

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re:)
Complaint by BellSouth)
Telecommunications, Inc. against)
Thrifty Call, Inc. regarding practices) Case No 000475-TP
in the reporting of percent interstate)
usage for compensation for)
jurisdictional access services)

Rebuttal Testimony

Of

Timothy J Gates

On Behalf of Thrifty Call, Inc.

March 3, 2008

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1 **Introduction**

2
3 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

4 A. My name is Timothy J Gates. My business address is QSI Consulting, 819
5 Huntington Drive, Highlands Ranch, Colorado 80126.

6
7 **Q. WHAT IS QSI CONSULTING, INC. AND WHAT IS YOUR POSITION**
8 **WITH THE FIRM?**

9 A. QSI Consulting, Inc. ("QSI") is a consulting firm specializing in traditional and
10 non-traditional utility industries, econometric analysis and computer aided
11 modeling. QSI provides consulting services for regulated utilities, competitive
12 providers, various types of government agencies (including public utility
13 commissions) and industry organizations. I currently serve as Senior Vice
14 President.

15
16 **Q. ARE YOU THE SAME TIMOTHY GATES WHO FILED DIRECT**
17 **TESTIMONY IN THIS CASE?**

18 A. Yes.

19
20 **Q. ON WHOSE BEHALF IS THIS TESTIMONY FILED?**

21 A. This testimony is filed on behalf of Thrifty Call Communications, Inc., ("Thrifty
22 Call" or "TCI").

23 **Q. ARE THERE ANY OTHER WITNESSES FILING REBUTTAL**
24 **TESTIMONY ON BEHALF OF THRIFTY CALL?**

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1 A. No.

2

3 **Purpose of the Rebuttal Testimony**

4

5 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

6

7 A. The purpose of my testimony is to respond to the positions of AT&T as outlined

8 and set forth in the direct testimony of Mr. Mark W. Potteiger.

9

10 **Q. DO YOU HAVE SOME GENERAL COMMENTS ABOUT THE AT&T**

11 **TESTIMONY AND POSITIONS?**

12 A. Yes. Mr. Potteiger states that Thrifty Call violated the AT&T tariff by

13 misreporting traffic factors.¹ The testimony seems to suggest that there was some

14 willful attempt to misrepresent traffic. Based on my review of the facts, I do not

15 think that is a correct characterization. While there was traffic that was not

16 correctly jurisdictionalized, that was at least in part, a function of technology² at

17 the time and the clients³ of Thrifty Call. I believe that AT&T was also at fault for

18 not following its tariff procedures. At bottom, this is a difficult situation that

19 needs to be resolved based on the facts at hand.

20

21 **Q. WHAT ISSUES WILL YOU ADDRESS IN YOUR REBUTTAL**

22 **TESTIMONY?**

¹ Direct of Potteiger at 2.

² Direct of Potteiger at 9.

³ Mr. Potteiger recognizes at page 18 of his Direct that "...certain carriers may approach an interim carrier, such as Thrifty Call, with a proposal to terminate traffic with a higher switched access rate, such as intrastate access, as traffic with a lower access rate, such as interstate access."

1 A. I will address issues one and four. Issue one is “What are the terms and
2 conditions of the tariff associated with correcting and backbilling misreported
3 PIU?” Issue four is “If Thrifty Call misreported its PIU to AT&T, what amount,
4 if any, does Thrifty Call owe AT&T and when should this amount be paid?”
5

6 **Issue One**

7

8 **Q. HAS AT&T CORRECTLY CALCULATED THE AMOUNTS DUE FROM**
9 **THRIFTY CALL?**

10 A. No. It appears that AT&T has not used the terms of its tariff to calculate the
11 amounts due. I address the specific calculations in my discussion of Issue Four
12 below.
13

14 **Q. IN YOUR OPINION, COULD THE DISPUTE BETWEEN THE PARTIES**
15 **BEEN RESOLVED IN A MORE EFFICIENT MANNER?**

16 A. Yes. If AT&T would have followed its own procedures as identified in the
17 Commission approved tariff, this case may have been resolved much quicker.
18

19 **Q. PLEASE EXPLAIN.**

20 A. As described by Mr. Lovelady and as shown by his exhibits, when AT&T
21 initiated the dispute over the PIU, it provided a written request to initiate an audit
22 per the tariff.⁴ Thrifty Call responded in a timely manner and retained a well-

⁴ Section E 2.3.14(B)(1) of the Access Services Tariff states in pertinent part, “This written request will be considered the initiation of the audit.”

1 respected and experienced auditor (Ernst & Young). Thrifty Call agreed to
2 provide its call record information to Ernst & Young and also agreed, once the
3 audit was complete, that the audit report would be provided to both AT&T and
4 Thrifty Call for purposes of resolving the dispute.⁵ AT&T, however, despite the
5 procedures in the tariff, unilaterally halted the audit and filed its Complaint with
6 the Commission.

7
8 **Q. AT&T REQUESTED THE DATA USED TO CALCULATE THE**
9 **PROJECTED INTERSTATE PERCENTAGE. DID THRIFTY CALL**
10 **HAVE THE RIGHT TO PROVIDE THE INFORMATION TO AN**
11 **INDEPENDENT AUDITOR AS OPPOSED TO AT&T?**

12 A. Yes. The tariff language requires that the data be provided to the independent
13 auditor and not to AT&T. Section E 2.3.14(B)(1) of AT&T's Florida Access
14 Services Tariff states in pertinent part that, "The IC or End User shall supply the
15 data to an independent auditor within thirty days of the Company request."

