



Public Service Commission

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

DATE: July 13, 1999
TO: Ray Kennedy, Division of Communications
FROM: Eva Samaan, Division of Auditing and Financial Analysis *ES*
RE: Docket No. 990675-TI, Gulf Long Distance, Inc., Interest Calculation for Refund of Overcharges *ALM*

Finance staff has calculated the interest on the overcharges in this show cause proceeding based on a memo received on July 12, 1999 from the Division of Communications. Per your request staff prepared a separate analysis for the amount to be refunded. 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 for schedules A and B, starting with March 1999. The appropriate interest rate is the 30-day commercial paper rate for each month. The last available interest rate was 5.050% for July 1999. This calculation assumes that the overcharges will be refunded evenly in August and September 1999.

The total refund of \$88,016.85 includes \$86,562.10 in overcharges and \$1,454.75 in interest accrued through September 1999. Schedule A reflects the mandatory amount of \$31,848.89 and consists of \$31,322.49 in principal and \$526.40 in interest. Schedule B amounts to \$56,167.96 and consists of \$55,239.61 in principal voluntarily offered by Gulf Long Distance and \$928.35 in interest.

- 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
 08360 JUL 14 89
 FPSC-RECORDS/REPORTING

SCHEDULE A

GULF LONG DISTANCE, INC.

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVER CHARGE	ACCUM. OVER CHARGE	INT ON MONTHLY OVER CHARGE	MONTHLY OVERCHARGE PRINCIPAL & INTEREST	BALANCE FORWARD PLUS INTEREST	REFUND BALANCE	ACCUM INTEREST
MAR	4.87%	0.41%	\$640.38	640.38	\$1.30	\$641.68	\$0.00	\$641.68	\$1.30
APR	4.84%	0.40%	\$3,218.73	3,859.11	\$6.49	\$3,225.22	\$644.27	\$3,869.49	\$10.38
MAY	4.83%	0.40%	\$23,942.24	27,801.35	\$48.13	\$23,990.37	\$3,885.05	\$27,875.42	\$74.07
JUNE	4.85%	0.40%	\$3,521.14	31,322.49	\$7.12	\$3,528.26	\$27,988.08	\$31,516.34	\$193.85
JULY	5.05%	0.42%	\$0.00	31,322.49	\$0.00	\$0.00	\$31,648.97	\$31,648.97	\$326.48
MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE	TOTALS				
AUG	\$31,648.97	\$15,924.45	\$133.19	\$15,857.71	OVERCHARGE	\$31,322.49			\$31,322.49
SEPT	\$15,857.71	\$15,924.45	\$66.73	(\$0.00)	INTEREST	\$326.48	+	\$199.92	\$526.40
TOTAL INTEREST			\$199.92		REFUND	\$31,648.97			\$31,848.89

SCHEDULE B

GULF LONG DISTANCE, INC.

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVER CHARGE	ACCUM. OVER CHARGE	INT ON MONTHLY OVER CHARGE	MONTHLY OVERCHARGE PRINCIPAL & INTEREST	BALANCE FORWARD PLUS INTEREST	REFUND BALANCE	ACCUM INTEREST
MAR	4.87%	0.41%	\$1,129.37	1,129.37	\$2.29	\$1,131.66	\$0.00	\$1,131.66	\$2.29
APR	4.84%	0.40%	\$5,676.47	6,805.84	\$11.45	\$5,687.92	\$1,136.22	\$6,824.14	\$18.30
MAY	4.83%	0.40%	\$42,223.96	49,029.80	\$84.89	\$42,308.85	\$6,851.58	\$49,160.43	\$130.63
JUNE	4.85%	0.40%	\$6,209.81	55,239.61	\$12.55	\$6,222.36	\$49,359.12	\$55,581.48	\$341.87
JULY	5.05%	0.42%	\$0.00	55,239.61	\$0.00	\$0.00	\$55,815.38	\$55,815.38	\$575.77
MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE	TOTALS				
AUG	\$55,815.38	\$28,083.98	\$234.89	\$27,966.29	OVERCHARGE	\$55,239.61			\$55,239.61
SEPT	\$27,966.29	\$28,083.98	\$117.69	(\$0.00)	INTEREST	\$575.77	+	\$352.58	\$928.35
TOTAL INTEREST			\$352.58		REFUND	\$55,815.38			\$56,167.96