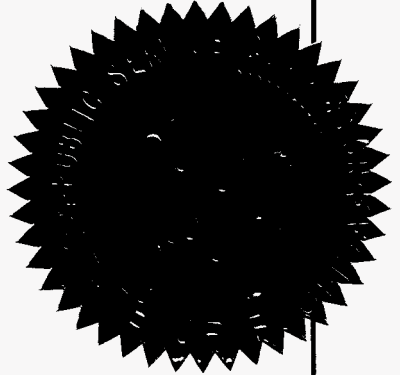


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 110029-TX

COMPLIANCE INVESTIGATION OF EASY
TELEPHONE SERVICES COMPANY FOR
APPARENT VIOLATION OF RULE
25-4.118, F.A.C., LOCAL, LOCAL
TOLL, OR TOLL PROVIDER SELECTION.



PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, February 22, 2011

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION
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P R O C E E D I N G S

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CHAIRMAN GRAHAM: So that moves us to Item Number 4. If we can turn over to Item Number 4. Okay.

MS. CURRY: Kiwanis Curry on behalf of Commission Staff.

Item Number 4 is Staff's recommendation that the Commission accept Easy Telephone Services Company's proposed settlement offer to make a voluntary contribution in the amount of \$106,000 to resolve 106 apparent violations of Rule 25-4.118. Representatives from the company are not present; however, Staff is available for questions.

CHAIRMAN GRAHAM: Thank you. I guess we're back here to the board. Okay. Commissioner Edgar.

COMMISSIONER EDGAR: Thank you, Mr. Chairman, and I did have one or two questions.

I know in the item and as you've just said it lists 106 specific instances of violation or of a slamming complaint. How many customers does this company have in the State of Florida? I'm just looking for a little context.

MS. CURRY: They have approximately 3,927

1 customers in Florida.

2 **COMMISSIONER EDGAR:** Okay. Thank you.

3 And I notice that in the information in the backup,
4 the letter from the company describing the proposed
5 settlement, there's language on the second page that
6 says that the company has contacted each customer
7 that had filed a complaint and has ensured that full
8 resolution of the issues were to the customer's
9 satisfaction. And I was just looking for a little
10 more information about that.

11 And I will say as background, a number of
12 years ago, long, long, long before I had ever even
13 heard of the Florida Public Service Commission, I
14 was actually slammed many, many, many times and got
15 into that bouncing back and forth between two
16 companies, which -- and had a lot of excess charges.
17 And I'm not at all implying that that is the
18 instance here, but yet when I read that every single
19 customer's every single issue has been resolved to
20 their full satisfaction, that, that's really
21 amazing. So could you give us a little more
22 information about what was done and how that was
23 done and were there instances of double billing and,
24 if so, were they all fixed?

25 **MS. CURRY:** As far as like the double

1 billing, I'm not sure -- from what I read from
2 reading the complaints there were no double billing
3 issues. If there were, the customers did receive a
4 full credit.

5 But basically based on the complaints that
6 we received, most of the customers generally
7 requested two things as far as the resolution: One
8 was to be switched back to the provider of their
9 choice; and two was to have all charges that they
10 incurred as a result of the additional, as a result
11 of being switched to Easy Telephone Service, they
12 wanted those charges removed. All of the customers
13 were switched back to the provider of their choice
14 and they all did receive a full credit if they
15 incurred any additional charges as a result of the
16 unauthorized switch. So in that instance or in --
17 the customers were satisfied because for the most
18 part that was what, the resolution that they were
19 seeking, so.

20 **COMMISSIONER EDGAR:** Okay. So, and just
21 to round that out then, because that statement that
22 I partially read, partially described, and it's the
23 second point too on the second page, because this
24 document is, basically would be adopted as part of
25 the proposed settlement, our Staff, you're

1 comfortable that that is an accurate statement?

