

State of Florida



ORIGINAL

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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SEP 21 PM 1:50

COMMISSION  
CLERK

**DATE:** September 20, 2004

**TO:** Rick Moses, Division of Competitive Markets & Enforcement

**FROM:** Andrew L. Maurey, Division of Economic Regulation

**RE:** Docket No. TBD, Sprint Florida, Interest Calculation on Rebates Due Under the Service Guarantee Program

ALM JOJ

Per your request, staff has calculated the interest on the rebates due under Sprint Florida's Service Guarantee Program. The total refund amount of \$286,561.69 consists of \$285,075.00 in rebates and \$1,486.69 in interest. This calculation assumes that the rebates accrued in discreet monthly amounts from February 2004 through August 2004 as reflected on the attached schedule and that the refund will be completed by September 30, 2004. The appropriate interest rate is the average 30-day commercial paper rate for each month. The last available monthly interest rate of 1.535% is used for future months beyond August 2004. Attached is a schedule that shows the calculation.

The calculation discussed above is based on the total amount collected each month under the Service Guarantee Program that is subject to refund. In discussions with representatives of Sprint Florida, the Company plans to refund the rebates plus interest on a per customer basis. Due to rounding, there is a \$17.27 difference between the total amount due indicated by the monthly balance approach discussed above and the total amount due based on the per customer approach. The balance of the refund amounts due to customers that cannot be located will be credited to the Lifeline Fund. Staff recommends that Sprint Florida add the incremental amount of \$17.27 to the amount it credits to the Lifeline Fund.

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- COM \_\_\_\_\_
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- OTH \_\_\_\_\_

cc: Office of General Counsel  
Commission Clerk & Administrative Services  
File

DOCUMENT NUMBER-DATE

10147 SEP 21 04

FPSC-COMMISSION CLERK

INTEREST ON REBATES  
DOCKET NO. (TO BE DETERMINED)  
SPRINT FLORIDA

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
FEB 04	1.01%	0.08%	\$34,450.00	\$28.85	\$34,478.85	\$0.00	\$34,478.85	
MAR	0.98%	0.08%	\$37,575.00	\$30.69	\$37,605.69	\$34,507.01	\$72,112.70	
APR	1.01%	0.08%	\$31,500.00	\$26.38	\$31,526.38	\$72,173.09	\$103,699.47	
MAY	1.04%	0.09%	\$23,325.00	\$20.12	\$23,345.12	\$103,788.91	\$127,134.03	
JUN	1.19%	0.10%	\$47,875.00	\$47.28	\$47,922.28	\$127,259.57	\$175,181.85	
JUL	1.40%	0.12%	\$80,350.00	\$93.74	\$80,443.74	\$175,386.23	\$255,829.97	
AUG	1.54%	0.13%	\$30,000.00	\$38.38	\$30,038.38	\$256,157.22	\$286,195.60	
SEPT	1.54%	0.13%	\$0.00	\$0.00	\$0.00	\$286,561.69	(\$0.00)	\$286,561.69
TOTAL REBATES			\$285,075.00					\$286,561.69
						TOTAL INTEREST		\$1,486.69
						TOTAL REBATES		\$285,075.00
						TOTAL REFUND		\$286,561.69

MONTH	AMOUNT PER CUSTOMER	ACCOUNTS PER MONTH	REFUND PER MONTH	INCREMENTAL DIFFERENCE
FEB	\$25.20	1378	\$34,725.60	
MAR	\$25.18	1503	\$37,845.54	
APR	\$25.16	1260	\$31,701.60	
MAY	\$25.14	933	\$23,455.62	
JUN	\$25.12	1915	\$48,104.80	
JUL	\$25.09	3214	\$80,639.26	
AUG	\$25.06	1200	\$30,072.00	
TOTAL		11403	\$286,544.42	(\$17.27)