



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

RECORDING AND REPORTING
NOV -4 AM 11:49
RECEIVED-FPSC

DATE: NOVEMBER 4, 1999

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

FROM: DIVISION OF COMMUNICATIONS (BIEGALSKI) *UB*
DIVISION OF LEGAL SERVICES (FORDHAM) *L.F. H*

RE: DOCKET NO. 991460-TI - INVESTIGATION AND DETERMINATION OF APPROPRIATE METHOD OF REFUND FOR OVERCHARGES BY MCI WORLDCOM NETWORK SERVICES, INC. ON DIAL AROUND CALLS.

AGENDA: 11/16/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMU\WP\991460.RCM

CASE BACKGROUND

- April 25, 1983 - MCI WorldCom Services, Inc. (MCI) was issued certificate number 61 to operate as an interexchange telecommunications company.
- February 18, 1999 - Staff received a customer complaint regarding the cost of calls made by dialing 10-10-220. The customer states that not only was he not charged the appropriate rates, he was billed by MCI instead of Telecom*USA.
- March 1, 1999 - Staff received another customer complaint regarding the cost of calls made by dialing 10-10-220. The customer states that not only was she not charged the appropriate rates, she was billed by MCI instead of Telecom*USA.

DOCUMENT NUMBER-DATE

13573 NOV-4 99

FPSC-RECORDS/REPORTING

- April 8, 1999 - Staff met with MCI and Sprint Florida to investigate the apparent overcharging of 10-10-220 calls in the Tallahassee area.
- September 20, 1999 - MCI submitted its proposed refund method and schedule, and provided data to calculate the amount of interest owed all customers overcharged for the 10-10-220 dial around calls. MCI proposed a total refund of \$3,186.00.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept MCI WorldCom Network Services, Inc.'s offer of refund and refund calculation of \$3,186.00, plus interest of \$211.25, for a total of \$3,397.25, for overcharging customers dialing 10-10-220 between September 19, 1998 and April 19, 1999?

RECOMMENDATION: Yes. The Commission should accept MCI's refund calculation of \$3,186.00, adding interest of \$211.25, for a total of \$3,397.25, and proposal to credit customer bills between January 2000 and March 2000, for overcharging customers dialing 10-10-220 between September 19, 1998 and April 19, 1999. The refunds should be made through credits to customers' bills between January 2000 and March 2000. At the end of the refund period, any amount not refunded, including interest, should be remitted to the Commission and forwarded to the Comptroller for deposit in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. MCI should submit refund reports as required by Rule 25-4.114, Florida Administrative Code, Refunds. **(Biegalski)**

STAFF ANALYSIS: Staff is in receipt of complaints regarding the rates charged for dialing 10-10-220. The customers state that when they received their telephone bills, the charges were much higher than the advertised rates. In addition, the customer's were being billed by MCI rather than Telecom*USA. As a result of the customer complaints, staff initiated an investigation into MCI's billing for the 10-10-220 access code in the Tallahassee area.

On March 19, 1999, as a result of a staff inquiry, MCI stated that Telecom*USA requested Sprint-Florida to load its Carrier Identification Code (CIC) in Sprint's Carrier Identification

DOCKET NO. 991460-TI
DATE: November 4, 1999

Parameter (CIP) end offices, which allows traffic to be tagged with the CIC of the appropriate carrier. Mistakenly, Sprint loaded the 220 CIC into all end offices. Therefore, because some of the Tallahassee area end offices use multi-frequency signaling and not SS7, the correct carrier could not be identified for the 10-10-220 calls and resulted in customers being billed by MCI as casual callers.

On April 8, 1999, staff held a meeting with MCI and Sprint in order to resolve the billing problem related to the 10-10-220 access code in Sprint's territory. The companies agreed that the appropriate request has been submitted in order to have the ability to route this traffic appropriately.

Based on the foregoing, the Commission should accept MCI's refund pursuant to Rule 25-4.114, Florida Administrative Code. The amount of refunds should be \$3,397.25, including interest of \$211.25. MCI has agreed to credit end users' bills for the overcharge plus interest. The credit will appear on the local telephone company statement between January 1, 2000 and March 31, 2000. Any unrefunded monies, including interest due, should be remitted to the Commission and deposited in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. MCI should submit refund reports to the Commission on February 1, March 1, and a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds.

ISSUE 2: Should MCI WorldCom Network Services, Inc. be required to show cause why it should not pay a fine for overbilling of dial around calls?

RECOMMENDATION: No. (Biegalski)

STAFF ANALYSIS: By Section 364.285, Florida Statutes, the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$25,000, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364. However, based on investigation of the circumstances causing the dial around overcharges, staff does not believe that

DOCKET NO. 991460-TI
DATE: November 4, 1999

MCI's conduct rises to the level that warrants an order to show cause.

It was determined that the overcharges occurred because Sprint-Florida mistakenly loaded Telecom*USA's CIC code into all end offices instead of only the CIP end offices. Therefore, because some of the Tallahassee area trunk groups used multi-frequency signaling and not SS7, traffic could not be identified and routed properly. In addition, the overcharges were isolated and only occurred in the Tallahassee area. MCI corrected the problem and cooperated fully with staff during the investigation. Moreover, MCI has agreed to refund those customers who were overbilled the amount overcharged plus interest.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending the completion of the refund or the resolution of a protest filed within 21 days of the issuance date of the Order by a person whose substantial interests are affected. If the PAA portion of this order is not protested, it will become effective and final upon the issuance of a consummating order. **(Fordham)**

STAFF ANALYSIS: If the Commission approves the staff recommendation in Issue 1, this docket should remain open pending the completion of the refund or the resolution of a protest filed within 21 days of the issuance date of the Order by a person whose substantial interests are affected. If the PAA portion of this order is not protested, it will become effective and final upon the issuance of a consummating order.