#### State of Florida



# ORIGINAL.

## Hublic Service Commission/ED-FPSC

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850 US APR 12 PM 4: 08

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

COMMISSION CLERK

DATE:

April 12, 2006

TO:

Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM:

Toni J. McCoy, Regulatory Analyst II, Division of Competitive Markets &

Enforcement

RE:

Docket No. 060033-TX; Florida Phone Service, Inc.

Please add the attached memorandum to the above docket.

Please call if you have any questions. I can be reached at 413-6532.

Thank you.

	-
СОМ	
OPC _	
RCA _	
	and the Section Section 1
SGA	
SEC _	
<b>7711</b>	

**CMP** 

DOCUMENT NUMBER-DATE

03288 APR 128

State of Florida



### Public Service Commission

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

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

DATE:

April 5, 2006

TO:

Victor C. Cordiano, Engineering Specialist II, Division of Competitive Markets &

Enforcement

FROM:

Peter H. Lester, Economic Analyst, Division of Economic Regulation

Michael A. Springer, Regulatory Analyst IV, Division of Economic Regulation

RE:

Docket No. 060033- Florida Phone Service, Inc., Interest Calculation for Refund

Per your request, staff has calculated the interest on overcharges by Florida Phone Service, Inc. (FPS) in two parts. First, staff calculated the refund of unauthorized billing surcharges and wire center charges. The total amount of this refund is \$1,849.65 and consists of \$1,755.40 in overcharges and \$94.25 in interest, as shown on Attachment 1. In calculating the interest amount, staff used the overcharges that occurred over the 26-month period from January 2004 to February 2006 and assumed FPS will refund the entire amount in July 2006.

Next, staff calculated the refund for a \$4.99 unauthorized monthly charge made by FPS to customers. The total amount of this refund is \$2,019.26 and consists of \$1,931.13 in overcharges and \$88.13 in interest, as shown on Attachment 2. In calculating the interest amount, staff used the overcharges that occurred over the 13-month period from February 2005 to February 2006 and assumed FPS will refund the entire amount in July 2006.

The appropriate interest rate is the average 30-day commercial paper rate for each month. Staff used the last available monthly interest rate of 4.655% for months beyond March 2006.

