

State of Florida



ORIGINAL

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD

TALLAHASSEE, FLORIDA 32399-0850

RECEIVED-FPSC  
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-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 *JM*

**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.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
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- OPC \_\_\_\_\_
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FPSC-COMMISSION CLERK



# 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-**

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

**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

*ALM*

* DOCKET NO. 060033-TI						ATTACHMENT 1		
Florida Phone Service, Inc.								
INTEREST CALCULATION ON OVERCHARGES								
TOTAL OVERCHARGES		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	
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%	\$116.16	0.11	116.27	2.64	118.92	
Jul-04	1.400%	0.11667%	\$134.31	0.16	134.47	119.06	253.52	
Aug-04	1.535%	0.12792%	\$107.90	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%	\$116.16	0.18	116.34	473.18	589.52	
Nov-04	2.080%	0.17333%	\$91.75	0.16	91.91	590.54	682.45	
Dec-04	2.280%	0.19000%	\$58.08	0.11	58.19	683.75	741.94	
Jan-05	2.420%	0.20167%	\$3.63	0.01	3.64	743.43	747.07	
Feb-05	2.575%	0.21458%	\$16.15	0.03	16.18	748.67	764.86	
Mar-05	2.715%	0.22625%	\$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%	\$68.34	0.17	68.51	906.84	975.35	
Jun-05	3.165%	0.26375%	\$66.41	0.18	66.59	977.92	1,044.51	
Jul-05	3.350%	0.27917%	\$106.83	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	3.715%	0.30958%	\$118.08	0.37	118.45	1,282.53	1,400.97	
Oct-05	3.910%	0.32583%	\$135.92	0.44	136.36	1,405.54	1,541.90	
Nov-05	4.120%	0.34333%	\$91.71	0.31	92.02	1,547.19	1,639.22	
Dec-05	4.255%	0.35458%	\$59.25	0.21	59.46	1,645.03	1,704.49	
Jan-06	4.405%	0.36708%	\$92.66	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%	-	-	-	1,821.22	1,821.22	
Apr-06	4.655%	0.38792%	-	-	-	1,828.29	1,828.29	
May-06	4.655%	0.38792%	-	-	-	1,835.38	1,835.38	
Jun-06	4.655%	0.38792%	-	-	-	1,842.50	1,842.50	
Jul-06	4.655%	0.38792%	-	-	-	1,849.65	(0.00)	1,849.65
			\$1,755.40			TOTAL INTEREST	\$94.25	1,849.65
						OVERCHARGES	\$ 1,755.40	
						TOTAL REFUND	\$ 1,849.65	

DOCKET NO. 060033-TI						ATTACHMENT 2		
Florida Phone Service, Inc.								
INTEREST CALCULATION ON OVERCHARGES								
TOTAL OVERCHARGES			1,931.13	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
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					2,019.26
						TOTAL INTEREST	\$88.13	
						OVERCHARGES	\$1,931.13	
						TOTAL REFUND	\$2,019.26	



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**FROM:** Peter H. Lester, Economic Analyst, Division of Economic Regulation *PL*  
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Jul-06	4.655%	0.38792%	-	-	-	2,019.26	(\$0.00)	2,019.26
			1,931.13					2,019.26
						TOTAL INTEREST OVERCHARGES	\$88.13	
						TOTAL REFUND	\$1,931.13	
							\$2,019.26	