



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: June 4, 1999

TO: Ray Kennedy, Division of Communications

FROM: Eva Samaan, Division of Auditing and Financial Analysis *ED ALM*

RE: Docket No. 990675-TI, Gulf Long Distance, Inc., Interest Calculation for Refund of Overcharges *[Signature]*

Staff has calculated the interest on the overcharges in this show cause proceeding based on a memo received on June 1, 1999, from the Division of Communications. Based on the company's statement, the overcharges occurred from February through May of 1999, but the billing actually occurred 30-60 days following the calls made. Therefore, staff applied the mid-month convention in calculating the interest, starting with March 1999. The appropriate interest rate is the 30-day commercial paper rate for each month. The last available interest rate was 4.825% for May 1999. This calculation assumes that the overcharges will be refunded evenly in August and September 1999. The total refund is \$87,959.82, which consists of \$86,548.40 in overcharges and \$1,411.72 in interest accrued through September 1999 as shown on the attached schedule.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

cc: Division of Legal Services
 Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

07037 JUN-8 8

FPSC-RECORDS/REPORTING

GULF LONG DISTANCE, INC.

<u>MONTH</u>	<u>AVERAGE MONTHLY INTEREST RATE</u>	<u>MONTHLY INTEREST FACTOR</u>	<u>MONTHLY OVER CHARGE</u>	<u>ACCUM. OVER CHARGE</u>	<u>INT ON MONTHLY OVER CHARGE</u>	<u>MONTHLY OVERCHARGE PRINCIPAL & INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
MAR	4.87%	0.41%	\$1,767.75	1,767.75	\$3.58	\$1,771.33	\$0.00	\$1,771.33	\$3.58
APR	4.84%	0.40%	\$8,892.70	10,660.45	\$17.93	\$8,910.63	\$1,778.48	\$10,689.11	\$28.66
MAY	4.83%	0.40%	\$66,157.70	76,818.15	\$133.00	\$66,290.70	\$10,732.09	\$77,022.80	\$204.65
JUNE	4.83%	0.40%	\$9,729.95	86,548.10	\$19.56	\$9,749.51	\$77,332.49	\$87,082.00	\$533.90
JULY	4.83%	0.40%	\$0.00	86,548.10	\$0.00	\$0.00	\$87,432.14	\$87,432.14	\$884.04
<u>MONTH</u>	<u>PRINCIPAL</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>BALANCE</u>	<u>TOTALS</u>				
AUG	\$87,432.14	\$43,979.91	\$351.55	\$43,803.78	<u>OVERCHARGE</u>	\$86,548.10			\$86,548.10
SEPT	\$43,803.78	\$43,979.91	\$176.13	\$0.00	<u>INTEREST</u>	\$884.04	+	\$527.68	\$1,411.72
TOTAL INTEREST			\$527.68		<u>REFUND</u>	\$87,432.14			\$87,959.82