16
17 **Q. HAD THE AUDIT PROCEEDED, WOULD AT&T HAVE BEEN**
18 **REQUIRED TO PAY ERNST & YOUNG FOR THE AUDIT?**

19 A. No. Thrifty Call would have paid for the audit.

20
21 **Q. ASSUMING AT&T HAD A CONFLICT WITH ERNST & YOUNG. DID**
22 **THE CONFLICT PREVENT THE AUDIT FROM GOING FORWARD?**

⁵ This is consistent with the AT&T tariff requirement that "Audit results will be furnished to the IC or End User via Certified U.S. Mail (return receipt requested.) The Company will adjust the IC or End User's PIU based upon the audit results." Section E.2.3.14(D)(1)

1 A. No. As noted in Thrifty Call's letter to AT&T, "Thrifty Call remains, however,
2 ready and willing to provide the necessary data to Ernst & Young, or,
3 alternatively, to choose a different independent auditor that would not raise
4 conflict issues if BellSouth chooses not to access Ernst & Young."⁶ In other
5 words, Thrifty Call's initial selection of Ernst & Young did not cause AT&T to
6 walk away from the auditing procedures. Thrifty Call was willing to use a
7 different auditor if AT&T was opposed to the engagement of Ernst & Young.

8
9 **Q. DID THRIFTY CALL SUGGEST TO AT&T THAT NOT USING THE**
10 **AT&T TARIFF AUDIT PROCEDURES MIGHT DELAY RESOLUTION**
11 **OF THE DISPUTE?**

12 A. Yes. Thrifty Call was anxious to resolve the dispute and was willing to correct its
13 PIU based on the audit results.⁷ Unfortunately, instead of using the Commission
14 approved audit procedures which provide structure to the investigation, AT&T
15 chose to initiate a complaint proceeding. Thrifty Call told AT&T that refusing to
16 adhere to the audit procedure might result in "...an unwarranted delay in the
17 resolution of this dispute."⁸ I am not sure why AT&T would derail a process that
18 was approved by the Commission and Thrifty Call had agreed to in favor of a
19 complaint proceeding, but I believe the lack of structure in the proceeding has
20 impacted the ability of the parties to settle the dispute.

21

⁶ See Exhibit HL-3 to the Direct Testimony of Mr. Lovelady.

⁷ Id. at 2.

⁸ Id.

1 **Q. HAS THE FACT THAT THRIFTY CALL IS NO LONGER PROVIDING**
2 **SERVICE HAMPERED THE ABILITY TO SETTLE THE DISPUTE?**

3 A. I don't know, but I would suspect that has had some impact on the negotiations.
4 The lack of action by the FCC on the Comptel/ASCENT application has also
5 inserted some uncertainty in the dispute.

6
7 **Q. IS THE PURPOSE OF YOUR TESTIMONY TO EXPLAIN OR JUSTIFY**
8 **THE DELAY IN REACHING A RESOLUTION IN THIS CASE?**

9 A. No. My testimony focuses on determining the correct compensation due to
10 AT&T based on the facts at hand. I provided the historical background as a
11 rebuttal to the Mr. Potteiger's suggestion that Thrifty Call was intentionally
12 violating its tariff. I do not see anything in the record that would support a
13 finding that Thrifty Call intentionally violated the terms of AT&T's tariff.
14 Instead, my reading of the correspondence indicates that Thrifty Call was
15 cooperating and moving forward with the audit when AT&T decided to act
16 outside of the tariff guidelines.

17
18 **Q. MR. POTTEIGER PROVIDES CITES TO OTHER CASES IN OTHER**
19 **STATES AND SUGGESTS THAT THEY SHOW THAT THRIFTY CALL**
20 **ENGAGED IN "TRAFFIC ROUTING SCHEMES."⁹ PLEASE**
21 **COMMENT.**

22 A. I am not a lawyer so I won't opine on those other cases. In this proceeding,
23 however, we are focused on determining what is owed to AT&T, not whether the

⁹ See, for instance, Mr. Potteiger's Direct at 14-15.

1 reporting was intentionally skewed. Mr. Potteiger's attempt to create a perception
2 of impropriety should have no impact on the final outcome of this proceeding.

3
4 Regardless of what happened when this case was initiated years ago, it is neither
5 necessary nor productive to speculate about the intentions of the parties. The
6 Commission has provided guidance on what issues to address. The parties should
7 be focused on determining the correct amount owed to AT&T. This is addressed
8 at length in my rebuttal on Issue Four.

9
10 **Q. AT PAGE FIVE OF HIS DIRECT MR. POTTEIGER STATES THAT**
11 **“THERE IS NO LIMITATION CONTAINED IN THE TARIFF AS TO**
12 **HOW FAR BACK AT&T FLORIDA MAY GO TO COLLECT FROM**
13 **THRIFTY CALL UNBILLED REVENUES REPRESENTED BY THE**
14 **MISREPORTED TPIU FACTORS.” DO YOU AGREE?**

15 A. No. I do not see how Mr. Potteiger reconciles his position with the tariff. The
16 tariff specifically states the following:

17 The PIU resulting from the audit shall be applied to the usage for
18 the quarter the audit was completed, the usage for the quarter prior
19 to completion of the audit, and to the usage for the two (2) quarters
20 following the completion of the audit.¹⁰

21
22 This language is direct and specifically holds that the revised PIU “shall” be
23 applied to a one year period.

24

¹⁰ Section E 2.3.14(D)(1).

