

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of) DOCKET NO. 950135-TI
appropriate method of refunding) ORDER NO. PSC-95-0469-FOF-TI
overcharges on intrastate long) ISSUED: April 12, 1995
distance service provided by)
United Telephone Long Distance)
d/b/a Centel Long Distance from)
pay telephones operated by)
United/Centel.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING METHOD OF REFUND AND DISPOSITION OF OVERCHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On October 5, 1994, our Division of Communications informed United Telephone Long Distance d/b/a Centel Long Distance (UTLD) that pay telephone test calls carried by the company appeared to be billed in excess of the pay telephones rate caps established by Order No. 24101 and Rule 25-24.630(1)(a), Florida Administrative Code. On October 28, 1994, UTLD responded that the overcharge was caused when its billing vendor, National Independent Billing (NIB), mistakenly applied a \$1.00 Premises Initiated Fee (PIF) for interstate calls to both interstate and intrastate calls. The PIF is an optional charge for interstate pay telephone calls assessed by the provider to fund commission payments to the call aggregator, pay phone provider, hotel, etc., and should not be applied to intrastate calls.

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The erroneous charge was billed from October 1, 1993 through October 31, 1994. UTLD found that 212,974 calls had been overcharged at \$1.00 each, totalling \$212,974. On February 9, 1995, UTLD informed us that due to the number of customers billed by third parties, approximately 13% to 15% of the end users cannot be directly refunded because they no longer have active accounts. UTLD proposed refunding by a surcharge reduction plan but indicated willingness to implement any feasible refund method.

We order UTLD to refund \$225,051.66. This amount consists of the \$212,974 overcharged plus \$12,077.66 interest in accordance with Rule 25-4.114, Florida Administrative Code. The customers that UTLD can identify should be refunded by crediting their monthly bills after this Order becomes final. The remaining amount should be paid to the Florida Public Service Commission and will be disposed of pursuant to Chapter 364.285, Florida Statutes. When the refund is complete, UTLD will provide our staff with a report verifying the refund.

We choose not to implement a surcharge reduction as proposed by UTLD based on our experience in previous dockets. It is difficult to monitor and ensure that proper refunds are made. The process usually takes many months. In addition, the actual end users that were harmed are not made whole. Our method will allow many of the end users actually overcharged to receive refunds. Although remitting the remaining amount to the Commission is not a perfect solution, it will prevent UTLD from profiting from its overcharges.

We choose not to issue a show cause order against UTLD. Once informed that there was a problem, UTLD investigated, corrected the problem, and proposed a refund plan. To ensure accurate charges and compliance with approved state tariffs in the future, UTLD has improved company internal procedures to provide more frequent audit reviews of its billing vendor. Considering the level of cooperation and the corrective measures implemented by UTLD, we do not believe that a show cause order is necessary.

It is, therefore,

ORDERED by the Florida Public Service Commission that United Telephone Long Distance d/b/a Centel Long Distance shall refund \$225,051.66, consisting of \$212,974 overcharged plus \$12,077.66 in interest. It is further

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ORDERED that United Telephone Long Distance d/b/a Centel Long Distance shall make the refunds directly to the end users that were overcharged by crediting their monthly bills. It is further

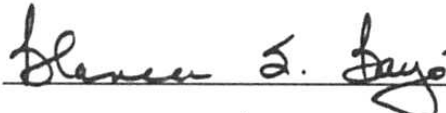
ORDERED that United Telephone Long Distance d/b/a Centel Long Distance shall remit to the Commission \$225,051.66 less any amount refunded directly to the end users. It is further

ORDERED that United Telephone Long Distance d/b/a Centel Long Distance shall provide a report to our staff when the refund is complete verifying the amount refunded and the completion of the refund. It is further

ORDERED that this docket will be closed upon verification that the refund is complete.

ORDERED that, unless a person whose substantial interests are affected by the action proposed herein files a petition in the form and by the date specified in the Notice of Further Proceedings or Judicial Review, below, this order will become final.

By ORDER of the Florida Public Service Commission, this 12th day of April, 1995.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 3, 1995.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.