



# 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-

RECORDS AND REPORTING  
JUL 15 AM 10:31  
RECORDED PROC

**DATE:** JULY 15, 1999

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

**FROM:** DIVISION OF COMMUNICATIONS (KENNEDY) *RK*  
DIVISION OF LEGAL SERVICES (WATTS/BEDELL) *CB for Comm*  
DIVISION OF AUDITING AND FINANCIAL ANALYSIS (BAMAAN) *ALM*

**RE:** DOCKET NO. 990675-TI - INVESTIGATION OF GULF LONG DISTANCE, INC. FOR INCORRECT BILLING OF INTRASTATE 0+ CALLS MADE FROM PAY TELEPHONES AND INTRASTATE 0+ CALLS MADE IN A CALL AGGREGATOR CONTEXT. *ms*

**AGENDA:** 07/27/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION FOR ISSUE 1 - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMU\WP\990675.RCM

### CASE BACKGROUND

- November 17, 1993 - Gulf Long Distance, Inc. (Gulf) was issued certificate number 3493 to operate as an interexchange telecommunications company.
- April 29, 1999 - Staff received a customer complaint regarding the high cost of an intrastate call made from a pay telephone station located in a confinement facility.
- May 3, 1999 - Staff informed Gulf (Attachment A, pages 9 and 10) that its operator service rates apparently exceed the rate caps provided in Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements.
- May 12, 1999 - Gulf responded to staff's inquiry (Attachment B, page 11) stating that its charges for 0+ intrastate toll calls exceed the rate caps provided in Rule 25-24.630, Florida

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Administrative Code, Rate and Billing Requirements. Gulf had failed to revise its tariff and lower its 0+ intrastate toll rates on February 2, 1999, to comply with the rate caps provided in Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements.

- May 24, 1999 - Staff requested that Gulf provide additional information (Attachment C, pages 12 and 13) regarding the overcharges, including a refund plan.
- May 28, 1999 - Gulf's response to staff's second inquiry (Attachment D, page 14) proposed a refund method and schedule, and provided data to calculate the amount of interest owed customers. Gulf proposed a total refund of \$86,548.10.
- June 9, 1999 - Staff called Gulf to verify that all potential circumstances for overcharging customers had been identified and addressed.
- June 10, 1999 - Gulf submitted an e-mail response that addressed staff's inquiry and stated that 45,000 customers' calls were overcharged (Attachment E, pages 15 and 16).
- July 8, 1999 - Staff called Gulf to clarify the basis for the cost elements of the proposed \$86,548.10 refund. Gulf advised staff that the refund amount had been revised to \$86,562.10. Of this amount, a total of \$31,322.49 was attributed to overcharges for 0+ intrastate toll calls made from inmate pay telephones and for 0+ intrastate toll calls made in a call aggregator context. The remainder of the proposed refund, \$55,239.61, was attributed to the high cost of 0+ local calls made from inmate pay telephones. The Commission's operator service provider rules do not specify rate caps for 0+ local calls.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept Gulf's offer of refund and refund calculation of \$31,322.49, plus interest of \$526.40 (Attachment F, page 17), for a total of \$31,848.89, for overcharging customers for 0+ intrastate toll calls placed from pay telephone stations located in confinement facilities and for 0+ intrastate toll calls placed in a call aggregator context during the period February 1, 1999 through May 26, 1999?

RECOMMENDATION: Yes. The Commission should accept Gulf's refund calculation of \$31,322.49, adding interest of \$526.40, for a total of \$31,848.89, and proposal to credit customer bills between August 1, 1999, and September 15, 1999, for overcharging customers for 0+ intrastate toll calls placed from pay telephone stations located in confinement facilities and for overcharging customers for 0+ intrastate toll calls placed in a call aggregator context during the period February 1, 1999 through May 26, 1999. The refunds should be made through credits to customers' bills between August 1, 1999, and September 15, 1999. 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. Gulf should submit refund reports to the Commission commencing August 20, 1999 and a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds. (Kennedy)

STAFF ANALYSIS: On April 29, 1999, staff received a complaint from a customer regarding the high cost for a call made from a pay telephone station located within a confinement facility. The customer reported that billing was made by Zero Plus Dialing, Inc. on behalf of Gulf Long Distance, Inc. As a result of this customer complaint, staff initiated an investigation of Gulf's ratings of all 0+ intrastate calls placed from pay telephone stations and 0+ intrastate calls placed in a call aggregator context (hotels and motels).