1 Q. AT PAGES 6 AND 7 OF HIS TESTIMONY MR. POTTEIGER STATES
2 THAT AT&T HAS COMPLIED WITH ITS TARIFF. DO YOU AGREE?

3 A. Not in every instance. AT&T relies on the tariff when it serves its needs but
4 ignores the tariff at other times. The discussion above regarding the time frame
5 for backbilling is a good example. Where the tariff language is clear but does not
6 support AT&T's claim – it is ignored. The audit originally requested by AT&T is
7 another good example. Rather than using the audit process which it initiated with
8 Thrifty Call, it chose to ignore that process and rely on a Commission
9 investigation.

10
11 **Issue Four**
12

13 Q. MR. POTTEIGER¹¹ CLAIMS THRIFTY CALL OWES AT&T \$2,383,220
14 IN PRINCIPAL SUMS ASSOCIATED WITH THE BILLING PERIOD
15 APRIL 1999 THROUGH FEBRUARY 2000. IS THAT FIGURE
16 ACCURATE?

17 A. No it is not. Mr. Potteiger's proposal in terms of principal sums is simply too
18 high. Ultimately, he requests the Commission ignore that AT&T, then BellSouth,
19 engaged Thrifty Call in an audit regarding PIU reports in January of 2000 but
20 chose to discontinue that process mid-course. Had that process continued at that
21 time, the tariffed PIU procedures clearly would have been applicable and, as I've
22 already discussed, AT&T's PIU audit procedures provide for specific billing

¹¹ See Direct of Potteiger at page 19 at line 19.

1 adjustments procedures which AT&T is now attempting to ignore. AT&T should
2 not be awarded special treatment and allowed to back-bill Thrifty Call in a
3 manner that is inconsistent with the billing adjustments that may have been called
4 for under the audit provisions of AT&T's tariffs because the Company chose to
5 walk away from its audit procedures. What good are tariff procedures if the
6 company who created them to govern the terms and conditions it will provide
7 service under unilaterally walks away from such procedures?
8

9 **Q. PLEASE IDENTIFY THE ERRORS IN MR. POTTEIGER'S ESTIMATE**
10 **OF THE PRINCIPAL AMOUNT DUE.**

11 A. Mr. Potteiger's estimates incorrectly assume that back-billing can and should take
12 place for many more months than would have been impacted by any adjustments
13 falling out of a PIU audit. Moreover, AT&T, while apparently relying upon the
14 Staff audit results, has attempted to apply those results to all minutes of use
15 despite that many such minutes cannot be jurisdictionalized based upon available
16 data.
17

18 **Q. YOU STATED THAT AT&T'S ESTIMATES ACCOUNT FOR MANY**
19 **MORE MONTHS THAN WOULD HAVE BEEN IMPACTED BY**
20 **ADJUSTMENTS FALLING OUT OF A PIU AUDIT PER THE TARIFF.**
21 **YOU ALSO DISCUSSED AT&T HAVING APPLIED ADJUSTMENTS TO**
22 **28 MONTHS OF DATA IN YOUR DIRECT TESTIMONY. PLEASE**
23 **ELABORATE ON THIS ISSUE.**

1 A. At the time I prepared my direct testimony, AT&T's estimates had not been
2 provided in response to discovery and, as a result, I did not have the opportunity
3 to review those estimates prior to drafting my testimony. That said, the text of
4 AT&T's affidavit and testimony on this point indicated that the company's back-
5 billing proposals accounted for all months of the billing relationship between
6 AT&T and Thrifty Call. Upon review of AT&T's latest round of direct testimony
7 – that filed by Mr. Potteiger coincident with my direct testimony – and,
8 subsequently, the company's workpapers which were provided in response to
9 discovery, it is now clear that AT&T's proposed back-billing is based upon the
10 months of April 1999 through February 2000. As described in my direct
11 testimony, however, a PIU audit would have allowed for adjustments beginning in
12 July of 1999.¹² Hence, including April, May and June is overly aggressive on
13 AT&T's part. Those months should be excluded from any back-bill granted by
14 the Commission.

15
16 **Q. HAVE YOU RECALCULATED AT&T'S \$2,383,220 BACK-BILLING**
17 **PROPOSAL BASED UPON YOUR REVIEW OF AT&T'S TESTIMONY**
18 **AND WORKPAPERS?**

19 A. Yes, I have. Exhibit TJG-2 includes a series of calculations in a table entitled
20 "Principal Adjustments Based on Staff Report Without Interest," which comprises
21 my calculations. For the months July 1999 through February 2000, I conclude
22 that billing adjustments of approximately \$1,150,409 would be warranted

¹² See, for example, pages 12 and 13 of my direct testimony.

1 following a PIU audit¹³ conducted consistent with AT&T's PIU audit language
2 assuming that the number of minutes identified by AT&T for each applicable
3 month is accurate and that the composite access rates identified by AT&T are
4 accurate.¹⁴

5
6 **Q. PLEASE DESCRIBE HOW YOU RECALCULATED AT&T'S \$2,383,220**
7 **FIGURE.**

8 A. My calculations are straightforward and consistent with the methodologies
9 described in my direct testimony except that I now have more detailed
10 information with which I was able to implement these calculations.

11
12 Generally speaking, I started by replicating AT&T's Confidential Exhibit MP-1 in
13 a Microsoft Excel workbook as it had not been provided in electronic format as of
14 the writing of this testimony. I was able to replicate AT&T's principal amount.
15 From there, I excluded AT&T's adjustments as they pertain to April, May and
16 June of 1999 for reasons discussed in my direct testimony regarding the timing
17 adjustment applied to my initial calculations.¹⁵ That is, I have excluded months
18 which could not be adjusted under AT&T's PIU audit language.
19

¹³ It remains a legal question as to whether the Company is required to conduct an audit before filing the complaint in this proceeding. My analysis assumes, for the sake of argument, that no such requirement exists and proceeds as if the Staff's audit can be used for purposes contemplated within the tariff. The legal question is not addressed within my testimony.

