



ORIGINAL

July 30, 2002

VIA OVERNIGHT MAIL

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shurmard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Investigation and Determination of Method to Credit Flow-Through Reductions by eMeritus Communications, Inc., as Required by Section 364.163, F.S. Docket No. 010488-TI Order No. PSC-02-0478-PAA-TI Issued April 8, 2002

Dear Ms. Bayo:

This letter serves to provide the Florida Public Service Commission (Commission) with a final report concerning the flow-through by eMeritus Communications, Inc. of certain access charge reductions to eMeritus customers.

Background

On April 8, 2002 Commission issued a Notice of Proposed Agency Action and Order Approving Refund in the above-captioned case (Notice). The Notice was issued after the conclusion of settlement discussions with Commission staff and was in response to an original and supplemental Staff audit report which concluded the eMeritus Communications, Inc., (eMeritus or Company) had not passed through certain rate reductions in accordance with the Commission's Order in case PSC-88-0795-FDF-TP.

The Commission accepted eMeritus' offer of refund and the refund calculation of \$13,584.00 plus interest of \$2,250.63 for a total of \$15, 834.75 by eMeritus. The Commission noted that the one-time refund should be paid by June 2002 to the customers identified by the Company. The Commission went on to state that:

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1
- OTH _____

At the end of the refund, period, any amount not refundable, including interest shall be remitted to the Commission by July 31, 2002, and forwarded to the Comptroller for deposit in the General Revenue Fund. eMeritus should submit a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds, by July 31,2002. This docket should be closed administratively once the refund is complete and the final report is received and reviewed by our staff.¹

¹ See Notice at pg. 4

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Rule 25.114(7) provides as follows:

Refund Reports... A final report shall be made after all administrative aspects of the refund are completed. The above reports shall specify the following: (a) The amount of money to be refunded and how that amount was computed; (b) The amount of money actually refunded; (c) The amount of any unclaimed refunds; and (d) The status of any unclaimed amounts. (8) With the last report under subsection (7) of this Rule, the company shall suggest a method for disposing of any unclaimed amounts. The Commission shall then order a method of disposing of the unclaimed funds.

Accordingly, eMeritus provides the following information:

a. *The amount of money to be refunded and how that amount was computed*

The Company had as its target a refund of \$15,900.00, slightly more than the refund of \$15,834.63 approved by the Commission in the Notice.² To distribute this refund, the Company first identified all of its Florida customers in April 2002 who were also customers of the Company on or before June 1998. The Company then determined the intrastate revenue all of these customers generated through their purchase of eMeritus' tariffed services in Florida during April 2002 and the percentage of such revenues each customer's purchase represented of the whole. This customer-specific percentage was then applied to the \$15,900 targeted refund amount to determine that portion of the \$15,900 targeted refund each customer would receive.

b. *The amount of money actually refunded*

As noted above, the Company refunded \$15,900 to its customers.

c. *The amount of any unclaimed refunds*

Because the Company worked from a base of current customers and credited the amount of the refund on the customer's bill, there are no unclaimed refunds that the Company is aware of nor would expect to see.

d. *The status of any unclaimed amounts.*

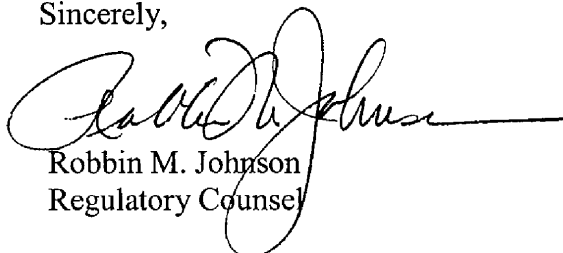
See the answer to item c, above.

Although Rule 25-4.114 does not appear to require it, upon request by Commission Staff the Company is prepared to provide the name and BTN of each customer to whom a refund was distributed, as well as the amount refunded to each such customer.

² The Company had experienced some difficulty in quantifying the amount of the flow-through. Company representatives had conversed with Staff several times in order to agree on alternative methods to determine the impact and to resolve the issue. "On February 18, 2002, the Company submitted a letter discussing an offer of settlement which quantified the difference in the tariffed rates and the impact on the costs to the customers.... It proposed, however to issue a refund to its current business customers those have been its customers since 1998. We approve of this plan because the refund will go to the Company's long-term customers". See Notice at Pg 3

As stated in the Notice, with this final report, and the review of it by Commission Staff, the Docket should be considered administratively closed. Please let me know if I can answer any questions or be of any further assistance in that regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Robbin M. Johnson", with a long horizontal flourish extending to the right.

Robbin M. Johnson
Regulatory Counsel

RMJ:gn

cc: Patrick Wiggins, Esq.
Bureau of Records and Hearing Services