PHL/MAS

Florida Pho	NO. 060033-TI one Service, Inc.			•			ATTACHMENT 1	
NTEREST OVERCHA	CALCULATION ARGES	ON						
O F BROTT	TOTAL OVERCI	HARGES	1,755.40		Calculation done	April 4, 2006		
MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHARGE INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
Jan-04	1.045%	0.08708%	\$2.63	0.00	2.63	_	2.63	V144 FTV 41
Feb-04	1.005%	0.08375%				2.63	2.63	
Mar-04	0.980%	0.08167%				2.64	2.64	
Apr-04	1.005%	0.08375%		-	-	2.64	2.64	
May-04	1.035%	0.08625%		_		2.64	2.64	
Jun-04	1.185%	0.09875%	<u>\$116.16</u>	0.11	116.27	2.64	118.92	
Jul-04	1.400%	0.11667%	<u>\$134.31</u>	0.16	134.47	119.06	253.52	
Aug-04	1.535%	0.12792%	<u>\$107.90</u>	0.14	108.04	253.85	361.89	
Sep-04	1.685%	0.14042%	\$109.90	0.15	110.05	362.39	472.45	
Oct-04	1.855%	0.15458%	<u>\$116.16</u>	0.18	116.34	473.18	589.52	
Nov-04	2.080%	0.17333%	<u>\$91.75</u>	0.16	91.91	590.54	682.45	
Dec-04	2.280%	0.19000%	<u>\$58.08</u>	0.11	58.19	683.75	741.94	
Jan-05	2.420%	0.20167%	<u>\$3.63</u>	0.01	3.64	743.43	747.07	
Feb-05	2.575%	0.21458%	<u>\$16.15</u>	0.03	16.18	748.67	764.86	
Mar-05	2.715%	0.22625%	<u>\$74.34</u>	0.17	74.51	766.59	841.10	
Арг-05	2.880%	0.24000%	\$61.30	0.15	61.45	843.12	904.56	
May-05	3.020%	0.25167%	\$68.34	0.17	68.51	906.84	975.35	
Jun-05 Jul-05	3.165% 3.350%	0.26375%	\$66.41 \$106.83	0.18	66.59	977.92	1,044.51	
				0.30	107.13	1,047.42	1,154.55	
Aug-05	3.535%	0.29458%	\$120.26	0.35	120.61	1,157.95	1,278.57	
Sep-05 Oct-05	3.715%	0.30958%	\$118.08 \$135.92	0.37	118.45	1,282.53	1,400.97 1,541.90	
Nov-05	4.120%	0.34333%	\$133.92 \$91.71	0.44	136.36	1,405.54	1,639.22	
Dec-05	4.255%	0.35458%	\$59.25	0.31	92.02	1,547.19	1,704.49	
Jan-06	4.405%	0.36708%	\$92.66	0.21	59.46	1,645.03	1,803.75	
Feb-06	4.520%	0.37667%	\$3.63	0.34	93.00	1,710.75	-,000.10	
Mar-06	4.655%	0.38792%		0.01	3.64	1,810.54	1,814.19 1,821.22	
Apr-06	4.655%	0.38792%	-	-	-	1,821.22	1,828.29	
May-06	4.655%	0.38792%		-	-	1,828.29	1,835.38	
Jun-06	4.655%	0.38792%	_	-	_	1,835.38	1,842.50	
Jul-06	4.655%	0.38792%	_	-	_	1,842.50	1,072.00	
			m1 755 40	-	-	1,849.65	(0.00)	1,849.6
			\$1,755.40			TOTAL INTEREST OVERCHARGES	\$94.25 \$ 1,755.40	1,849.6
						TOTAL REFUND	\$ 1,755.40 \$ 1,849.65	

	). 060033-TI						ATTACHMENT 2	
Florida Phone		N OVERCHARGE	\$					
INTEREST	TOTAL OVER		3		Calculation done	April 4, 2006		-
	TOTAL O'LAN	TI III III III III III III III III III	1,931.13		Care aration done	April 4, 2000		
MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHARGE INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
Feb-05	2.575%	0.21458%	39.92	0.09	40.01	_	\$40.01	
Mar-05	2.715%	0.22625%	184.63	0.42	185.05	40.10	\$225.14	
Apr-05	2.880%	0.24000%	194.61	0.47	195.08	225.68	\$420.76	
May-05	3.020%	0.25167%	159.68	0.40	160.08	421.82	\$581.90	
Jun-05	3.165%	0.26375%	164.67	0.43	165.10	583.44	\$748.54	
Jul-05	3.350%	0.27917%	194.61	0.54	195.15	750.63	\$945.78	
Aug-05	3.535%	0.29458%	294.41	0.87	295.28	948.57	\$1,243.85	
Sep-05	3.715%	0.30958%	229.54	0.71	230.25	1,247.70	\$1,477.95	
Oct-05	3.910%	0.32583%	239.52	0.78	240.30	1,482.76	\$1,723.06	
Nov-05	4.120%	0.34333%	134.73	0.46	135.19	1,728.98	\$1,864.17	
Dec-05	4.255%	0.35458%	89.82	0.32	90.14	1,870.78	\$1,960.92	
Jan-06	4.405%	0.36708%	_	_	-	1,968.12	\$1,968.12	
Feb-06	4.520%	0.37667%	4.99	0.02	5.01	1,975.53	\$1,980.54	
Mar-06	4.655%	0.38792%	_	-	_	1,988.23	\$1,988.23	
Apr-06	4.655%	0.38792%	-	-	•	1,995.94	\$1,995.94	
May-06	4.655%	0.38792%	-	-	-	2,003.68	\$2,003.68	
Jun-06	4.655%	0.38792%	-		-	2,011.45	\$2,011.45	
Jul-06	4.655%	0.38792%	_	_	_	2,019.26	(\$0.00)	2,019.26
			1,931.13			TOTAL V. D.		2,019.26
····						TOTAL INTEREST	\$88.13	
						OVERCHARGES TOTAL REFUND	\$1,931.13 \$2,019.26	