On May 3, 1999, staff called Gulf and followed up with written correspondence regarding the April 29 customer complaint and the possibility that Gulf had overcharged customers for 0+ intrastate calls. On May 12, Gulf advised staff that rates for 0+ intrastate toll calls exceeded the rate caps provided in Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements. For this investigation, staff determined that there were three possible scenarios for which Gulf may have overcharged customers for operator services. The scenarios are:

- A. 0+ intrastate toll calls from inmate pay telephone stations,

- B. 0+ intrastate toll calls from pay telephone stations outside confinement facilities, and
- C. 0+ intrastate toll calls made in a call aggregator context (hotels and motels).

Further, this recommendation provides an explanation of Gulf's offer to refund customers because of high charges for 0+ intrastate local calls placed from pay telephone stations located in confinement facilities. Staff's analysis is presented in paragraph D. Rationale for Voluntary Refund of \$56,167.96 for 0+ local calls.

**A. 0+ Intrastate Toll Calls from Inmate Pay Telephone Stations**

Gulf's initial offering of operator services for pay telephones in confinement facilities commenced February 10, 1999. Therefore, overcharges to inmates were confined to the period February 10, 1999, through May 26, 1999.

Staff reviewed the tariff Gulf has on file with the Commission. Gulf's tariff listed the measured rate for a 0+ intrastate toll call at \$0.25 per minute and a surcharge of \$2.25 for an automated operator assisted collect call. The applicable rate caps for a 0+ intrastate toll call, as provided in Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements, are \$0.30 per minute and a \$1.75 operator surcharge. In addition to the \$0.25 per minute and the \$2.25 operator surcharge, Gulf charged a property imposed fee of \$0.25 for each 0+ intrastate toll call placed by an inmate. Monies collected for the property imposed fee were remitted to the facility housing the inmates.

For each 0+ intrastate toll call, Gulf overcharged \$0.50 for the automated operator assisted surcharge and \$0.25 due to the application of a property imposed fee. The measured toll rate of \$0.25 per minute did not exceed the Commission's rate cap.

**B. 0+ Intrastate Toll Calls from Pay Telephone Stations Outside Confinement Facilities**

Staff determined that Gulf did not charge customers for 0+ intrastate toll calls placed from pay telephone stations located outside confinement facilities. Gulf provides operator services to Gulf Telephone Company d/b/a Gulf Payphones for pay telephone stations located outside confinement facilities. Gulf did not charge any customer for 0+ intrastate toll calls placed from Gulf Payphones' stations due to technical difficulties. Gulf Payphones has less than 10 pay telephone stations placed within Florida.

C. 0+ Intrastate Toll Calls Made in a Call Aggregator Context (Hotels and Motels)

From February 1, 1999 through May 6, 1999, Gulf overcharged customers for 0+ intrastate toll calls placed in a call aggregator context. Customers were overcharged varying amounts depending on how the calls were placed (person-to-person or non person-to-person and customer dialed or operator dialed). Gulf's operator surcharges exceeded the Commission's rate caps by \$0.50 per call for a non person-to-person call and \$1.65 per call for a person-to-person call. An additional overcharge of \$1.15 would occur if a Gulf operator dialed the number for the customer. Gulf's \$0.25 per minute measured toll rate did not exceed the Commission's \$0.30 per minute rate cap.

D. Rationale for Voluntary Refund of \$56,167.96 for 0+ Local Calls

During conversations with Gulf, staff identified the cost elements of the proposed \$86,562.10 refund. Of this amount, a total of \$31,322.49 was attributed to overcharges for 0+ intrastate toll calls made from inmate pay telephones and 0+ intrastate toll calls made in a call aggregator context. The difference between Gulf's \$86,562.10 proposed refund and staff's recommended \$31,322.49 settlement amount is \$55,239.61.

Staff evaluated the customer's April 29 complaint regarding a \$5.50 charge for a collect call placed from a pay telephone station located within a confinement facility. Staff determined that the call was a 0+ local, collect call. Gulf stated the call duration was 12 minutes and was rated based on \$0.25 per minute (\$3.00), application of an operator surcharge (\$2.25), and application of a property imposed fee (\$0.25), for a total of \$5.50. Monies collected for the property imposed fee were remitted to the facility housing the inmates. Inmates have no choice but to place all local or toll calls from pay telephone stations in confinement facilities by dialing 0+ the number. Staff expressed its concern to Gulf about rating a 0+ local call on a measured versus a flat rate basis. Gulf shared staff's concern.

