attached letter concerning Sprint Communications Company, Limited Partnership d/b/a Sprint's apparent overcharges to the subject docket file.

- CMP _____
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DOCUMENT NUMBER-DATE

03967 APR 22 08

FPSC - COMMISSION CLERK



Sandra A. Khazraee
Manager
Florida

Regulatory Affairs
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March 22, 2005

Ms. Beth Salak
Director
Division of Competitive Markets and Enforcement
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

RE: Sprint LD \$3.95 MRC

Dear Ms. Salak:

The following information is provided in response to questions raised during an informal meeting with Sprint on February 22, 2005 regarding the Sprint Long Distance (LD) \$3.95 monthly recurring charge (MRC) which was recently applied to the accounts of Sprint Sense family customers and MTS (Message Telecommunications Service) family customers. These price changes were implemented at three different points in time. Sprint LD customers of non-Sprint LECs who were presubscribed to a Sprint Sense plan received the \$3.95 MRC price change on their plans beginning August 1, 2004. Sprint LD customers (including Sprint LEC customers) who were presubscribed to a Sprint MTS plan received the \$3.95 MRC price change on their plans beginning December 1, 2004. Sprint LD customers of Sprint LTD who were presubscribed to a Sprint Sense plan received the \$3.95 MRC price change on their plans beginning January 1, 2005.

AUGUST and DECEMBER IMPLEMENTATION TO NON-SPRINT LTD CUSTOMERS

Beginning August 1, 2004, Sprint LD implemented the \$3.95 MRC price change for the Sprint Sense family calling plans of customers in non-Sprint LTD territory. Beginning December 1, 2004, Sprint LD implemented the \$3.95 MRC price change for the MTS family calling plans of all customers of record. The price structure for these plans previously did not have an MRC associated with them.

As a part of these price restructurings, Sprint took a number of actions in an attempt to ensure that the charge was applied to the appropriate customers. These actions included pre-implementation actions, notice to customers, and post-implementation actions. Each are described in more detail.

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Notice:

Sprint LD provided notice directly to the customers of record via postcards that were direct mailed to the address of record at least thirty days prior to implementation of the price change. Any customer responding to the notice had the option to avoid any impact of the new increased price by canceling their service with Sprint or moving at no charge to another available offer without a MRC.

Pre-implementation actions:

The customers included in the August 2004 implementation of the \$3.95 MRC and the non-Sprint LTD customers included in the December 2004 implementation of the \$3.95 MRC all either receive their Sprint LD bill directly from Sprint in an envelope separate from their local phone bill or the Sprint LD charges are presented on their local phone bill through the PRB (package ready billed) process. Customers whose LD charges are presented on their local phone bill through the PRB process were already being billed a monthly fee from Sprint on their local phone bills. Therefore, Sprint had a high degree of confidence that the billing records for these customers were significantly accurate. To further minimize any inaccuracy, Sprint also took two other actions.

The first additional action was to ensure customers in staging billing cycles were not impacted with this price restructuring. When customers are initially obtained as Sprint LD customers, they start in a staging cycle until usage or other activity drives the customers to an active billing cycle. Generally, if a customer is on an LD plan that includes MRCs, they would have been placed in an active billing cycle and the MRC would immediately apply. These customers will not initially receive the added MRC until they have usage or other activity beyond the addition of this \$3.95 MRC.

The second additional action taken was a sweep (or removal from the price change implementation) of no ANI or canceled ANI customers. These would be customers who had a Sprint LD account but did not currently have an active telephone number. If Sprint's records indicated that a customer had a valid active account but the ANI associated with the account was invalid or inactive, those accounts were flagged to ensure they did not receive the \$3.95 MRC.

Finally, customers were able to call to cancel service before the charge was implemented. In order to make this process more efficient, special automated options were made available to customers to cancel their long distance offer and scripting was provided to service representatives to manage customer's concerns and questions. If customers called and requested a different calling plan, they were moved to the new plan and there was no service order charge for this activity and the \$3.95 MRC was not implemented for that customer.

Post-Implementation actions:

Customers who did not contact Sprint prior to implementation of the \$3.95 MRC but then called and communicated that they did not have an account with Sprint during a period they were billed for service, were provided credits by Sprint for any period in question and the \$3.95 MRC was removed from their bill prospectively. This was reinforced through implementation of a specific M&P to the business office representatives.

