

ORIGINAL

**BellSouth Telecommunications, Inc.**  
**Regulatory Relations**  
150 South Monroe Street  
Suite 400  
Tallahassee, FL 32301

**Nancy H. Sims**  
Director

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June 2, 2003

Mrs. Blanca Bayó  
Division of the Commission Clerk and  
Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 323099-0850

RECEIVED FPSC  
03 JUN -2 PM 4:50  
COMMISSION  
CLERK

Re: Docket No. 000733-TL Investigation to determine whether BellSouth Telecommunications, Inc.'s tariff filing to restructure its late payment charge is in violation of Section 364.051, F.S.


Dear Mrs. Bayó:

In accordance with the Florida Public Service Commission's refund procedures; BellSouth is to provide periodic reports on the progress of the refunds of the late payment interest fee. Our previous report was provided on April 4, 2003.

The refund amount was calculated to be \$84,437,070.67 plus \$4,842,345.51 in interest to equal a total of \$89,279,416.18. The refund amount reflects the late payment interest fee on regulated BellSouth services that was paid by retail end users and paid by Alternative Local Exchange Companies (ALECs) that resell BellSouth's regulated services. The refund amount was calculated as follows:

- An analysis was made of each account in Florida to determine the interest applied for the period of August 1999 through December 2002.
- An analysis was made of all revenues on bills for all customers identified, and a calculation was made for each account of the amount of late pay interest charges billed for unpaid regulated charges each month.
- Interest was applied for the appropriate number of months.
- Credits were applied to the accounts active in the billing database.
- Refund drafts were created for customers no longer in the current database.
- Refunds of less than \$1.00 were not mailed and will be reported.

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FPSC-BUREAU OF RECORDS

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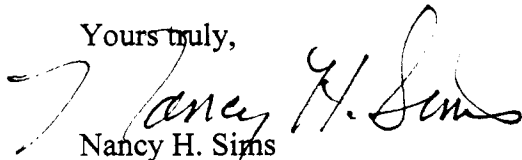
FPSC-COMMISSION CLERK

As of May 22, 2003, BellSouth reports the following accounting of the refund:

\$84,437,070.67	Late Pay Interest Fee Refund
<u>4,842,345.51</u>	Interest
<b>\$89,279,416.18</b>	<b>Total</b>
(2,771,288.84)	Drafts still outstanding
<u>(2,512,996.42)</u>	Returned unpaid drafts and less than \$1 no refund amounts
<b><u>\$83,995,130.92</u></b>	<b>Total paid as of 5/22/03</b>

Another report will be made at the end of August 2003. If you have any questions are need any additional information, please let me know.

Yours truly,



Nancy H. Sims  
Director - Regulatory Relations

Copy to: Jack Shreve - Office of Public Counsel  
Beth Salak - FPSC  
Tom Lohman - BellSouth  
Nancy White - BellSouth