Gulf's tariff did not specify a rate for a 0+ local call placed from a pay telephone in a confinement facility. Rule 25-24.515, Florida Administrative Code, Pay Telephone Service, permits a pay telephone service provider to select its carrier of choice for 0+ calls, including an operator services provider. Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements, is silent regarding rate caps for 0+ local calls. Therefore, staff had no basis to determine the cost for this type of call. To correct this situation, staff is currently revising the operator

service provider rules to mirror the rate caps specified in the pay telephone service provider rules.

To determine a reasonable cost for a 0+ local, collect call from a confinement facility pay telephone, staff considered:

- the public's interest,
- that local call charges from pay telephone stations are flat rate, not measured, and
- Rule 25-24.516, Florida Administrative Code, Pay Telephone Rate Caps, which defines rate caps for 0+ local calls for pay telephone providers (not operator service providers).

It is staff's opinion that the Commission's pay telephone rate caps should serve as a basis for defining the cost of a 0+ local call from a pay telephone located in a confinement facility, regardless the carrier. Staff believes that the cost of the complainant's call should have been equivalent to a flat rate plus an operator surcharge. Gulf did not dispute staff's rationale. Gulf determined that the complainant should have been charged a flat rate of \$0.35 and a non-person-to-person surcharge of \$1.75, for a total of \$2.10.

Based on its acceptance of staff's rationale, Gulf calculated and proposed a voluntary refund of \$55,239.61 to customers for all prior 0+ local calls made from pay telephone stations located in confinement facilities. Gulf agrees to apply \$928.35 in interest for a total voluntary refund of \$56,167.96 (Attachment G, page 18). Gulf's voluntary refund will be implemented exactly as defined in staff's recommendation for the \$31,848.89 refund discussed in Issue 1.

#### **E. Conclusion**

Based on the foregoing, the Commission should accept Gulf's refund pursuant to Rule 25-4.114, Florida Administrative Code. The amount of the refunds should be \$31,848.39, including interest of \$526.40. The company has agreed to credit end users' bills plus interest. The credit will appear on the local telephone company statement through Gulf's billing agent, Zero Plus Dialing, Inc. The refunds will be completed by issuing credits between August 1, 1999, and September 15, 1999. Any unrefundable 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. Gulf should submit refund reports to the Commission beginning August 20, 1999 and a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds.

**ISSUE 2:** Should Gulf Long Distance, Inc. be required to show cause why it should not pay a fine for overcharging customers for 0+ intrastate toll calls placed at pay telephone stations in confinement facilities, and for 0+ intrastate toll calls placed in a call aggregator context?

**RECOMMENDATION:** No. (Kennedy)

**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, staff does not believe that Gulf's conduct rises to the level that warrants an order to show cause.

Gulf submitted its tariff revisions to staff on May 17, 1999. The revised rates comply with the Commission's rate caps as provided in Rule 25-24.630, Florida Administrative Code, Rate and Billing Requirements for 0+ intrastate toll calls placed from pay telephone stations and for 0+ intrastate toll calls placed in a call aggregator context.

In addition, even though the Commission currently has no rule defining rate caps for 0+ local calls when handled by an operator services provider, Gulf has voluntarily offered to rate inmate's 0+ local calls at \$0.35 flat rate, plus a surcharge equal to the Commission's rate cap for a 0+ intrastate toll call surcharge for calls placed from pay telephones.

Gulf has no prior show cause actions initiated against it by the Commission and relatively few customer complaints since certification by the Commission on November 17, 1993. The company has cooperated fully with staff during the investigation. Moreover, Gulf has agreed to a refund to those customers who were overcharged, and has modified its internal procedures to ensure that all future Commission correspondence will be routed unopened to its regulatory affairs office. Gulf's prior practice for handling mail had resulted in failure to review and comply with changes to applicable Commission rules.

Because of the proactive approach and cooperation by Gulf in resolving this issue, staff recommends no show cause action against Gulf.

DOCKET NO. 990675-RI  
DATE: JULY 15, 1999

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. (Bedell)

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.