2 **MR. KENNEDY:** I would like to add to that.
3 This, this will be ongoing. We will monitor this
4 company routinely now and we will work with Consumer
5 Affairs. If there's any customer who contacts us
6 back that has a problem, we will ensure that it gets
7 fixed. So we will monitor this company, we will run
8 reports monthly to see if they have any more
9 slamming complaints because they're not supposed to
10 have any after a certain cutoff date, which was
11 December the 9th. They claim they have no
12 further -- because they fired their marketing agent,
13 they should have no further slamming complaints. So
14 we're going to watch that monthly. If we see new
15 complaints that occurred after that, we'll bring
16 another recommendation, open another docket and
17 bring it back to you.

18 **COMMISSIONER EDGAR:** Thank you. And,
19 Commissioners, it does appear from the information
20 available to us that this company did take action to
21 try to rectify the problem in a, in a timely manner,
22 which is certainly appreciated. Thank you.

23 **CHAIRMAN GRAHAM:** Thank you.

24 Commissioner Balbis.

25 **COMMISSIONER BALBIS:** I have two questions

1 for Mr. Kennedy.

2 In the Staff's recommendation -- well, let
3 me start with this. What is, what is the maximum
4 penalty that this Commission can assess for these
5 complaints?

6 **MR. KENNEDY:** By statute the maximum
7 penalty is \$25,000 per complaint per day. So
8 that's, that's the statutory limits. By practice,
9 since about 1997, the Commission has imposed a
10 preliminary penalty of \$10,000 per complaint has
11 been the Commission's practice.

12 **COMMISSIONER BALBIS:** So normally we, we
13 assess a \$10,000 fine.

14 **MR. KENNEDY:** That's correct. And we
15 typically have settled for less, and this is in the
16 window of settlement for, for the cooperation and
17 spirit of we will fix the problem from the company,
18 their attitude.

19 **COMMISSIONER BALBIS:** So one of the
20 conditions in accepting a lower settlement offer
21 is -- could you kind of go into some of the factors
22 that you look into as far as assessing a lower
23 penalty?

24 **MR. KENNEDY:** Sure. What we, what we look
25 at is did the slamming stop? It appears to have

1 stopped. What they tell us about discontinuing the
2 marketing on December the 9th -- I had them provide
3 a list of slamming complaints of actually when the
4 service, service slam occurred. To date I have none
5 after December the 9th. Of course that's what we're
6 going to be looking for going forward.

7 They were also very cooperative. We
8 actually never put them in notice on writing on
9 this. They were here to brief us on expanding their
10 company operations, and we brought it up because it
11 just had occurred. And they were quick to respond,
12 to resolve it, and that goes a long ways because
13 some companies it takes forever to fix the issues.
14 So all those are mitigating circumstances that, that
15 we believe would allow you to accept a smaller offer
16 for each complaint.

17 **COMMISSIONER BALBIS:** Okay. Thank you.

18 **CHAIRMAN GRAHAM:** Seeing no other lights,
19 can I get a motion?

20 **COMMISSIONER BRISÉ:** Move Staff.

21 **COMMISSIONER EDGAR:** Second.

22 **CHAIRMAN GRAHAM:** It's been moved and
23 seconded Staff's recommendation on Item Number 4.

24 Any further discussion? Seeing none, all
25 in favor, say aye.

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(Vote taken.)

Those opposed? By your action you've moved
the Staff recommendation on Item Number 4.

(Agenda item concluded.)

* * * * *

1 STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
 2 COUNTY OF LEON)

3
 4 I, LINDA BOLES, RPR, CRR, Official Commission
 Reporter, do hereby certify that the foregoing
 5 proceeding was heard at the time and place herein
 stated.

6
 7 IT IS FURTHER CERTIFIED that I
 stenographically reported the said proceedings; that
 the same has been transcribed under my direct
 8 supervision; and that this transcript constitutes a
 true transcription of my notes of said proceedings.

9
 10 I FURTHER CERTIFY that I am not a relative,
 employee, attorney or counsel of any of the parties,
 nor am I a relative or employee of any of the parties'
 11 attorneys or counsel connected with the action, nor am
 I financially interested in the action.

12 DATED THIS 27th day of February, 2011.

13
 14 Linda Boles
 15 LINDA BOLES, RPR, CRR
 FPSC Official Commission Reporter
 16 (850) 413-6734