

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation and determination of appropriate method for issuing refunds to affected customers for apparent overcharges by Global Crossing Telecommunications, Inc. for homesaver 1+ and calling card plans.

DOCKET NO. 070419-TI
ORDER NO. PSC-07-0849-PAA-TI
ISSUED: October 22, 2007

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
MATTHEW M. CARTER II
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION ORDER
ACCEPTING GLOBAL CROSSING TELECOMMUNICATIONS, INC.'S
REFUND PROPOSAL

BY THE COMMISSION:

Case Background

Global Crossing Telecommunications, Inc. (Global Crossing) registered as an intrastate interexchange company (IXC), Registration No. TI720, on September 29, 1983. We have jurisdiction over this matter pursuant to Sections 364.02, 364.04, and 364.285, Florida Statutes.

As part of this Commission's telecommunications service quality evaluation program, we evaluated access lines presubscribed to Global Crossing in the Lake Buena Vista exchange during the period February 12-16, 2007. Test calls were made to measure the accuracy of toll call timing and to verify that the calls were billed according to the company's tariff.

In this instance, test calls were made using two of Global Crossing's residential long distance products, the Homesaver 1+ Residential Plan and the Homesaver Access Calling Card. The timing records for the test calls and the rates in Global Crossing's tariff were used to determine the amount that should have been billed for each call. Upon receipt of Global Crossing's billing records, we compared them, call-for-call, to the data obtained during the service evaluation.

We determined that 57.9% of the test calls using the Homesaver 1+ Residential Plan were over-timed. For the test calls using the Homesaver Access Calling Card, we found that 40.3% of

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the calls were incorrectly timed either (under- or over timed). As a result of the timing discrepancies, charges billed for many of the test calls were too high. At the same time billed, charges for some test calls were billed lower than expected. This indicated that there were likely problems with the billing rates and the billing increments (full or partial minutes).

On March 15, 2007, we provided Global Crossing our findings. We requested that Global Crossing identify the causes of the timing and billing errors, and take action to correct all the deficiencies. In addition, we asked the company to calculate the total amount of the overcharges to customers and to propose a method of refunding to those customers.

Global Crossing investigated and reported the following findings for the two plans that we evaluated.

Homesaver 1+ Residential Plan

- Per-minute charges were billed in accordance with tariff rates;
- Calls were billed in one-minute increments whereas they should have been billed in six second increments; and
- Calls were billed using a one-minute minimum call duration whereas they should have been billed using a 30-second minimum.

Homesaver Access Calling Card

- Per-minute charges were billed higher than the rates identified in the tariff;
- Calls were billed in six second increments whereas they should have been billed in one-minute increments; and
- Calls were billed using a 30-second minimum call duration whereas they should have been billed using a one-minute minimum.

Global Crossing submitted a refund proposal on June 6, 2007. We communicated with the company several times to clarify terms of the refund proposal.

Discussion

Rule 25-24.485(1)(g), Florida Administrative Code, states in part that companies shall charge only the rates contained in their tariff.

Global Crossing's tariff rate for its Homesaver 1+ Residential Plan is \$0.1764 cents per minute during the day and \$0.0706 cents per minute during evenings/nights/weekends. The tariff provides that calls will be billed in six-second increments, with a 30-second minimum call duration. In its investigation of billing discrepancies identified by our service quality evaluation, Global Crossing determined that its billing system applied the correct per-minute rate to toll calls

made under the Homesaver 1+ Residential Plan. However, the billing increments were programmed incorrectly. Toll calls were billed using one-minute increments with a one-minute minimum call duration. The calls should have been billed using a 6-second increment and a 30-second minimum call duration. Customers using this product were overcharged, depending on the length of the call.

Global Crossing's tariff rates for its Homesaver Access Calling Card are \$0.2469 per minute (day) and \$0.2117 per minute (evening/night/weekend). Global Crossing was actually billing \$0.35 per minute (day) and \$0.30 per minute (evening/night/weekend). Further, the tariff provides that calls will be billed in one-minute increments, with a one-minute minimum call duration. Global Crossing reported that calls were being billed in six-second increments with a 30-second minimum call duration. As a result of the programming error, charges billed for calls exceeded those charges reflected in the company's tariff.

Global Crossing's findings for the Homesaver 1+ Residential Plan and the Homesaver Access Calling Card explain the previously discussed discrepancies. Global Crossing had revised its tariff on January 1, 2007, for these products and mistakes were made during software changes to the billing system. As of June 6, 2007, Global Crossing has corrected the problems in its billing system for both of these products.

Global Crossing reports that it has a total of 54 customers for its Homesaver 1+ Residential Plan. Five of these customers use the Homesaver Access Calling Card. To resolve this matter, Global Crossing proposes to issue a \$50 credit to each of the 54 customers using the Homesaver 1+ Residential Plan and issue \$50 credit to each of the five customers that use the Homesaver Access Calling Card. Global Crossing states that this amount will significantly exceed the amount of any overbilling and any interest that may apply. All of the affected customers are still with the company so Global Crossing anticipates refunding all amounts collected in violation of the tariff.

Conclusion

We accept Global Crossing Telecommunications, Inc.'s proposal to issue a refund of \$2,950.00 to all customers that were overcharged using the Homesaver 1+ Residential Plan and the Homesaver Access Calling Card, from January 2007 through May 2007, beginning with the first billing cycle in October 2007. We find the proposal to be in the public interest because those harmed by the billing errors will be made whole. For monitoring purposes, we require the company to submit a report by February 12, 2008, to this Commission stating, (1) how much was refunded to its customers, and (2) the total number of customers receiving refunds.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we accept Global Crossing Telecommunications, Inc.'s proposal to issue a refund of \$2,950.00 to all customers that were overcharged using the Homesaver 1+ Residential Plan and the Homesaver Access Calling Card, from January 2007 through May 2007. It is further

ORDERED that Global Crossings Telecommunications, Inc. submit a report by February 12, 2008, to this Commission stating, (1) how much was refunded to its customers, and (2) the total number of customers receiving refunds. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall remain open until the final report is received.

By ORDER of the Florida Public Service Commission this 22nd day of October, 2007.



ANN COLE
Commission Clerk

(S E A L)

VSM

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 that is available under Section 120.57, 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 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. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 12, 2007.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.