**DOCKET NO. 990675-TI**  
**DATE: JULY 15, 1999**

**ATTACHMENT A**

STATE OF FLORIDA

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



DIVISION OF  
TELECOMMUNICATIONS  
WALTER D'HAESELEER  
DIRECTOR  
(850) 413-6600

## **Public Service Commission**

May 3, 1999

Mr. Harold Sligh  
Gulf Long Distance, Inc.  
P.O. Box 1330  
Foley, AL 36536

**Re: Complaint by Ms. Daisy Marcum, Account No. 850-722-0970**

Dear Mr. Sligh:

Ms. Daisy Marcum contacted the Public Service Commission regarding the cost of phone calls billed to her account. According to Ms. Marcum, ZPDI was the billing agent, billing on behalf of Gulf Long Distance, Inc.

Ms. Marcum stated that she was billed \$5.50 for a 15 minute station to station collect call from a pay telephone located within the Panama City Annex (jail annex) to her home located in Youngstown, Florida. Ms. Marcum's belief is that the call is a local call, not a long distance toll call.

I spoke with Virginia, of Gulf Long Distance, Inc., regarding the consumer's complaint. Virginia provided an explanation of the charges, based on Gulf's tariff currently filed with the Commission. Please be advised that rate caps for operator service providers were implemented effective February 1, 1999. I faxed Virginia a copy of the operator service rules.

It appears that Ms. Marcum has been charged in excess of the rate caps. Also, if the call from the jail annex to Youngstown is local, as an operator service provider, Gulf is not authorized to handle this type call.

Ms. Marcum's complaint indicates that Gulf Long Distance, Inc. may be charging rates in excess of the rate caps as provided in Rule 25-24.630, Florida Administrative Code and may be completing local calls in violation of Rule 25-24.471. For your convenience, I have attached copies of the Rules Governing Telephone Service Provided by Interexchange Telephone Companies and Rules Governing Operator Services Providers. I have also attached a copy of the rules governing pay telephone service.

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DATE: JULY 15, 1999

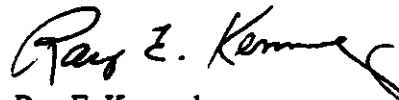
Mr. Harold Sligh  
Page 2  
May 3, 1999

Because its tariffed rates exceed the rate caps applicable to an operator services provider for intrastate 0+ or 0- calls made from a pay telephone or in a call aggregator context, Gulf Long Distance, Inc. may have overcharged consumers from the time the rate caps became effective on February 1, 1999. Please investigate and provide a written response to the following questions by May 17, 1999:

1. How many, if any, consumers were charged more than the rate caps applicable February 1, 1999?
2. What is the total overcharge, if any, since February 1, 1999?
3. In consideration of Rule 25-4.114 Refunds, Florida Administrative Code, what is Gulf Long Distance's, Inc. proposal to refund consumers should overcharges be determined?
4. When will Gulf Long Distance, Inc. revise its tariff to comply with Rule 25-24.630 Rates and Billing Requirements, Florida Administrative Code?

In addition to the information requested above, please provide a written response describing the actions taken by Gulf Long Distance, Inc. in resolving Ms. Marcum's complaint. Should you have any questions, please feel free to contact me at (850) 413-6584. My fax number is (850) 413-6585.

Sincerely,



Ray E. Kennedy  
Compliance Section

Enclosures (3)

CATS#256310I

**MARJORIE YOUNCE SNOOK**  
PRESIDENT / CEO

**DENNIS LEONARD KAISER**  
VICE PRESIDENT  
ENGINEERING & CONSTRUCTION

**ROBERT HOWARD YOUNCE**  
VICE PRESIDENT  
SERVICE / CABLE / SAFETY

**DALE EUGENE YOUNCE**  
VICE PRESIDENT  
GENERAL MANAGER

**ROBERT L. MACKAY, JR.**  
VICE PRESIDENT  
FINANCE & TREASURER

# GULF TELEPHONE COMPANY

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MARKETING

**ANN LASSITTER BYRD**  
VICE PRESIDENT  
& SECRETARY

May 12, 1999

Mr. Ray E. Kennedy  
State of Florida Public Service Commission  
Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

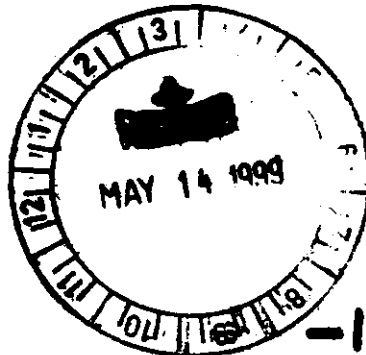
**RE: Complaint by Ms. Daisy Marcum, Account No. 850-722-0970**

