



Public Service Commission

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

DATE: July 24, 2000
TO: Melinda Watts, Division of Competitive Services
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 000348-TI, Business Telecom, Inc., Interest Calculation for Refund of Overcharges

ALM *[initials]*

As you requested, staff has calculated the interest on the overcharges due to Business Telecom, Inc.'s customers. The total refund amount of \$2,353.30 consists of \$2,168.60 in overcharges and \$184.70 in interest. This calculation assumes that the overcharges were incurred evenly from February 1, 1999 to January 31, 2000 and that they will be refunded evenly during the month of November, 2000. The appropriate interest rate is the average 30-day commercial paper rate for each month. The last available monthly interest rate of 6.58% is used for the future months past June 2000. Attached is a schedule which shows the calculations.

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

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

CALCULATION OF INTEREST ON REFUND
DOCKET No. : 000348-TI
COMPANY NAME: BUSINESS TELECOM, INC.

Interest Calculations of Refund

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	FIRST SET OF MONTHLY OVERCHARGES	MONTHLY OVERCHG INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
FEB. 99	4.83%	0.40%	\$180.72	\$0.73	\$181.44	\$0.00	\$181.44	
MAR.	4.87%	0.41%	\$180.72	\$0.73	\$181.45	\$182.18	\$363.63	
APR.	4.84%	0.40%	\$180.72	\$0.73	\$181.45	\$365.10	\$546.54	
MAY	4.83%	0.40%	\$180.72	\$0.73	\$181.44	\$548.74	\$730.18	
JUN.	4.95%	0.41%	\$180.72	\$0.75	\$181.46	\$733.19	\$914.66	
JUL.	5.08%	0.42%	\$180.72	\$0.76	\$181.48	\$918.52	\$1,100.01	
AUG.	5.21%	0.43%	\$180.72	\$0.78	\$181.50	\$1,104.78	\$1,286.28	
SEP.	5.31%	0.44%	\$180.72	\$0.80	\$181.52	\$1,291.97	\$1,473.49	
OCT.	5.30%	0.44%	\$180.72	\$0.80	\$181.51	\$1,480.00	\$1,661.51	
NOV.	5.43%	0.45%	\$180.72	\$0.82	\$181.53	\$1,669.02	\$1,850.56	
DEC.	5.58%	0.46%	\$180.72	\$0.84	\$181.56	\$1,859.16	\$2,040.71	
JAN. 00	5.70%	0.48%	\$180.72	\$0.86	\$181.58	\$2,050.41	\$2,231.98	
FEB.	5.80%	0.48%		\$0.00	\$0.00	\$2,242.77	\$2,242.77	
MAR.	5.94%	0.49%		\$0.00	\$0.00	\$2,253.86	\$2,253.86	
APR.	6.13%	0.51%		\$0.00	\$0.00	\$2,265.36	\$2,265.36	
MAY	6.38%	0.53%		\$0.00	\$0.00	\$2,277.40	\$2,277.40	
JUN.	6.58%	0.55%		\$0.00	\$0.00	\$2,289.88	\$2,289.88	
JUL.	6.58%	0.55%		\$0.00	\$0.00	\$2,302.42	\$2,302.42	
AUG.	6.58%	0.55%		\$0.00	\$0.00	\$2,315.04	\$2,315.04	
SEP.	6.58%	0.55%		\$0.00	\$0.00	\$2,327.72	\$2,327.72	
OCT.	6.58%	0.55%		\$0.00	\$0.00	\$2,340.48	\$2,340.48	
NOV.	6.58%	0.55%		\$0.00	\$0.00	\$2,353.30	\$0.00	2,353.30
TOTAL OVERCHARGES			2,168.60					2,353.30
						TOTAL INTEREST		\$184.70
						TOTAL OVERCHARGE		\$2,168.60
						TOTAL REFUND		\$2,353.30