

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the complaint of	)	
MICHIGAN PAY TELEPHONE ASSOCIATION	)	
<i>et al.</i> against AMERITECH MICHIGAN and	)	Case No. U-11756 (Second
GTE NORTH INCORPORATED.	)	Remand)
_____	)	

At the August 5, 2014 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER APPROVING MEDIATION RESOLUTION AND REFUND DISTRIBUTION

On December 6, 2013, the Commission issued an order in which the long history of this case is detailed (December 6 order). The December 6 order found that AT&T Michigan's (*f/k/a* SBC Michigan and Ameritech Michigan) local usage rate was not compliant with the Federal Communications Commission's new service test, that the company had collected excessive rates from independent payphone providers, and required AT&T Michigan to pay refunds. The December 6 order also required AT&T Michigan to file a refund report within 30 days.

On January 6, 2014, AT&T Michigan filed a refund report. The same day, the Michigan Pay Telephone Association (MPTA) filed a motion for clarification or, in the alternative, a petition for rehearing of the December 6 order. On January 8, 2014, AT&T Michigan filed a claim of appeal with the Michigan Court of Appeals of the December 6 order. On January 21, 2014, the MPTA

filed objections to the refund report. On January 27, 2014, both AT&T Michigan and the Commission Staff (Staff) filed responses to the MPTA's filing.

On March 6, 2014, the Commission issued two separate orders (March 6 orders). In one order, the Commission granted the MPTA's petition for rehearing to clarify the Commission's December 6 order. In the other order, the Commission directed the appointment of an administrative law judge to mediate all disputed issues related to AT&T Michigan's refund report.

On April 1, 2014, the MPTA filed a claim of appeal from the December 6 and March 6 orders. AT&T Michigan filed separate claims of appeal from each of the March 6, 2014 orders on April 4, 2014. Thereafter, the Court of Appeals granted a motion to consolidate the four appeals and hold all appeals in abeyance until the outcome of the rehearing process.

Following the March 6 order appointing a mediator, the parties engaged in mediation as required by that order. On July 23, 2014, the parties filed a joint petition for approval of a mediation resolution and refund distribution (Joint Petition). As detailed in the Joint Petition, the parties have now agreed on the refund amount with interest, as specified in Confidential Exhibit A attached to the Joint Petition, as well as a process for paying and distributing refunds. The refund is to be paid by AT&T Michigan to the MPTA for the benefit of the MPTA, the complainants, and their counsel as specified in the Joint Petition and Confidential Exhibit A, with the exception of the six parties that are no longer being represented by the MPTA's counsel.¹ The Joint Petition specifies a detailed process by which the six parties would receive notice of the mediated result in

¹ Previously, counsel for the MPTA and the complainants filed a motion with the Commission seeking approval to withdraw from representation of American Paytel Corporation, Davel Communications, Inc., Peoples Telephone Company, Inc., PhoneTel Technologies, Inc., Sheffield Systems, Inc., and Teleleasing Enterprises, Inc. As stated in that motion, the MPTA's counsel is no longer in contact with these six parties and is thus unable to speak to their interests. The Commission issued an order granting the motion to withdraw on July 22, 2014.

this case at their last known address and could assert a right to a refund (up to an aggregate total of \$500,000) within a fixed time of receiving the notice.

The parties agree that it is most reasonable and efficient to have AT&T Michigan issue a single payment in the amount agreed to in the mediation to the MPTA on behalf of the complainants (aside from the six parties) and to have the MPTA distribute refunds to the individual complainants and counsel. The MPTA has agreed to defend, indemnify, and hold AT&T Michigan harmless for all amounts that are due and owing to the complainants (aside from the six parties) under the Commission's December 6 order and the mediated resolution in the Joint Petition.

As also stated in the Joint Petition, the parties agree that, under the mediated resolution, liability for refunds in this case is limited to the named complainants. The parties have also agreed that, if the Joint Petition is granted, AT&T Michigan and the MPTA will withdraw their respective appeals in this case.

On August 1, 2014, the appointed mediator, Administrative Law Judge Sharon L. Feldman, filed a mediation report recommending that the Commission approve the Joint Petition.

Having reviewed the Joint Petition and its exhibits, the Commission finds that all the disputed issues have been resolved as set forth in the Joint Petition and that the agreed payment and method of payment, including the method for providing notice to the six parties and granting them a fixed time to assert any alleged right to a refund, should be approved. The Commission also finds that AT&T Michigan's liability in this case is limited to the named complainants. Finally, the Commission finds that approval of the Joint Petition embodying the agreement of the parties, and the parties' subsequent implementation of that agreement, shall operate as a full and final

satisfaction of all claims of the MPTA and the other complainants against AT&T Michigan regarding the matters addressed in the December 6 order.

THEREFORE, IT IS ORDERED that:

A. The joint petition filed on July 23, 2014 is approved.

B. The mediation resolution and refund distribution methods of payment reflected in the July 23, 2014 joint petition and its confidential exhibit “A” are approved as full satisfaction of AT&T Michigan’s obligations to the complainants (except American Paytel Corporation, Davel Communications, Inc., Peoples Telephone Company, Inc., PhoneTel Technologies, Inc., Sheffield Systems, Inc., and Teleleasing Enterprises, Inc.) under the Commission’s December 6, 2013 order in this docket.

C. The process for addressing potential refunds to American Paytel Corporation, Davel Communications, Inc., Peoples Telephone Company, Inc., PhoneTel Technologies, Inc., Sheffield Systems, Inc., and Teleleasing Enterprises, Inc., set forth in the July 23, 2014 joint petition and its exhibit “B” is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days after issuance of this order, under MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION



John D. Quackenbush, Chairman



Greg R. White, Commissioner



Sally A. Talberg, Commissioner

By its action of August 5, 2014.

Sally Wallace

Digitally signed by Sally Wallace
DN: cn=Sally Wallace, o=Public Service
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email=wallaces@michigan.gov, c=US
Date: 2014.08.05 16:27:24 -04'00'

Sally L. Wallace, Acting Executive Secretary

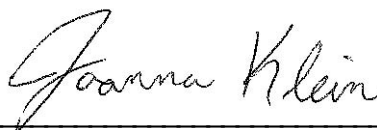
PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-11756

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on August 5, 2014 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



Joanna Klein

Subscribed and sworn to before me
This 5th day of August 2014

Gloria Pearl
Jones

Digitally signed by Gloria Pearl Jones
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ou=Executive Secretary Division,
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Gloria Pearl Jones
Notary Public, Ingham County, MI
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