Dear Mr. Kennedy:

In reponse to your letter dated May 3, 1999, regarding the complaint filed with your office by Ms. Daisy Marcum (Account No. 850-722-0970), Gulf Long Distance, Inc. has determined that our tariff rates (Florida Tariff No. 1, Third Revised Sheet No. 41) do, in fact, exceed the rate caps applicable to an operator services provider for intrastate 0+ or 0- calls made from a pay telephone or in a call aggregator context (25-24.630 Rate and Billing Requirements, Florida Administrative Code).

We have found that 4,064 consumers were charged a rate higher than the applicable rate caps. We have determined the amount that these consumers were over charged was \$ 21,037.50. In consideration of Rule 25-4.114 Refunds, Florida Adminstrative Code, Gulf Long Distance, Inc. will offer a refund to these consumers for the amount that was overcharged. In addition, Gulf Long Distance, Inc. will make the necessary changes to its tariff immediately to comply with Rule 25-24.630 Rates and Billing Requirements, Florida Administrative Code.

If you have any questions or need any additional iformation regarding this situation, please feel free to contact me at (334) 952-5379 or Kevin Grimes at (334) 952-5384.



WSS/be

Sincerely,

GULF TELEPHONE COMPANY

*Woody Setzer*  
Woody Setzer

Vice President - Regulatory

CENTRAL OFFICES  
LOCATED IN ALABAMA

BEAR POINT BETHEL BON SECOUR CANAL ELBERTA ELSANOR FOLEY FORT MORGAN GLENLAKES GULF SHORES HUGGERS LANDING JOSEPHINE  
LILLIAN LORLEY MAGNOLIA MARLOW MIPLIN MOBILE POINT ONE MIDWAY ONE PERDIDO ORANGE BEACH PERDIDO BEACH PHOENIX PLASH ISLAND  
RIEMER ROAD ROBERTSDALE SEMINOLE SPANISH COVE STYX RIVER SUMMERDALE UNDERWOOD ROAD VERNANT PARK WEST BEACH WILCOX YUPON

DOCKET NO. 990675-TI  
DATE: JULY 15, 1999

ATTACHMENT C

STATE OF FLORIDA

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



DIVISION OF  
TELECOMMUNICATIONS  
WALTER D'HAESELEER  
DIRECTOR  
(850) 413-6600

## Public Service Commission

May 24, 1999

Mr. Woodward S. Setzer  
Gulf Telephone Company  
P.O. Drawer 670  
Foley, Alabama 36536-0670

### Re: Refund of Overcharges for Operator Services

Dear Mr. Setzer:

In your letter dated May 12, 1999, you indicated that Gulf Telephone Company is prepared to offer a refund to customers who were charged in excess of the rate caps. As a follow-up to your letter, staff requires answers to the following questions:

1. Please provide the number of months that overcharges occurred. Overcharges first began on February 1, 1999. On what date did Gulf Telephone Company revise its charges to be within or equal to the rate caps?
2. For the purposes of calculating interest owed consumers, please provide the amount overcharged on a per month basis. If Gulf Telephone Company is unable to provide the overcharged amounts on a per month basis, the total amount overcharged will be divided by the number of months that overcharges occurred and the resultant monthly average will be used to determine the amount of interest owed consumers.
3. How many months does Gulf Telephone Company propose to complete the refund process? This information is needed to calculate interest owed consumers. Rule 25-4.114, Refunds, Florida Administrative Code, provides that refunds must be made in 90 days unless a different time frame is prescribed by the Commission.

During our recent telephone conversation, I advised you that the Public Service Commission's Auditing/Financial Analysis Division will assign an analyst to provide applicable interest rate figures and assist in calculations. I will notify you when an analyst has been assigned.

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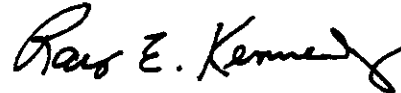
DOCKET NO. 90-675-TI  
DATE: JULY 15, 1999

ATTACHMENT C 2

Mr. Woodward S. Setzer  
Page 2  
May 24, 1999

Currently, I plan to open a docket and schedule it for appearance before the Commission on June 29, 1999. Should you have any questions, I can be reached at (850)-413-6584. My fax number is (850)-413-6585.

