

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

SEPTEMBER 11, 1997

SEP 11 1997

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F-SC - Records/Reporting

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

FROM: DIVISION OF COMMUNICATIONS (ISLER) *Dji*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (JONES) *APC*
DIVISION OF LEGAL SERVICES (PELLEGRINI) *MB*

RE: DOCKET NO. 970838-TI - INTELICALL OPERATOR SERVICES, INC. - DETERMINATION OF APPROPRIATE METHOD FOR REFUNDING OVERCHARGES ON INTRASTATE LONG DISTANCE SERVICE FOR CALLS PLACED FROM PAY TELEPHONES

AGENDA: SEPTEMBER 23, 1997 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\970838TI.RCM

CASE BACKGROUND

Intellicall Operator Services, Inc. (Intellicall) is an interexchange carrier and has been providing operator services since October 18, 1988 under Certificate No. 2177.

In January, 1997, a staff engineer evaluated pay telephones in the Ocala area. Calls were placed to the Commission's test number in Tallahassee and billed to a calling card account established for testing purposes. Staff's review of the resulting bill revealed that a call was billed rates different than those listed in the company's tariff. Staff was overbilled by \$0.93 on a two-minute call.

Staff contacted Intellicall in March for an explanation of the apparent overbilling. Intellicall advised that the call was classified as an 0- call rather than a direct dial calling card call and the company's rate table incorrectly specified the operator charge as \$2.00. The company advised that the problem occurred when it modified its rate table on April 2, 1996, at which time the operator surcharge was entered incorrectly. Intellicall promptly corrected the cause of the overbilling and agreed to directly refund those overbilled via the local telephone companies.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept Intellicall Operator Services, Inc.'s refund calculation of \$5,799.48, adding staff's interest calculations of \$403.69, for a total of \$6,203.17, and proposal to credit customer bills between October 14 and November 30, 1997, for overbilling end users by \$0.93 on intrastate calling card calls placed between April 2, 1996 and March 13, 1997?

RECOMMENDATION: Yes. The Commission should accept Intellicall's refund calculation of \$5,799.48, adding staff's interest calculations of \$403.69, for a total of \$6,203.17, and proposal to credit customer bills between October 14 and November 30, 1997. Any remaining monies, including interest due unidentified consumers, should 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. (Isler)

STAFF ANALYSIS: Staff engineers routinely evaluate pay telephones for call timing and billing accuracy. On January 30, 1997, staff made a calling card test call that lasted two minutes. The subsequent billing for that call revealed the Commission was billed \$2.75 for a call that should have been billed at \$1.82.

Staff notified Intellicall of the discrepancy on March 4, 1997, and asked for an explanation. Intellicall responded on March 17, 1997, that the call was received at its switching center and the pay telephone did not transmit it as a direct dial calling card call. Therefore, its rate table incorrectly rated the operator charge as if the operator dialed the call. Intellicall explained that on April 2, 1996, its rate table was modified and at that time, the operator surcharge was entered incorrectly. The company advised that it corrected the rate table on March 13, 1997, as soon as the source of the problem was found.

On May 7, 1997, the company advised that after analyzing its call data for the period between April 2, 1996 and March 13, 1997, it found a total of 6,236 calls had been overcharged for a total of \$5,799.48.

The company should be required to make refunds pursuant to Rule 25-4.114, Florida Administrative Code. The amount of the refunds should be \$6,203.17 consisting of \$5,799.48 in overcharges and \$403.69 in interest (Attachment A). The company has agreed to credit end users' bills for the overbilling plus interest. The credit will appear on the end users' local telephone company statement and will be completed by making the credits between October 14 and November 30, 1997. Any remaining monies, including

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interest due unidentified consumers, should be remitted to the Florida Public Service Commission within 30 days following the refund period, and deposited in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. Therefore, staff recommends accepting Intellicall's offer.

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ISSUE 2: Should Intellicall Operator Services, Inc. be required to show cause why it should not pay a fine for overbilling of intrastate long distance calls from pay telephones?