¹⁴ AT&T has not provided relevant invoices for review. And, as of the writing of this testimony, these facts are uncertain.

¹⁵ See, for example, pages 15 and 16 of my direct testimony.

1 Next, rather than including all minutes identified by AT&T, I used as a basis for
2 my calculations intrastate and interstate MOUs for the month July 1999-
3 December 1999 and multiplied those MOUs by the applicable rates. I discuss the
4 unidentified traffic adjustments in my direct testimony and will not repeat that
5 discussion here. I then compared those values to values described by AT&T as
6 “derived revenues” at the 98% PIU to which AT&T objects.¹⁶

7
8 **Q. WHY ARE YOUR ADJUSTMENTS BASED SOLELY ON THOSE MOUS**
9 **WHICH THE STAFF WAS ABLE TO JURISDICTIONALIZE?**

10 A. The calculations AT&T put forward in Confidential Exhibit MP-1 specifically
11 account for all MOUs as though jurisdiction were known. Staff, however, did not
12 identify jurisdiction for many of those MOUs. Consistent with the FCC’s EES
13 ruling and a good common sense approach to the issue before me, I chose to
14 exclude from the calculation any MOUs for which jurisdiction was not known.
15 AT&T should not have the right to back-bill where it doesn’t know the
16 jurisdiction of the traffic.

17
18 **Q. AT PAGE 17 OF HIS DIRECT TESTIMONY MR. POTTEIGER**
19 **INDICATES THAT THRIFTY CALL’S APPLICATION OF THE FCC’S**
20 **EES RULES IS INCONSISTENT WITH THE INTENT OF THOSE**
21 **RULES. IS THAT ACCURATE?**

¹⁶ AT&T did not provide actual billed amounts. Hence, based upon information available in this record, it is not known what AT&T billed and what it was paid. Any estimates intended to true-up billing cannot, therefore, be perfectly accurate.

1 A. No. Thrifty Call filed a Petition for Declaratory Ruling from the FCC seeking
2 clarification of the meaning and application of certain provisions of Bellsouth's
3 tariffs. The FCC has not ruled on the issue.

4
5 However, on November 10, 2004, the FCC's Wireline Competition Bureau issued
6 a Declaratory Ruling. That ruling recognized that with many access services,
7 LECs typically lack the technical ability to identify and measure jurisdictional
8 usage because the services do not provide automatic number identification
9 ("ANI") capability.¹⁷ Further, the Wireline Competition Bureau agreed with
10 Thrifty Call that the EES methodology was the correct methodology to use in
11 determining the jurisdiction of its traffic under AT&T's federal tariff where
12 jurisdiction is not known. However, the Bureau disagreed with Thrifty Call's
13 construction of the terms "customer network" and "point of entry" in AT&T's
14 interstate access services tariff. The CompTel/ASCENT Alliance later appealed
15 the Wireline Competition Bureau's Declaratory Ruling, most notably as it
16 pertains to "customer network" and "point of entry."

17
18 While I am not an attorney, I have been informed that the Wireline Competition
19 Bureau's Declaratory Ruling does not appropriately apply either at the federal
20 level or here in Florida where AT&T's intrastate tariffs are at issue. Indeed,
21 where jurisdiction is not known, the EES method requires that jurisdiction be
22 approximated based upon the location wherein calls enter the customer's network.

¹⁷ AT&T has recognized that industry-wide problem in its testimony as well. See, for instance, Mr. Potteiger's testimony at page 9.

1 In this case, and as I have been informed, the customer pursuant to AT&T's
2 interstate tariff is Thrifty Call. The calls entered Thrifty Calls network outside of
3 Florida. Hence, those calls which were not jurisdictionalized within the context
4 of the Staff audit are rightly categorized as interstate in nature pursuant to the
5 interstate tariff. Given that the traffic is interstate in nature, no adjustments need
6 be performed on the old invoices as the calls were already rated as interstate.
7 AT&T's back-billing proposal in this regard must be rejected as – even if the PIU
8 audit occurred as initially planned – such calls would not have been reclassified as
9 intrastate in nature and no billing adjustments would have been due AT&T.

10
11 **Q. MR. POTTEIGER ASSERTS ON PAGE 19 OF HIS DIRECT TESTIMONY**
12 **THAT INTEREST CHARGES BASED UPON THE TERMS AND**
13 **CONDITIONS OF AT&T'S ACCESS TARIFF SHOULD BE AWARDED**
14 **BY THE COMMISSION. DO YOU AGREE?**

15 A. No. Mr. Potteiger claims that section E2.4.1(B)(3) of AT&T's Florida Access
16 Services Tariff applies to the amount owed by Thrifty Call. However, there
17 should be no interest assessed on the principal amount owed by Thrifty Call to
18 AT&T because it is my understanding that AT&T did not render an invoice for
19 the additional amount it now claims is due. The language of this section of
20 AT&T's tariff is very clear that the payment due date which triggers a late
21 payment penalty is 31 days after the bill day or by the next bill date.¹⁸ If no bill
22 has been rendered, no late payment penalty is owed.

23

¹⁸ See Section E2.4.1(B)(3) of AT&T's Access Service Tariff.