Sincerely,



Ray E. Kennedy  
Certification Section

CATS#256310Ia

MARJORIE YOUNCE SNOOK  
PRESIDENT / CEO  
DENNIS LEONARD KAISER  
VICE PRESIDENT  
ENGINEERING & CONSTRUCTION  
ROBERT HOWARD YOUNCE  
VICE PRESIDENT  
SERVICE / CABLE / SAFETY  
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WOODARD S. SETZER  
VICE PRESIDENT  
MARKETING  
ANN LASSITTER BYRD  
VICE PRESIDENT  
& SECRETARY

May 28, 1999

Mr. Ray E. Kennedy  
State of Florida Public Service Commission  
Compliance Section  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**RE: Refund of Overcharges for Operator Services**

Dear Mr. Kennedy:

In response to your letter dated May 24, 1999, regarding the refund of overcharges for operator services, Gulf Long Distance, Inc. is, in fact, prepared to offer a refund to those customers who were charged in excess of the rate caps.

We have found that the overcharges occurred for approximately four months beginning February 1, 1999 through May, 1999. Gulf Long Distance removed the PIF (property imposed fee) on May 5, 1999, reduced the Intrastate 0+ surcharge to \$1.75 on May 6, 1999, and reduced the 0+ local rates to \$1.75 plus the local coin rate of \$.35 on May 26, 1999.

For the purpose of calculating interest owed to customers, Gulf Long Distance has determined the overcharges to be as follows:

February, 1999	\$ 1,767.75
March, 1999	\$ 8,892.70
April, 1999	\$ 66,157.70
<u>May, 1999</u>	<u>\$ 9,729.95</u>
Total	\$ 86,548.10

Rule 25-4.114, Refunds, Florida Administrative Code, provides that refunds must be made in 90 days. Gulf Long Distance proposes to complete the refund process between August 1, 1999 and September 15, 1999. Refunds will be issued as a credit on the customer billing statement via our billing entity, Billing Concepts (ZPDI).

If you have any questions or need any additional information regarding this situation, please contact me at (334) 952-5384.



Sincerely,

GULF TELEPHONE COMPANY

*Kevin Grimes*  
Kevin Grimes  
Regulatory Administrator

- 14 -

CENTRAL OFFICES  
LOCATED IN ALABAMA

BEAR POINT BETHEL BON SECOUR CANAL ELBERTA ELSANOR FOLEY FORT MORGAN GLENLAKES GULF SHORES HUGGERS LANDING JOSEPHINE LILLIAN LOXLEY MAGNOLIA MARLOW MIPLIN MOBILE POINT ONE MIDWAY ONE PERDIDO ORANGE BEACH PERDIDO BEACH PHOENIX PLASH ISLAND RIEMER ROAD ROBERTSDALE SEMINOLE SPANISH COVE STYX RIVER SUNNERDALE UNDERWOOD ROAD VERNANT PARK WEST BEACH WILCOX YUPON

ATTACHMENT E  
DOCKET NO. 990675-TI  
DATE: JULY 15, 1999

From: KEVING @ SMTP (Kevin Grimes) {keving@gulftel.com}  
To: Ray Kennedy  
Subject: GLD Answers

-----NOTE-----6/10/99--3:38pm-----

Return-Path: <keving@gulftel.com>  
Received: from mail.gulftel.com (208.222.57.20)  
by mail.psc.state.fl.us (Connect2-SMTP 4.30A.1000128)  
for <rkennedy@psc.state.fl.us>; Thu, 10 Jun 1999 15:44:23 -0400  
Received: from portal.gulftel ([208.222.57.1]) by mail.gulftel.com  
(Post.Office MTA v3.5.3 release 223 ID# 0-58681U15000L999SOV35)  
with SMTP id com; Thu, 10 Jun 1999 14:44:11 -0500  
From: "Kevin Grimes" <keving@gulftel.com>  
To: <rkennedy@psc.state.fl.us>  
Subject: GLD Answers  
Date: Thu, 10 Jun 1999 14:38:51 -0500  
Message-ID: <001501beb378\$de427fa0\$8a4e45c6@portal.gulftel>  
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X-Mailer: Microsoft Outlook 8.5, Build 4.71.2377.0  
Importance: Normal  
X-MimeOLE: Produced By Microsoft MimeOLE V4.72.2120.0

Mr. Kennedy:

To follow are the answers to the questions we discussed yesterday morning.

a.. When did GLD actually begin to offer OSP Services to payphones in confinement facilities? There were rate caps prior to the February 1 change. If GLD offered this service prior to February 1, they may have been overcharging then also. If the answer to the first part of this questions is February 1, 1999 , then disregard question 1a. Gulf Long Distance began offering OSP services in confinement facilities on February 10, 1999.