#### State of Florida



## Public Service Commission

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

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

DATE:

April 5, 2006

TO:

Victor C. Cordiano, Engineering Specialist II, Division of Competitive Markets &

Enforcement

FROM:

Peter H. Lester, Economic Analyst, Division of Economic Regulation

Michael A. Springer, Regulatory Analyst IV, Division of Economic Regulation

RE:

Docket No. 060033-

Florida Phone Service, Inc., Interest Calculation for Refund

Per your request, staff has calculated the interest on overcharges by Florida Phone Service, Inc. (FPS) in two parts. First, staff calculated the refund of unauthorized billing surcharges and wire center charges. The total amount of this refund is \$1,849.65 and consists of \$1,755.40 in overcharges and \$94.25 in interest, as shown on Attachment 1. In calculating the interest amount, staff used the overcharges that occurred over the 26-month period from January 2004 to February 2006 and assumed FPS will refund the entire amount in July 2006.

Next, staff calculated the refund for a \$4.99 unauthorized monthly charge made by FPS to customers. The total amount of this refund is \$2,019.26 and consists of \$1,931.13 in overcharges and \$88.13 in interest, as shown on Attachment 2. In calculating the interest amount, staff used the overcharges that occurred over the 13-month period from February 2005 to February 2006 and assumed FPS will refund the entire amount in July 2006.

The appropriate interest rate is the average 30-day commercial paper rate for each month. Staff used the last available monthly interest rate of 4.655% for months beyond March 2006.

PHL/MAS

	one Service, Inc.	ON					ARIACIMIELI I	
OVERCHA	ARGES TOTAL OVERCE	IARGES			Calculation done	A2 4 2006		
			1,755.40		Calculation done	April 4, 2006		
MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHARGE INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
Jan-04	1.045%	0.08708%	<u>\$2.63</u>	0.00			2.63	
Feb-04	1.005%	0.08375%		0.00	2.63	-	2.63	
Mar-04	0.980%	0.08167%			_	2.63	2.64	
Apr-04	1.005%	0.08375%			-	2.64	2.64	
May-04	1.035%	0.08625%		-	-	2.64	2.64	
Jun-04	1.185%	0.09875%	\$116.16	<u>-</u>	-	2.64	118.92	
Jul-04	1.400%			0.11	116.27	2.64		
		0.11667%	<u>\$134.31</u>	0.16	134.47	119.06	253.52	
Aug-04	1.535%	0.12792%	<u>\$107.90</u>	0.14	108.04	253.85	361.89	
Sep-04	1.685%	0.14042%	<u>\$109.90</u>	0.15	110.05	362.39	472.45	
Oct-04	1.855%	0.15458%	<u>\$116.16</u>	0.18	116.34		589.52	
Nov-04	2.080%	0.17333%	\$91.75			473.18	682.45	
Dec-04	2.280%	0.19000%	<u>\$58.08</u>	0.16	91.91	590.54	741.94	
Jan-05	2.420%	0.20167%	\$3.63	0.11	58.19	683.75	747.07	
Feb-05	2.575%	0.21458%	\$16. <u>15</u>	0.01	3.64	743.43	764.86	
Mar-05	2.715%	0.22625%		0.03	16.18	748.67		
			\$74.34	0.17	74.51	766.59	841.10	
Apr-05	2.880%	0.24000%	\$61.30	0.15	61.45	843.12	904.56	
May-05	3.020%	0.25167%	<u>\$68.34</u>	0.17	68.51	906.84	975.35	
Jun-05	3.165%	0.26375%	<u>\$66.41</u>	0.18	66.59		1,044.51	
Jul-05	3.350%	0.27917%	\$106.83			977.92	1,154.55	
Aug-05	3.535%	0.29458%	<u>\$120.26</u>	0.30	107.13	1,047.42	1,278.57	
Sep-05	3.715%	0.30958%	<u>\$118.08</u>	0.35	120.61	1,157.95	1,400.97	
Oct-05	3.910%	0.32583%	\$135.92	0.37	118.45	1,282.53	1,541.90	
Nov-05	4.120%	0.34333%	\$91.71	0.44	136.36	1,405.54	1,639.22	
Dec-05	4.255%	0.35458%		0.31	92.02	1,547.19		
	i		\$59.25	0.21	59.46	1,645.03	1,704.49	
Jan-06	4.405%	0.36708%	<u>\$92.66</u>	0.34	93.00	1,710.75	1,803.75	
Feb-06	4.520%	0.37667%	\$3.63	0.01	3.64	1,810.54	1,814.19	•••
Mar-06	4.655%	0.38792%	_	_	2.01		1,821.22	
Apr-06	4.655%	0.38792%	-		·	1,821.22	1,828.29	
May-06	4.655%	0.38792%	• -	-	-	1,828.29	1,835.38	***
Jun-06	4.655%	0.38792%	-	-	-	1,835.38	1,842.50	
Jul-06	4.655%	0.38792%	-		-	1,842.50		
			\$1,755.40	-	-	1,849.65 TOTAL	(0.00)	1,849.65
			41,700.70			INTEREST	\$94.25	1,849.65
						OVERCHARGES TOTAL REFUND	\$ 1,755.40 \$ 1,849.65	

