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June 29, 1998

**BY HAND DELIVERY**

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 951232-TI

Dear Ms. Bayo:

Enclosed for filing in the captioned docket are an original and fifteen copies of the Response of Transcall to Florida PSC Audit Number 98-071-4-1.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Brian K. Sulmonetti

- ACK
- AFA
- APP
- CAF
- CMU
- CTR  BKS/amb
- EAG  Enclosures
- LEG  cc: Wes Parsons, Esq.
- LIN  3. Beth Keating, Esq.
- OPC  Ms. Kathy Welch
- RCH
- SEC
- WAS
- OTH

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FPSC RECORDS & REPORTING

**RESPONSE OF TRANSCALL  
TO FLORIDA PSC AUDIT NUMBER 98-071-4-1  
Docket No. 951232-TI**

Pursuant to the letter of June 15, 1998 to Brian Sulmonetti, the following is the response of Transcall America, Inc. to the Florida PSC audit, Audit Control No. 98-071-4-1, filed in Docket No. 951232-TI. For purposes of this response, Transcall hereby adopts and incorporates herein the relevant portions of the prefiled direct testimony of Mr. Douglas S. Metcalf filed on June 26, 1998. The following merely summarizes Transcall's position with respect to those matters Transcall disputes.

Audit Disclosure No. 4, page 8.

Difference A. For the months of the September 1991, November 1991, and December 1991, Staff recomputed the bill to TSI on the basis of other monthly billing summaries it located. Using these alternative summaries, the Staff determined that the bill to TSI was overstated by \$38,108.59. Transcall believes that the Staff had no basis for utilizing these alternative summaries.

Difference B. For the months of March and April 1991, the Staff determined that TSI received an excess credit of \$10,787.29. In addition, the Staff determined that in April 1991, Transcall gave TSI credit for October 1990 in the amount of \$9,990.62 that should not have been given. If the purpose of this proceeding is to establish a correct billing record, these excess credits should be accounted for and not ignored as they were by the Staff audit.

Audit Disclosure No. 7, page 20.

Staff Audit Disclosure No. 7, at page 20, recommends a downward adjustment of \$8,776.44 for a change in the billing format in March and May of 1992. From Transcall's review of the relevant documents that may not have been available to Ms. Welch and which have been identified as Exhibit DSM-2 to Mr. Metcalf's direct testimony, TSI agreed that it would pay Transcall switchless reseller rates starting in March, until TSI could obtain its own Feature Groups. In early May Transcall agreed to grandfather the old rates to TSI, subject to TSI fulfilling certain modified arrangements. In late May, TSI reneged on the arrangements that were the basis for Transcall's concession to grandfather the old rates. These events explain why there are March and April usage bills at the old rates, and March and May usage bills at the switchless reseller rates. (Copies of these bills are attached to Exhibit MJD-2). Therefore, Transcall believes it is appropriate to calculate all three months at the higher switchless reseller rates, which increases the amount due by \$17,890.14 in Mr. Metcalf's Exhibit DSM-1 (and noted in the "DSM FOOTNOTE" column as "B1").

**Audit Disclosure Number 9, page 28.**

Staff has calculated an additional refund in the amount of \$83,350.43 for the period December 1990 to May 1992 on the incorrect assumption that Transcall was required to bill TSI for conversation time (TP6 to TP7) instead of full connection time (TP1 to TP7). This adjustment is completely inappropriate.

This adjustment by the Staff is predicated on the assumption that when Transcall changed its tariff to conversation time billing, Transcall should have unilaterally amended the Agreement between the parties dated July 7, 1989 (Agreement), and billed TSI for only conversation time. In support of this conclusion, the Staff relies upon a check sent to TSI pursuant to the settlement approved by this Commission in Order No. PSC-93-1237-AS-TI. However, as a reseller, TSI was to be billed based upon the Agreement (as modified) between TSI and Telus, not based on Transcall's tariff for its own retail customers.

A fundamental premise of the Agreement was that TSI's bill was discounted from the amounts billed to TSI's customers. As Staff acknowledges in this disclosure, TSI's tariff clearly provided for TSI's customers to be billed on the basis of TP1 to TP7, and the Agreement did not provide for any different treatment in the billing to TSI. Thus, any change to the Transcall tariff definition of billable call duration did not apply to the bills rendered by Transcall to TSI or its customers.

As is clear from a reading of Order No. PSC-93-1237-AS-FI, the refund check to TSI was a result of Transcall's efforts to compensate every possible tariff customer as was required by the settlement agreement and was erroneously sent to TSI even though it was a contract customer. Indeed, as vigilant as Mr. Esquenazi was in pointing out alleged problems and in requesting credits and other rate reductions, there is nothing in the record to indicate that TSI wanted to change over to conversation time-only billing when Transcall made the change in June 1991. Indeed, to this day, TSI's tariff still retains the TP1 to TP7 language. Accordingly, this Staff adjustment should not be made, and Mr. Metcalf has not included this adjustment in Exhibit DSM-1 (and noted in the "DSM FOOTNOTE" column as "B4").