1 **Q. EXHIBIT HL-1 IS A LETTER TO THRIFTY CALL'S ATTORNEY**
2 **DEMANDING PAYMENT OF \$2,078,713. IS THAT AN INVOICE?**

3 A. No. The letter to Thrifty Call is not an invoice. Invoices provide a listing of
4 services provided, call or usage detail, rates, taxes, surcharges (if any), etc. Bills
5 to carriers like Thrifty Call may include dozens or hundreds of pages of
6 information documenting and supporting the billed amount. The letter in question
7 provides no information other than a demand for payment and, as such, it is not a
8 bill or proper invoice.

9
10 **Q. IF THE COMMISSION FINDS THAT INTEREST IS OWED BY**
11 **THRIFTY CALL, IS THE INTEREST RATE USED BY MR. POTTEIGER**
12 **THE CORRECT ONE FOR THIS CALCULATION?**

13 A. No. Since no bill has been rendered for the additional amount AT&T claims that
14 Thrifty Call owes, the interest terms and conditions of this section of the tariff do
15 not apply. Application of these tariff terms and conditions results in an egregious
16 amount of interest charges as Mr. Potteiger recommends that an exorbitant rate of
17 over 21.5% per year be used on a compounded daily basis.¹⁹ This results in
18 almost \$11.7 million in interest charges on an alleged principal balance of just
19 \$2.4 million.

20
21 **Q. IF INTEREST IS OWED, WHAT OTHER INTEREST RATES SHOULD**
22 **THE COMMISSION CONSIDER?**

¹⁹ Section E2.4.1(B)(3)(b) of AT&T's Access Service Tariff s stipulates that a rate of \$0.000590 be used which is equivalent to 21.535% per year.

1 A. If interest is owed by Thrifty Call as a late payment penalty, the Commission has
2 a number of viable alternatives to choose from.

3
4 **Q. WHAT IS THE FIRST ALTERNATIVE INTEREST RATE THE**
5 **COMMISSION COULD CONSIDER IF INTEREST IS OWED?**

6 A. At the lowest end of the continuum, the Commission can use the interest rate paid
7 on customer deposits held by telecommunications carriers. Florida PSC Rule 25-
8 4.109 requires that telephone companies pay 7% per year on deposits made by
9 non-residential customers. This interest is paid on a simple basis where interest is
10 only paid on the principal amount owed as opposed to on a compound basis where
11 interest is paid on prior interest plus the principal.

12
13 **Q. WHAT IS THE SECOND ALTERNATIVE INTEREST RATE THE**
14 **COMMISSION COULD CONSIDER IF INTEREST IS OWED?**

15 A. The second interest rate in the continuum upward is the statutory rate set by the
16 State of Florida that shall be payable on judgments and decrees. Per Section
17 55.03(1), Florida Statutes, the Chief Financial Officer sets the applicable rate each
18 year. The relevant rates for the period in question in this case are noted below
19 and would be applied on a simple basis.²⁰

²⁰ See Florida Department of Financial Services website at <http://www.fldfs.com/aadir/interest.htm>.

1

2

PRIOR YEAR RATES

YEAR PER ANNUM DAILY RATE

2007	11%	.0003014
2006	9%	.0002466
2005	7%	.0001918
2004	7%	.0001918
2003	6%	.0001644
2002	9%	.0002466
2001	11%	.0003014
2000	10%	.0002740
1999	10%	.0002740

3

4

5 **Q. WHAT IS THE THIRD ALTERNATIVE INTEREST RATE THE**
6 **COMMISSION COULD CONSIDER IF INTEREST IS OWED?**

7 A. The third alternative interest rate is the rate assessed by the Commission on late
8 regulatory fee payments made by telecommunications carriers under FL PSC rule
9 25-4.0161. The rate assessed is 12% per year on a simple basis.

10

11 **Q. WHAT IS THE FOURTH AND LAST ALTERNATIVE INTEREST RATE**
12 **THE COMMISSION COULD CONSIDER IF INTEREST IS OWED?**

13 A. If the Commission determined that interest is owed, the highest rate it should
14 consider is legal rate permitted by the State of Florida for commercial transactions
15 if it is lower than the rate used by AT&T in its calculations. Under the terms and
16 conditions of AT&T's Access Services Tariff cited by Mr. Potteiger, the late
17 factor shall be the lessor of:

- a. The highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment due date to and including the date that the IC and/or End User actually makes the payment to the Company, or
- b. 0.000590 per day, compounded daily for the number of days from the payment due date to and including the date that the IC and/or End User actually makes the payment to the Company.

Mr. Potteiger gives no consideration to what the highest interest rate permitted by law is in the State of Florida. To the extent the legal rate of interest permissible under Florida statutes is lower the rate used by AT&T, this rate should be the ceiling on the possible interest rates under consideration by the Commission in this case.

Q. WHAT ARE THE RESULTS USING THE FIRST THREE INTEREST RATE ALTERNATIVES YOU DESCRIBE ABOVE?

A. The following table summarizes the principal and interest owed under the proposal made by AT&T compared with the adjusted principal and interest owed under the first three alternatives I describe above.

Table 1.0

	AT&T Proposal	Adjusted Principal Without Interest	Adjusted Principal (Deposit Rate)	Adjusted Principal (Statutory Rate)	Adjusted Principal (Regulatory Rate)
Principal	\$ 2,383,220	\$ 1,150,409	\$ 1,150,409	\$ 1,150,409	\$ 1,150,409
Interest	\$ 11,673,169	\$ -	\$ 656,813	\$ 822,770	\$ 1,125,965
Total	\$ 14,056,389	\$ 1,150,409	\$ 1,807,221	\$ 1,973,179	\$ 2,276,373

1 The fourth interest rate alternative is not quantified because the highest
2 permissible interest rate under Florida law as it pertains to this case is not known
3 at this time.