DOCKET NO							ATTACHMENT 2	
	Service, Inc.	N OVERCHARGE	3					
NIERESIC	TOTAL OVER		<u> </u>		Calculation done	April 4, 2006		
	IOIAL OVER	CHARGES	1,931.13		Calculation done	April 4, 2000		
MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHARGE INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
71.05	2.5550	0.0115001	20.00				440.01	
Feb-05	2.575%	0.21458%	39.92	0.09	40.01	-	\$40.01	
Mar-05	2.715%	0.22625%	184.63	0.42	185.05	40.10	\$225.14	
Apr-05	2.880%	0.24000%	194.61	0.47	195.08	225.68	\$420.76	
May-05	3.020%	0.25167%	159.68				\$581.90	
Jun-05	3.165%	0.26375%	164.67	0.40	160.08	421.82	\$748.54	
Jun-03				0.43	165.10	583.44		
Jul-05	3.350%	0.27917%	194.61	0.54	195.15	750.63	\$945.78	
Aug-05	3.535%	0.29458%	294.41	0.87	295.28	948.57	\$1,243.85	
Sep-05	3.715%	0.30958%	229.54				\$1,477.95	
Oct-05	3.910%	0.32583%	239.52	0.71	230.25	1,247.70	\$1,723.06	
				0.78	240.30	1,482.76		
Nov-05	4.120%	0.34333%	134.73	0.46	135.19	1,728.98	\$1,864.17	
Dec-05	4.255%	0.35458%	89.82	0.32	90.14	1,870.78	\$1,960.92	
Jan-06	4.405%	0.36708%	_	_	_	1,968.12	\$1,968.12	
Feb-06	4.520%	0.37667%	4.99	0.02	5.01		\$1,980.54	
Mar-06	4.655%	0.38792%		0.02	5.01	1,975.53	\$1,988.23	
Apr-06	4.655%	0.38792%		-	-	1,988.23	\$1,995.94	
		0.38792%	-	-	-	1,995.94		
May-06	4.655%		-	-		2,003.68	\$2,003.68	
Jun-06	4.655%	0.38792%	-	-	-	2,011.45	\$2,011.45	
Jul-06	4.655%	0.38792%	-	-		2,019.26	(\$0.00)	2,019.2
			1.021.12			2,017.20		2,019.2
	-		1,931.13			TOTAL INTEREST	\$88.13	
						OVERCHARGES	\$1,931.13	
						TOTAL REFUND	\$2,019.26	<del></del>