

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Determination of appropriate method for refunding overcharges on intrastate long distance service provided by WorldCom Technologies, Inc. for calls placed from pay telephones.

DOCKET NO. 971567-TI
ORDER NO. PSC-98-0129-FOF-TI
ISSUED: January 23, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REFUND

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.

I. CASE BACKGROUND

WorldCom Technologies, Inc. (WorldCom or the company) is an interexchange carrier and provides long distance services under Certificate No. 1528.

In January, 1997, one of our staff engineers evaluated pay telephones in the Daytona Beach area. Calls were placed to our test number in Tallahassee and billed to a calling card account established for testing purposes. Our staff's review of the resulting bill revealed that a call was billed at rates different than those listed in the company's tariff. Staff was overbilled by \$0.50 on a two-minute call.

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FPSC-RECORDS/REPORTING

Staff contacted WorldCom in February for an explanation of the apparent overbilling. WorldCom advised that the call was classified as a call that was handled by a live operator. Therefore, a higher operator assisted charge applied. The company insisted equipment failure did not occur.

Staff evaluated pay telephones in the Crystal River area in April, 1997. A review of the resulting bill revealed that a two-minute call was billed at \$3.71 instead of \$1.77, according to the tariff on file. Staff contacted the company in June for an explanation. WorldCom responded on July 18, 1997, and advised that recent network rearrangements inadvertently resulted in billing errors on certain 0+ calls. WorldCom conducted test calls and found that fully automated calling card calls were recorded and billed as though a live operator handled the call. WorldCom advised that the error was the result of "decommissioning two WorldCom switches, in Tampa and Ft. Lauderdale, and rehoming WorldCom traffic to a different originating switch in Florida."

On June 16, 1997, WorldCom repaired the problem on a temporary basis by lowering the surcharge for all intrastate station-to-station calls. The permanent solution, which should be implemented during the first quarter of 1998, is to "bong" operator service calls at the switch.

II. DISCUSSION

WorldCom estimated the overcharges for the two switches by analyzing its May, 1997 traffic, a high traffic month. The company estimated overcharges of \$2,500 per month for August and September, 1996, \$5,000 per month from October, 1996 to May, 1997, and \$2,500 in June, 1997, when the temporary correction was made. The total estimated overcharges amount to \$47,500.

We can require WorldCom to make refunds pursuant to Rule 25-4.114, Florida Administrative Code. The amount of the refunds is \$50,873.61 consisting of \$47,500.00 in overcharges and \$3,373.61 in interest. The company has agreed to credit end users' bills for the overbilling plus interest. The credit will appear on customer billings between February 1 through April 30, 1998.

We do not believe that WorldCom's conduct rises to a level warranting that a show cause order be issued. WorldCom corrected the problem and cooperated fully with us during the investigation.

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Moreover, WorldCom has agreed to refund those customers who were overbilled the amount overcharged plus interest.

III. CONCLUSION

Upon consideration, we accept WorldCom's refund calculation of \$47,500.00, adding interest calculations of \$3,373.61, for a total of \$50,873.61, and its proposal to credit customer bills between February 1 and April 30, 1998. Any remaining monies, including interest due unidentified consumers, shall be remitted to the Commission within 30 days following the refund period, and deposited in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that WorldCom's refund proposal is hereby accepted as specified in the body of this Order. It is further

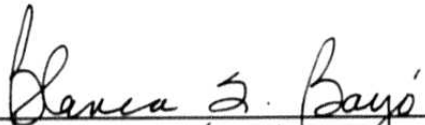
ORDERED that any remaining monies, including interest due unidentified consumers, shall be remitted to the Commission within 30 days following the refund period, and deposited in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

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By ORDER of the Florida Public Service Commission this 23rd
day of January, 1998.



BLANCA S. BAYÓ, 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 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 13, 1998.

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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.