4
5 **Q. WHICH INTEREST RATE ALTERNATIVES DO YOU RECOMMEND**
6 **THE COMMISSION USE IN THIS CASE?**

7 A. As described above, I do not believe interest is appropriate in this case. However,
8 to the extent the Commission determines interest is appropriate, I recommend that
9 the Commission use the 7% interest rate on non-residential customer deposits. If
10 the Commission determines that this rate is not applicable in this case, then it
11 should use the statutory interest rates set by the State of Florida for judgments and
12 decrees under my second alternative rate discussed above. In no circumstance,
13 should the Commission consider compound interest since the late payment terms
14 and conditions of AT&T's Access Services Tariff are not applicable in this case.

15
16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes, it does.

Principal Adjustments Based on Staff Report (No Interest Included)												
Revenue Calculation	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total
Billed Minutes												
Interstate	1,579,662	9,624,644	21,788,515	16,204,800	16,328,619	15,771,036	14,618,732	15,690,554	14,961,414	13,951,949	4,835,545	145,355,470
Intrastate	32,230	196,410	444,627	330,708	333,238	321,851	298,340	320,210	305,213	284,620	98,645	2,966,092
Total	1,611,892	9,821,054	22,233,142	16,535,508	16,661,857	16,092,887	14,917,072	16,010,764	15,266,627	14,236,569	4,934,190	148,321,562
Terminating PIU	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
Percent of Traffic Jurisdictionalized	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Timing Adjustment	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Intrastate Rate	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028134	\$ 0.028134	
Interstate Rate	\$ 0.008320	\$ 0.008320	\$ 0.008320	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007736	\$ 0.007736	\$ 0.007165	\$ 0.007165	
Rate Difference	\$ 0.019982	\$ 0.019982	\$ 0.019982	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020566	\$ 0.020566	\$ 0.020969	\$ 0.020969	
Derived Revenues at 98% TPIU												
Interstate	\$ -	\$ -	\$ -	\$ 78,068	\$ 78,664	\$ 75,978	\$ 70,427	\$ 75,269	\$ 71,771	\$ 61,988	\$ 21,484	\$ 533,648
Intrastate	\$ -	\$ -	\$ -	\$ 5,804	\$ 5,848	\$ 5,649	\$ 5,236	\$ 5,620	\$ 5,359	\$ 4,967	\$ 1,722	\$ 40,204
Total Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
FL Staff Audit TPIU @ 19.51%												
Interstate	-	-	-	2,000,491	2,015,777	1,946,942	1,804,690	1,937,006	1,846,980	1,722,362	596,946	13,871,192
Intrastate	-	-	-	8,253,178	8,316,241	8,032,257	7,445,386	7,991,268	7,619,856	7,105,735	2,462,745	57,226,667
Total	-	-	-	10,253,669	10,332,018	9,979,199	9,250,076	9,928,275	9,466,835	8,828,096	3,059,691	71,097,859
Adjusted Revenues												
Interstate	\$ -	\$ -	\$ -	\$ 15,542	\$ 15,661	\$ 15,126	\$ 14,021	\$ 14,985	\$ 14,288	\$ 12,341	\$ 4,277	\$ 106,240
Intrastate	\$ -	\$ -	\$ -	\$ 233,581	\$ 235,366	\$ 227,329	\$ 210,719	\$ 226,169	\$ 215,657	\$ 199,913	\$ 69,287	\$ 1,618,022
Total Adj. Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Revenue Difference												
Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
Adjusted Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Principal (Revenues Difference)	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409

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 FPSC-COMMISSION CLERK

Principal Adjustments Based on Staff Report (Interest Based on FL PSC Rule 25-4.109 on Customer Deposits)												
Revenue Calculation	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total
Billed Minutes												
Interstate	1,579,662	9,624,644	21,788,515	16,204,800	16,328,619	15,771,036	14,618,732	15,690,554	14,961,414	13,951,949	4,835,545	145,355,470
Intrastate	32,230	196,410	444,627	330,708	333,238	321,851	298,340	320,210	305,213	284,620	98,645	2,966,092
Total	1,611,892	9,821,054	22,233,142	16,535,508	16,661,857	16,092,887	14,917,072	16,010,764	15,266,627	14,236,569	4,934,190	148,321,562
Terminating PIU	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	
Percent of Traffic Jurisdictionalized	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	
Timing Adjustment	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	
Intrastate Rate	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028134	\$ 0.028134	
Interstate Rate	\$ 0.008320	\$ 0.008320	\$ 0.008320	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007736	\$ 0.007736	\$ 0.007165	\$ 0.007165	
Rate Difference	\$ 0.019982	\$ 0.019982	\$ 0.019982	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020566	\$ 0.020566	\$ 0.020969	\$ 0.020969	
Derived Revenues at 98% TPIU												
Interstate	\$ -	\$ -	\$ -	\$ 78,068	\$ 78,664	\$ 75,978	\$ 70,427	\$ 75,269	\$ 71,771	\$ 61,988	\$ 21,484	\$ 533,648
Intrastate	\$ -	\$ -	\$ -	\$ 5,804	\$ 5,848	\$ 5,649	\$ 5,236	\$ 5,620	\$ 5,359	\$ 4,967	\$ 1,722	\$ 40,204
Total Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
FL Staff Audit TPIU @ 19.51%												
Interstate	-	-	-	2,000,491	2,015,777	1,946,942	1,804,690	1,937,006	1,846,980	1,722,362	596,946	13,871,192
Intrastate	-	-	-	8,253,178	8,316,241	8,032,257	7,445,386	7,991,268	7,619,856	7,105,735	2,462,745	57,226,667
Total	-	-	-	10,253,669	10,332,018	9,979,199	9,250,076	9,928,275	9,466,835	8,828,096	3,059,691	71,097,859
Adjusted Revenues												
Interstate	\$ -	\$ -	\$ -	\$ 15,542	\$ 15,661	\$ 15,126	\$ 14,021	\$ 14,985	\$ 14,288	\$ 12,341	\$ 4,277	\$ 106,240
Intrastate	\$ -	\$ -	\$ -	\$ 233,581	\$ 235,366	\$ 227,329	\$ 210,719	\$ 226,169	\$ 215,657	\$ 199,913	\$ 69,287	\$ 1,618,022
Total Adj. Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Revenue Difference												
Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
Adjusted Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Principal (Revenues Difference)	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409

