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State of Florida



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-

DATE: AUGUST 6, 1998

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

FROM: DIVISION OF LEGAL SERVICES (B KEATING) BK MCB
DIVISION OF COMMUNICATIONS (KENNEDY) RCK RD

RE: DOCKET NO. 980779-TC - INVESTIGATION OF INTELICALL
OPERATOR SERVICES, INC. FOR INCORRECT BILLING OF 0+ CALLS
FROM PAY PHONES.

AGENDA: 08/18/98 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: s:\PSC\CMU\WP\980779.RCM

CASE BACKGROUND

Staff routinely conducts evaluations of pay telephones for compliance with the Commission's rules. For these evaluations, staff initiates 0+ direct dialed credit card calls and reviews billed rates for compliance with Rule 25-24.630(1)(a), Florida Administrative Code and Order No. 24101, issued February 14, 1991, in Docket No. 860723-TP.

On March 5, 1998, staff informed Intellicall Operator Services, Inc (IOS) that the billed charge of \$2.30 for a two minute test call (Attachment A) exceeded its tariffed rates. Staff also requested other information related to this matter.

IOS responded to staff's inquiry on March 20 and April 28, 1998 (Attachments B and C) stating the service charge and per-minute toll rates were improperly rated for the pay phone in

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TPGC-RECORDS/REPORTING

question. IOS stated that its staff erred when inputting the Automatic Number Identification (ANI). IOS reported overcharges of \$154.84 as a result of improperly rating 316 calls.

On May 29, 1998, staff told IOS to remit the overcharges through credits or checks to the affected consumers (Attachment D). IOS was also directed to notify staff regarding any unrefundable amounts. On June 15, 1998, IOS requested that in lieu of individual refunds for overcharges or rate reductions, it be allowed to make a voluntary payment in the amount of \$500.00 to the State of Florida General Revenue Fund (Attachment E).

DISCUSSION OF ISSUES

ISSUE 1: Should Intellicall Operator Services, Inc. be required to pay \$500.00 to the Florida Public Service Commission for deposit in the State of Florida General Revenue Fund in lieu of identifying and refunding individual customers an overcharged amount of \$154.84 in accordance with Rule 25-4.114 Florida Administrative Code?

RECOMMENDATION: Yes. Intellicall Operator Services, Inc. should remit a total amount of \$500.00, within five days after the expiration of the protest period, to the Florida Public Service Commission for deposit in the state General Revenue Fund pursuant to Section 364.285(1), Florida Statutes, in lieu of refunding individual customers.

STAFF ANALYSIS: Upon review of the billing for a 0+ direct dialed credit card test call, staff discovered apparent overcharges. Based upon IOS' tariff, staff calculated that the test call should cost \$1.81, but IOS' bill was \$2.30. Staff asked IOS to provide an explanation of the cause of the apparent overcharge, the time period for which overcharges occurred, the number of calls overcharged, corrective measures to prevent recurrences, and the method proposed for refund of the overcharges.

Staff determined that the over billing was the cumulative result of IOS improperly rating a service charge and the per-minute toll rates in violation of Rule 25-24.630(1)(a), Florida Administrative Code. The end result was that each call was over billed \$0.49. IOS has acknowledged that an overcharge occurred on 316 calls placed during the period September 26, 1997 through March 27, 1998, from 41 individual phone numbers. IOS has voluntarily offered to make a payment in the amount of \$500.00 to the General Revenue Fund in lieu of refunding the \$154.84 to the affected

DOCKET NO. 980779-TC
DATE: June 23, 1998

consumers or initiating a rate reduction. Based on the refundable dollar amount involved, staff believes that IOS' proposed payment of \$500.00 to the state general revenue fund is a satisfactory resolution of this matter, and, therefore, we recommend approval of the settlement offer in Attachment E.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the order, this docket should be closed after the expiration of the protest period and verification of payment to the Commission.

STAFF ANALYSIS: Whether the Commission adopts or rejects staff's recommendation in Issue 1, it's decision will result in a Proposed Agency Action order. Unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the order, this docket should be closed after the expiration of the protest period and staff's verification of full payment.