RECOMMENDATION: No. (Pellegrini)

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. Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds, that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). Thus, any intentional act, such as Intellicall's conduct in billing Florida accounts the incorrect operator charge has been "willful" in the sense intended by Section 364.285, Florida Statutes.

Staff, however, does not believe that Intellicall's conduct rises to a level warranting that a show cause order be issued. Intellicall corrected the problem promptly upon notification. It cooperated fully with staff during the investigation. Moreover, Intellicall has agreed to refund those customers who were overbilled the amount overcharged plus interest.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If no person whose interests are substantially affected by the proposed action files a protest within the 21 day protest period, this docket should be closed upon completion of the refund. (Pellegrini)

STAFF ANALYSIS: If no protest is filed at the conclusion of the protest period, this docket should be closed upon completion of the refund.

ATTACHMENT A
DOCKET NO. 970838-TI
DATE: SEPTEMBER 11, 1997

State of Florida



Public Service Commission

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

DATE: September 2, 1997
TO: Paula Isler, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis ^{SLJ} ^{ALM}
RE: Interest Calculation of Refund for Intellicall Operator Services, Inc. _{TS}

The total refund amount of \$6,203.17 consists of \$5,799.48 in overcharges and \$403.69 in interest. This calculation includes the overcharges that occurred each month between April 1996 and March 1997. The refund will occur between October 14 and November 30, 1997. The last available interest rate of 5.57% for the month of August is used for the future months of September, October, and November of 1997. Attached is a schedule that shows the calculations.

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 Intellicall Operator Services, Inc.
 Interest Calculations of Refund

08/27/97

ATTACHMENT A
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MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHG INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
APR '96	5.45%	0.454%	\$53.94	\$0.24	\$54.18	\$0.00	\$54.18	
MAY	5.40%	0.450%	\$515.22	\$2.32	\$517.54	\$54.43	\$571.97	
JUN	5.46%	0.455%	\$663.09	\$3.02	\$666.11	\$574.57	\$1,240.68	
JUL	5.49%	0.457%	\$590.55	\$2.70	\$593.25	\$1,246.35	\$1,839.60	
AUG	5.43%	0.452%	\$1,069.50	\$4.84	\$1,074.34	\$1,847.91	\$2,922.25	
SEP	5.42%	0.452%	\$657.51	\$2.97	\$660.48	\$2,935.45	\$3,595.93	
OCT	5.41%	0.451%	\$482.67	\$2.18	\$484.85	\$3,612.14	\$4,096.98	
NOV	5.42%	0.451%	\$448.26	\$2.02	\$450.28	\$4,115.47	\$4,565.76	
DEC	5.70%	0.475%	\$355.26	\$1.69	\$356.95	\$4,587.44	\$4,944.39	
JAN '97	5.70%	0.475%	\$382.23	\$1.82	\$384.05	\$4,967.88	\$5,351.92	
FEB	5.44%	0.453%	\$370.14	\$1.68	\$371.82	\$5,376.18	\$5,748.00	
MAR	5.59%	0.465%	\$211.11	\$0.98	\$212.09	\$5,774.75	\$5,986.85	
APR	5.68%	0.473%				\$6,015.18	\$6,015.18	
MAY	5.61%	0.468%				\$6,043.30	\$6,043.30	
JUN	5.61%	0.468%				\$6,071.56	\$6,071.56	
JUL	5.60%	0.467%				\$6,099.89	\$6,099.89	
AUG	5.57%	0.464%				\$6,128.21	\$6,128.21	
SEP	5.57%	0.464%				\$6,156.65	\$6,156.65	
OCT	5.57%	0.464%				\$6,185.23	\$3,865.59	\$2,319.63
NOV	5.57%	0.464%				\$3,883.54	(\$0.00)	\$3,883.54
TOTAL OVERCHARGES			\$5,799.48					
						TOTAL INTEREST		\$403.69
						TOTAL OVERCHARGE		\$5,799.48
						TOTAL REFUND		\$6,203.17

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