Interest Calculation	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total
Principal	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409
Days outstanding	3,160	3,130	3,100	3,070	3,040	3,010	2,980	2,950	2,920	2,890	2,860	
Interest Factor (if applicable)	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	
Interest (if applicable)	\$ -	\$ -	\$ -	\$ 97,295	\$ 97,080	\$ 92,840	\$ 85,199	\$ 90,670	\$ 85,577	\$ 80,531	\$ 27,621	\$ 656,813
Principal + Interest (if applicable)	\$ -	\$ -	\$ -	\$ 262,547	\$ 263,595	\$ 253,668	\$ 234,276	\$ 250,935	\$ 238,393	\$ 225,829	\$ 77,979	\$ 1,807,221

Interest Rate according to FL PSC Rule 25-4.109(5)(a) on Non-Residential Customer Deposits Simple Interest
 Interest Rate Per Day (based on 365 days in a year) Simple Interest

Principal Adjustments Based on Staff Report (Interest based on Statutory Rate for Judgments & Decrees)												
Revenue Calculation	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-00	Feb-00	Total
Billed Minutes												
Intrastate	1,579,662	9,624,644	21,788,515	16,204,800	16,328,619	15,771,036	14,618,732	15,690,554	14,961,414	13,951,949	4,835,545	145,355,470
Intrastate	32,230	196,410	444,627	330,708	333,238	321,851	298,340	320,210	305,213	284,620	98,645	2,966,092
Total	1,611,892	9,821,054	22,233,142	16,535,508	16,661,857	16,092,887	14,917,072	16,010,764	15,266,627	14,236,569	4,934,190	148,321,562
Terminating FPU	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
Percent of Traffic Jurisdictionalized	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Timing Adjustment	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Intrastate Rate	\$ 0.028302	\$ 0.028320	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028134	\$ 0.028134	
Intrastate Rate	\$ 0.008320	\$ 0.008320	\$ 0.008320	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007736	\$ 0.007736	\$ 0.007165	\$ 0.007165	
Rate Difference	\$ 0.019982	\$ 0.019982	\$ 0.019982	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020566	\$ 0.020566	\$ 0.020969	\$ 0.020969	
Derived Revenues at 98% TPU												
Intrastate	\$ -	\$ -	\$ -	\$ 78,068	\$ 78,664	\$ 75,978	\$ 70,427	\$ 75,269	\$ 71,771	\$ 61,988	\$ 21,484	\$ 533,648
Intrastate	\$ -	\$ -	\$ -	\$ 5,804	\$ 5,848	\$ 5,649	\$ 5,236	\$ 5,620	\$ 5,359	\$ 4,967	\$ 1,722	\$ 40,204
Total Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
FL Staff Audit TPU @ 18.51%												
Intrastate	-	-	-	2,000,491	2,015,777	1,946,942	1,804,690	1,937,006	1,846,980	1,722,362	596,946	13,871,192
Intrastate	-	-	-	8,253,178	8,316,241	8,032,257	7,445,386	7,991,268	7,619,856	7,105,735	2,462,745	57,226,667
Total	-	-	-	10,253,669	10,332,018	9,979,199	9,250,076	9,928,275	9,466,835	8,828,096	3,059,691	71,097,859
Adjusted Revenues												
Intrastate	\$ -	\$ -	\$ -	\$ 15,542	\$ 15,661	\$ 15,126	\$ 14,021	\$ 14,985	\$ 14,288	\$ 12,341	\$ 4,277	\$ 106,240
Intrastate	\$ -	\$ -	\$ -	\$ 233,581	\$ 235,365	\$ 227,329	\$ 210,719	\$ 226,169	\$ 215,657	\$ 199,913	\$ 69,287	\$ 1,618,022
Total Adj. Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Revenue Difference												
Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
Adjusted Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Principal (Revenue Difference)	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409

Interest Calculation	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-00	Feb-00	Total
Principal	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409
Days outstanding in 1999	238	208	178	148	118	88	58	28	-	-	-	-
Days outstanding in 2000	365	365	365	365	365	365	365	365	365	334	304	-
Days outstanding in 2001	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2002	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2003	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2004	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2005	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2006	365	365	365	365	365	365	365	365	365	365	365	365
Days outstanding in 2007	365	365	365	365	365	365	365	365	365	365	365	365
Interest Factor (if applicable) - 1999	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027
Interest Factor (if applicable) - 2000	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027	0.00027
Interest Factor (if applicable) - 2001	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030
Interest Factor (if applicable) - 2002	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025
Interest Factor (if applicable) - 2003	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016	0.00016
Interest Factor (if applicable) - 2004	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019
Interest Factor (if applicable) - 2005	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019	0.00019
Interest Factor (if applicable) - 2006	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025	0.00025
Interest Factor (if applicable) - 2007	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030	0.00030
Interest (if applicable)	\$ -	\$ -	\$ -	\$ 122,377	\$ 121,943	\$ 116,457	\$ 106,723	\$ 113,415	\$ 106,971	\$ 100,474	\$ 34,409	\$ 822,770
Principal + Interest (if applicable)	\$ -	\$ -	\$ -	\$ 287,629	\$ 288,458	\$ 277,286	\$ 255,801	\$ 273,679	\$ 259,787	\$ 245,772	\$ 84,767	\$ 1,973,179