As billing began to age for those customers that ultimately did receive the implemented monthly charge, Sprint noted that a number of customers that had an aging receivable had not contacted Sprint in any fashion throughout the process. That is, these customers had not contacted Sprint as a result of the receipt of the notice post card, they had not contacted Sprint to dispute the billing and they had not paid the Sprint bills. In those cases and where there had been no usage on the Sprint LD account for the six months prior to implementation of the MRC, Sprint automatically adjusted off the balances of those customers and closed the Sprint accounts with no adverse credit treatment.

DECEMBER 1, 2004 and JANUARY 1, 2005 IMPLEMENTATION TO SPRINT LTD CUSTOMERS

Beginning December 1, 2004, Sprint LD implemented the \$3.95 MRC on the MTS family calling plans of all customers and beginning January 1, 2005 Sprint LD implemented the \$3.95 MRC on all Sprint LTD customers who had an LD plan that is part of the Sprint Sense family of calling plans. These plans previously had not had any MRC associated with them. Here too, Sprint took a number of actions in an attempt to ensure that the charge was applied to the appropriate customers. These actions included pre-implementation actions, notice to customers, and post-implementation actions. Each are described in more detail.

Notice:

Sprint LD provided notice directly to the customers of record via postcards that were direct mailed to the address of record at least thirty days prior to implementation of the price change. Any customer responding to the notice had the option to avoid any impact of the new increased price by canceling their service with Sprint or moving at no charge to another available offer without a MRC.

Pre-implementation actions:

The majority of these customers included in these implementations have their Sprint LD billed on their local phone bill and a small percentage are billed for their long distance directly by Sprint LD. Sprint had a high degree of confidence that the billing records for these customers were significantly accurate. To further minimize any inaccuracy, Sprint also took two other actions.

The first additional action was to ensure customers in staging billing cycles were not impacted with this price restructuring. When customers are initially obtained as Sprint LD customers, they start in a staging cycle until usage or other activity drives the customers to an active billing cycle. Generally, if a customer is on an LD plan that includes MRCs, they would have been placed in an active billing cycle and the MRC would immediately apply. These customers will not initially receive the added MRC until they have or other activity beyond the addition of this \$3.95 MRC.

The second additional action taken was a sweep (or removal from the price change implementation) of no ANI or canceled ANI customers. These would be customers who had a Sprint LD account but did not have an active telephone number. If Sprint's records indicated that a customer had a valid active account but the ANI associated with the account was invalid or inactive, those accounts were flagged to ensure they did not receive the \$3.95 MRC.

Finally, customers were able to call to cancel service before the charge was implemented. In order to make this process more efficient, special automated options were made available to customers to cancel their long distance offer and scripting was provided to service representatives to manage customer's concerns and questions. If customers called and requested a different calling plan, they were moved to the new plan and there was no service order charge for this activity and the \$3.95 MRC was not implemented for that customer.

Post-Implementation actions:

Customers who did not contact Sprint prior to implementation of the \$3.95 MRC but then called and communicated that they did not have an account with Sprint during a period they were billed for service, were provided credits by Sprint for any period in question and the \$3.95 MRC was removed from their bill prospectively. This was reinforced through implementation of a specific M&P to the business office representatives. Through an oversight, this M&P was not issued until March 10, 2005.

COMPLAINTS

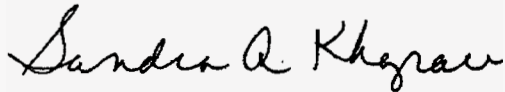
As of March 8, 2005, Sprint has received twenty two (22) complaints that were identified as pertaining to the \$3.95 MRC. Of those, eight of the accounts which were the subject of a complaint were active with Sprint LD usage on them. One of the complaints was actually related to a billing issue associated with Sprint toll free service. Several of these complaints were from customers who stated they did not want to pay a MRC and our records do not indicate they previously contacted Sprint to request cancellation of the LD account. Two of the complaints are still being investigated. A chart is attached which provides a summary of each of the complaints.

CONCLUSION

Sprint has carefully considered the implementation of this change to its calling plans and has made efforts to ensure the accuracy of the application of the \$3.95 MRC. As stated above, Sprint had a high degree of confidence that its billing records were significantly accurate. In light of the complaints that have been received, Sprint is reviewing its practices to determine if any other action needs to be taken.