STATE OF FLORIDA

ATTACHMENT A
 SOCKET NO. 980779-TC
 August 6, 1998

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



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

Public Service Commission

March 5, 1998

Mr. B. Reid Presson, Jr.
 Intellicall Operator Services, Inc.
 14651 Dallas Parkway, Suite 905
 Dallas, Texas 75240

Dear Mr. Presson:

The Commission's engineering staff routinely evaluates pay telephones for compliance with the Commission's rules. Direct dialed credit card calls are made to determine the call timing and billing accuracy.

Please provide a written response by March 23, 1998 to the following questions:

1. Why should a 2 minute call with a "ADC" code from Orlando to Tallahassee cost \$2.30? According to your tariff the cost of the call should be \$1.81 (.2800+.2800+.25+1.00).
2. What caused the apparent overcharge?
3. How long has this location been overcharging?
4. How many calls have been overcharged?
5. What corrective measures have been implemented to prevent future overcharges?

If you have any questions, please contact me at (904) 413-6582.

Sincerely,

Rick Moses
 Engineering Supervisor
 Bureau of Service Evaluation

Attachment

Record No. 3888

904-413-6583

03/11/98 WED 14:41 FAX 9724162096

INTELLICALL

003

INTEGRETEL, INC.

PAGE 9
 850-415-6612 (380)
 FEBRUARY 13, 1998

FOR BILLING INQUIRIES, CALL 1-800-726-7800

SUMMARY OF CURRENT CHARGES

LONG DISTANCE CHARGES SEE DETAIL 2.30
 TAXES SEE DETAIL .06

TOTAL CURRENT CHARGES 2.36

LONG DISTANCE CHARGES

REF DATE	TIME	PLACE CALLED	NUMBER CALLED	FROM PLACE	FROM NUMBER	CODE	MIN	AMOUNT
BILLED ON BEHALF OF INTELLICALL OPT.SVCS								
33 JAN 27	09:22:25am	TALLAHASSEE FL	850-415-6612	ORLANDO	FL 407-425-8189	ADC	2.0	2.30
SUBTOTAL								2.30
TOTAL LONG DISTANCE CHARGES								2.30

***Rate Codes for Interstate and Inbrastate Long Distance Calls

	Customer Del Rate	Overseas Rate	Service Charge	Custom Feature
A = Automatic Number Identification (ANI)	D = Day	R = Standard	C = Calling Card	F = Call Forward
M = Multiple Rate Period	E = Evening	T = Discount	P = Person	X = Conference
	N = Night/Weekend	Y = Economy	S = Station	

- C = When this symbol appears in the left margin, it indicates credit has been applied and the toll call is being billed at the reduced rate.
- R = When this symbol appears in the left margin, it indicates a toll call has been billed to your account after being investigated by a toll investigation group.

DETAIL OF TAXES

GROSS RECEIPTS TAX-INTEGRETEL .06
 TOTAL TAX .06

3.100
 3.2696
 .80
 .25
 .50
 1.55
 .75

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TO: LARRY
 FROM: GREG



Teleservices Inc.

March 20, 1998

ATTACHMENT B
BUCKET NO. 980779-TC
August 6, 1998

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MAR 24 1998



Rick Moses
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Original delivered by FAX to : 904-413-6583

Dear Mr. Moses:

We are in receipt of the inquiry concerning a test call made by your staff as shown in the attached document.

Our responses to your questions are as follows:

1. Why would a 2 minute call with a "ADC" code from Orlando to Tallahassee cost \$2.30.

The call was improperly rated. Rating was performed as shown below.

	Proper rating	As Rated
Operator Surcharge	\$1.00	\$1.00
1 st Minute	\$0.28	\$0.27
2 nd Minute	\$0.28	\$0.23
Service Charge	\$0.25	\$1.00
Total	\$1.81	\$2.30

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MAR 24 10 10 AM '98
ADMINISTRATION
MAIL ROOM

2. What caused the apparent overcharge?

The payphone involved has a service charge of \$1.00 on it instead of \$0.25 as it should have due to clerical error on the part of our staff when the ANI was input. As you can also see it appears we are underrating calls at per minute charges lower than the rate cap on this rate table.

3. How long has this location been overcharged?

We are uncertain as to the time period involved and are researching the period of time that the ANI involved was being overcharged. We must search through over 2,000,000 records to review what has transpired.