Statutory Interest Rates - Section 55.03(1), Florida Statutes		
2007	11%	0.00030
2006	9%	0.00025
2005	7%	0.00019
2004	7%	0.00019
2003	6%	0.00016
2002	9%	0.00025
2001	11%	0.00030
2000	10%	0.00027
1999	10%	0.00027

Principal Adjustments Based on Staff Report (Interest based on FL PSC Rule 25-4.0161 on Delinquent Regulatory Fees)												
Revenue Calculation	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total
Billed Minutes												
Interstate	1,579,662	9,624,644	21,788,515	16,204,800	16,328,619	15,771,036	14,618,732	15,690,554	14,961,414	13,951,949	4,835,545	145,355,470
Intrastate	32,230	196,410	444,627	330,708	333,238	321,851	298,340	320,210	305,213	284,620	98,645	2,966,092
Total	1,611,892	9,821,054	22,233,142	16,535,508	16,661,857	16,092,887	14,917,072	16,010,764	15,266,627	14,236,569	4,934,190	148,321,562
Terminating PIU	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	
Percent of Traffic Jurisdictionalized	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%	
Timing Adjustment	100%	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	
Intrastate Rate	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028302	\$ 0.028134	\$ 0.028134
Interstate Rate	\$ 0.008320	\$ 0.008320	\$ 0.008320	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007769	\$ 0.007736	\$ 0.007736	\$ 0.007736	\$ 0.007165	\$ 0.007165
Rate Difference	\$ 0.019982	\$ 0.019982	\$ 0.019982	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020533	\$ 0.020566	\$ 0.020566	\$ 0.020969	\$ 0.020969	
Derived Revenues at 98% TPIU												
Interstate	\$ -	\$ -	\$ -	\$ 78,068	\$ 78,664	\$ 75,978	\$ 70,427	\$ 75,269	\$ 71,771	\$ 61,988	\$ 21,484	\$ 533,648
Intrastate	\$ -	\$ -	\$ -	\$ 5,804	\$ 5,848	\$ 5,649	\$ 5,236	\$ 5,620	\$ 5,359	\$ 4,967	\$ 1,722	\$ 40,204
Total Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
FL Staff Audit TPIU @ 19.51%												
Interstate	-	-	-	2,000,491	2,015,777	1,946,942	1,804,690	1,937,006	1,846,980	1,722,362	596,946	13,871,192
Intrastate	-	-	-	8,253,178	8,316,241	8,032,257	7,445,386	7,991,268	7,619,856	7,105,735	2,462,745	57,226,667
Total	-	-	-	10,253,669	10,332,018	9,979,199	9,250,076	9,928,275	9,466,835	8,828,096	3,059,691	71,097,859
Adjusted Revenues												
Interstate	\$ -	\$ -	\$ -	\$ 15,542	\$ 15,661	\$ 15,126	\$ 14,021	\$ 14,985	\$ 14,288	\$ 12,341	\$ 4,277	\$ 106,240
Intrastate	\$ -	\$ -	\$ -	\$ 233,581	\$ 235,366	\$ 227,329	\$ 210,719	\$ 226,169	\$ 215,657	\$ 199,913	\$ 69,287	\$ 1,618,022
Total Adj. Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Revenue Difference												
Derived Revenues	\$ -	\$ -	\$ -	\$ 83,872	\$ 84,512	\$ 81,626	\$ 75,662	\$ 80,889	\$ 77,129	\$ 66,956	\$ 23,206	\$ 573,853
Adjusted Revenues	\$ -	\$ -	\$ -	\$ 249,123	\$ 251,027	\$ 242,455	\$ 224,740	\$ 241,154	\$ 229,945	\$ 212,253	\$ 73,564	\$ 1,724,261
Principal (Revenues Difference)	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409

Interest Calculation	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Total
Principal	\$ -	\$ -	\$ -	\$ 165,252	\$ 166,514	\$ 160,828	\$ 149,077	\$ 160,265	\$ 152,816	\$ 145,298	\$ 50,358	\$ 1,150,409
Days outstanding	3,160	3,130	3,100	3,070	3,040	3,010	2,980	2,950	2,920	2,890	2,860	
Present Value Factor (if applicable)	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	0.00033	
Interest (if applicable)	\$ -	\$ -	\$ -	\$ 166,791	\$ 166,423	\$ 159,154	\$ 146,055	\$ 155,435	\$ 146,703	\$ 138,053	\$ 47,350	\$ 1,125,965
Principal + Interest(if applicable)	\$ -	\$ -	\$ -	\$ 332,043	\$ 332,938	\$ 319,982	\$ 295,133	\$ 315,700	\$ 299,519	\$ 283,351	\$ 97,709	\$ 2,276,373

Interest Rate according to FL PSC Rule 25-4 0161(8)(b) on delinquent regulatory fees 12.00% Simple Interest
 Interest Rate Per Day (based on 365 days in a year) 0.033% Simple Interest