Finally, Sprint has received the March 7, 2005 Data Request from Melinda Watts asking for additional information related to the \$3.95 implementation. That data request has a due date of April 1. Sprint is working to develop the response to that data request and expects to file it by April 1.

Sincerely,



Sandra A. Khazraee

Cc: Mr. Jack Shreve
Mr. Rick Moses

Complaint #	Customer Phone	Customer Name	LEC	Date	Comments
635999T	305.688.0455	Adolfo Orantes/ Singh	BellSouth	12/28/2004	Sprint LD acct established 3/4/96. Cust says LD is with BellSouth. Sprint cancelled acct 12/16/04 and credit issued. No previous request to cancel account was noted.
613600T	386.734.0535	Walker/Inman	BellSouth	8/19/2004	Sprint LD acct established 4/10/89. Cust says LD is with BellSouth. Sprint cancelled acct 8/20/04 and credit issued. No previous request to cancel account was noted.
1226844 W	305.624.8320	Cromartite	BellSouth	9/14/2004	Sprint cancelled account 9/14/04 and credit issued. No previous request to cancel account was noted.
614624T	904.221.9604	Obrien	BellSouth	10/25/2004	Cust says LD is with Qwest. Sprint cancelled acct 8/26/04 and credit issued. No previous request to cancel account was noted.
625688T	954.435.1184	Commiskey	BellSouth	10/18/2004	Sprint LD acct was active with usage. Sprint cancelled acct on 10/22/04 and credit was issued.
635425T	407.275.6219	Merkle	BellSouth	12/21/2004	Sprint LD acct was active with minimal usage. Sprint cancelled acct on 11/29/04 and issued credit.
1249948 E		Pridgeon	BellSouth	1/28/2005	Sprint cancelled account 1/28/04 and credit issued. No previous request to cancel account was noted.
1232426 (AGO)	904.391.0042	Somerson	BellSouth	10/9/2004	Sprint cancelled account 10/13/04 and credit issued. No previous request to cancel account was noted.
638567T	727.347.4023	Louis Gamache	Verizon	1/17/2005	This complaint was actually a billing issue where his Sprint Toll Free account payment had posted to an incorrect account.
1250662 W	740.826.4204	Morrison	Verizon	2/2/2005	Sprint cancelled account 2/2/05 and issued credit. No previous request to cancel account was noted.
632816T	941.764.8648	Charles Meyers	Sprint	12/1/2004	Sprint LD acct was active with usage. At customer's request, customer was switched to LD account plan with no MRC associated.
632454T	850.864.6665	Robert Paprocki	Sprint	11/30/2004	Sprint LD acct was active with minimal usage. At customer's request, Sprint cancelled account but left customer PIC'd to Sprint. Credit issued for final MRC.
638567T	239.415.2594	Heaton	Sprint	12/3/2004	Sprint LD acct is active with usage. Customer wanted plan with no MRC but chose to remain with current plan.
633301T	941.743.7925	Lillian Evans	Sprint	12/6/2004	Sprint LD acct was active with usage. Account closed 12/9/04 on. Customer was never billed the MRC. Called in response to postcard.
1240040 W	352.344.0427	Renfroth	Sprint	11/29/2004	Sprint LD acct was active with usage. Called in response to postcard. Customer was never billed the MRC. Acct closed 11/29/04.

16833 E	850.668.8056	Dougherty	Sprint	1/31/2005	Sprint LD acct established 7/31/98. Sprint cancelled acct on 1/31/05 and issued credit. No previous request to cancel account was noted.
640735T	352.746.5154	Bartis	Sprint	2/3/2005	Sprint cancelled acct on 2/3/05 and issued credit.
644221T	850.222.9025	Chris Moore	Sprint	3/3/2005	Sprint cancelled acct on 3/18/05 and issued credit.
643734T	850.385.3622	Mildred Cain	Sprint	2/28/2005	Sprint cancelled acct on 2/28/04 and issued credit. No previous request to cancel account was noted.
644541T	941.639.4378	Anna Wrobel	Sprint	3/7/2005	Sprint ERS investigating and preparing response.
644703T	850.609.1119	Gale McMichael	Sprint	3/8/2005	Sprint ERS investigating and preparing response.
628950T	352.567.2059	Glen Varn	****	11/4/2004	Sprint LD acct is active with sage. At customer's request, he was switched to a Sprint LD plan with no MRC fee.

*** ERS records say "Florida Cell Service Inc." Sprint-Florida appears to be the one this phone number is assigned to.