1.. How many confinement facility locations do we have serve as OSP in Florida? Please identify them and the date that GLD took over the OSP Services? Disregarded.

2.. Regarding the overcharges on calls made from a payphone in a confinement facility in the original complaint, who actually rates this call? Please describe the process from the time the inmate picks up the phone until the call is actually billed. The inmate picks up the phone. He/she dials a station to station 0+ automated collect call. The call is placed. The terminating station accepts or rejects the call. If the call is accepted the inmate can talk for up to 12 minutes (set by the customer premise equipment). The call record from the toll switch is combined with the information from the automated operator system. This produces a billable call record. The record is then rated by Gulf Long Distances in-house billing system. The call records are sent to Billing Concepts (ZPDI) via modem, and the calls are billed on the terminating stations local phone bill.

3.. What is the total number of calls used to make up the \$86,548.10 that GLD reported to the Florida Public Service Commission (FL PSC)? 45,000 calls exactly.

4.. Have the tariff revisions been submitted to the FL PSC? Yes. Mailed on May 17, 1999.

5.. List all of the scenarios in which overcharges occurred (payphones, payphones in confinement facilities, hotels/motels, etc). Do not break it down into dollars, just a generic description. When did these overcharges begin? GLD has overcharged on all Florida Intrastate OSP calls from payphone in confinement facilities since February 10, 1999. GLD has overcharged on all Florida Intrastate OSP calls from hotels/motels since February 1, 1999.

6.. Does GLD provide OSP Services to any other payphone providers in the state of Florida? Yes. Gulf Telephone Company d/b/a Gulf Payphone Enterprises.

b.. In any instance other than a payphone in a confinement facility, 0+ Local calls must be routed to the local carrier (see OSP Rules). Did GLD

handle 0+ local calls for payphones outside confinement facilities or at a hotel/motel? No.

If you have any questions or need any additional information, please contact me at 334-952-5384.

Thanks,

Kevin

**DOCKET NO. 990675-TI**  
**DATE: JULY 15, 1999**

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<P><FONT size=2>Mr. Kennedy:<BR><BR>To follow are the answers to the questions we discussed yesterday morning.<BR></P>

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<OL><FONT face=Arial size=2>
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<LI>When did GLD actually begin to offer OSP Services to payphones in confinement facilities? There were rate caps prior to the February 1 change. If GLD offered this service prior to February 1, they may have been overcharging then also. If the answer to the first part of this questions is February 1, 1999 , then disregard question 1a. &nbsp;   <STRONG>Gulf Long Distance began offering OSP services in confinement facilities on February 10, 1999.</STRONG></LI>

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<OL type=a>
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<LI>How many confinement facility locations do we have serve as OSP in Florida? Please identify them and the date that GLD took over the OSP Services? <STRONG>Disregarded.</STRONG></LI>

<LI>Regarding the overcharges on calls made from a payphone in a confinement facility in the original complaint, who actually rates this call? Please describe the process from the time the inmate picks up the phone until the call is actually billed. <STRONG>The inmate picks up the phone. He/she dials a station to station 0+ automated collect call. The call is placed. The terminating station accepts or rejects the call. If the call is accepted the inmate can talk for up to 12 minutes (set by the customer premise equipment). The call record from the toll switch is combined with the information from the automated operator system. This produces a billable call record. The record is then rated by Gulf Long Distances in-house billing system. The call records are sent to Billing Concepts (ZPDI) via modem, and the calls are billed on the terminating stations local phone bill.</STRONG></LI>

<LI>What is the total number of calls used to make up the \$86,548.10 that GLD reported to the Florida Public Service Commission (FL PSC)? <STRONG>45,000 calls exactly.</STRONG></LI>

<LI>Have the tariff revisions been submitted to the FL PSC?&nbsp;   <STRONG>Yes.&nbsp;   Mailed on May 17, 1999.</STRONG></LI>