4. How many calls have been overcharged?

We are still conducting a review to determine how many calls had the wrong service charge.

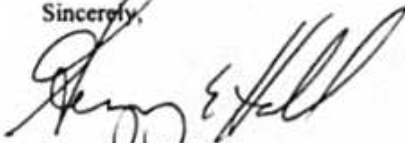
5. What corrective measures have been implemented to prevent future overcharges?

A complete review of all service charges has been performed on the over 10,000 payphones in Florida to insure that all properties are in compliance. This was completed on March 12, 1998. Our rate tables

for intrastate Florida are being adjusted upward to the present cap so that we are charging the current rate caps. This will be completed by March 23, 1998.

We appreciate the commission bringing this to our attention as we are undercharging a considerable amount of money with the lower per minute rates. We will have quantitative answers on number of calls and the period of time the wrong service fees were charged, no later than May 1, 1998. Please call me if you have any other questions concerning this matter at 1-972-503-8700 X-226 or contact Reid Presson at 1-972-416-0022 X-352

Sincerely,



Gregory E. Hall
Vice President-IOS

Cc: Reid Presson



Teleservices Inc.

ATTACHMENT C
CKET NO. 980779-TC
August 6, 1998

April 28, 1998

Rick Moses
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Original delivered by FAX to 904-413-6583

During March you sent us a letter concerning test calls you made from a phone served by Intellicall Operator Services. The letter concerned the mis-rating of a call made during those tests. In our response in our letter of March 20, 1998, we committed to getting back with you concerning the number of phones affected and the number of calls mis-rated. We have completed our analysis of the billing records in question.

The error in billing extends back to 9-26-97 and ends at 3-27-98. During that period of time, 316 calls were mis-rated from 41 individual phone numbers. The total mis-rated amount is \$154.84. That is 316 calls at \$0.49 per call.

Please advise us on what you would like to do with the overcharge. If you require any additional information please call me at 1-972-503-8700 X-329 or call Reid Presson at 1-972-416-0002 X-352.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory E. Hall', is written over a horizontal line.

Gregory E. Hall
Vice President-Operations

Cc: Reid Presson

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STATE OF FLORIDA

ATTACHMENT D
DOCKET NO. 980779-TC
August 6, 1998

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



DIVISION OF COMMUNICATIONS
WALTER D'HAESSELER
DIRECTOR
(850) 413-6609

Public Service Commission

May 29, 1998

Mr. Gregory E. Hall
Vice President-Operations
14651 Dallas Parkway, Suite 905
Dallas, TX 75240

Dear Mr. Hall:

Thank you for your response concerning overcharges from pay telephones. It has been a standing policy of the Commission to refund the overcharges to those customers that were overcharged. Therefore, please remit the \$154.84 in overcharges through credits or checks to the overcharged customers.

If the refunds cannot be completed, please contact me with the unrefundable amount and we will seek approval of a rate reduction from the Commission. If you have questions, please contact me at 850/413-6582.

Sincerely,

A handwritten signature in cursive script that reads "Rick Moses".

Rick Moses, Engineer Supervisor
Bureau of Service Evaluation

TMS3887a



Teleservices Inc.

ATTACHMENT E
DOCKET NO. 980779-TC
August 6, 1998

June 15, 1998

Mr. Rick Moses
Engineer Supervisor
Bureau of Service Evaluation
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL - 32399

Dear Mr. Moses:

With respect to the matter of refunds in the aggregate of \$154.84, Intellicall Operator Services, Inc. ("IOS"), suggests that in lieu of individual refunds for overcharges, that it be allowed to make a payment in the amount of \$500.00 to the General Fund. The cost of the refunding process far outweighs the amounts to be refunded and a rate reduction does not appear to a practical alternative.

Please advise if this suggestion meets with your approval. I understand that you will need to present it to the Commissioners for their approval before any further action is required on our part. Please call me at 972/529-1858 if there are questions or if further information is required.

Sincerely,

B. Reid Presson, Jr.
Regulatory Consultant
Intellicall Operator Services, Inc.

CC: Greg Hall

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JUN 18 1998

CMU

MAIL ROOM

86 JUN 18 AM 12

NOISE PRODUCTION
COMMUNICATIONS
SECTION