<LI>List all of the scenarios in which overcharges occurred (payphones, payphones in confinement facilities, hotels/motels, etc). Do not break it down into dollars, just a generic description. When did these overcharges begin? <STRONG>GLD has overcharged on all Florida Intrastate OSP calls from payphone in confinement facilities since February 10, 1999. GLD has overcharged on all Florida Intrastate OSP calls from hotels/motels since February 1, 1999.</STRONG></LI>

<LI><STRONG></STRONG>Does GLD provide OSP Services to any other payphone providers in the state of Florida? <STRONG>Yes. Gulf Telephone Company d/b/a Gulf Payphone Enterprises.</STRONG></LI></OL>

<LI>In any instance other than a payphone in a confinement facility, 0+ Local calls must be routed to the local carrier (see OSP Rules). Did GLD handle 0+ local calls for payphones outside confinement facilities or at a hotel/motel? <STRONG>No.</STRONG></LI></FONT></OL><FONT face=Arial size=2>



DOCKET NO. 990675-TI  
DATE: JULY 15, 1999

SCHEDULE A

GULF LONG DISTANCE, INC.

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVER CHARGE	ACCUM. OVER CHARGE	INT ON MONTHLY OVER CHARGE	MONTHLY OVERCHARGE PRINCIPAL & INTEREST	BALANCE FORWARD PLUS INTEREST	REFUND BALANCE	ACCUM INTEREST
MAR	4.87%	0.41%	\$640.38	640.38	\$1.30	\$641.68	\$0.00	\$641.68	\$1.30
APR	4.84%	0.40%	\$3,218.73	3,859.11	\$6.49	\$3,225.22	\$644.27	\$3,869.49	\$10.38
MAY	4.83%	0.40%	\$23,942.24	27,801.35	\$48.13	\$23,990.37	\$3,885.05	\$27,875.42	\$74.07
JUNE	4.85%	0.40%	\$3,521.14	31,322.49	\$7.12	\$3,528.26	\$27,988.08	\$31,516.34	\$193.85
JULY	5.05%	0.42%	\$0.00	31,322.49	\$0.00	\$0.00	\$31,648.97	\$31,648.97	\$326.48

MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE	TOTALS
AUG	\$31,648.97	\$15,924.45	\$133.19	\$15,857.71	OVERCHARGE \$31,322.49
SEPT	\$15,857.71	\$15,924.45	\$66.73	(\$0.00)	INTEREST \$326.48 +
TOTAL INTEREST			\$199.92		REFUND \$31,648.97 + \$199.92

ATTACHMENT F

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DOCKET NO. 990675-TI  
DATE: JULY 15, 1999

ATTACHMENT G

SCHEDULE B

GULF LONG DISTANCE, INC.

-18-

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVER CHARGE	ACCUM. OVER CHARGE	INT ON MONTHLY OVER CHARGE	MONTHLY OVERCHARGE PRINCIPAL & INTEREST	BALANCE FORWARD PLUS INTEREST	REFUND BALANCE	ACCUM INTEREST
MAR	4.87%	0.41%	\$1,129.37	1,129.37	\$2.29	\$1,131.66	\$0.00	\$1,131.66	\$2.29
APR	4.84%	0.40%	\$5,676.47	6,805.84	\$11.45	\$5,687.92	\$1,136.22	\$6,824.14	\$18.30
MAY	4.83%	0.40%	\$42,223.96	49,029.80	\$84.89	\$42,308.85	\$6,851.58	\$49,160.43	\$130.63
JUNE	4.85%	0.40%	\$6,209.81	55,239.61	\$12.55	\$6,222.36	\$49,359.12	\$55,581.48	\$341.87
JULY	5.05%	0.42%	\$0.00	55,239.61	\$0.00	\$0.00	\$55,815.38	\$55,815.38	\$575.77
<b>MONTH</b>	<b>PRINCIPAL</b>	<b>PAYMENT</b>	<b>INTEREST</b>	<b>BALANCE</b>	<b>TOTALS</b>				
AUG	\$55,815.38	\$28,083.98	\$234.89	\$27,966.29	<b>OVERCHARGE</b>	\$55,239.61			\$55,239.61
SEPT	\$27,966.29	\$28,083.98	\$117.69	(\$0.00)	<b>INTEREST</b>	\$575.77	+	\$352.58	\$928.35
<b>TOTAL INTEREST</b>			\$352.58		<b>REFUND</b>	\$55,815.38			\$56,167.96