



Public Service Commission

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

DATE: August 4, 1999
TO: Paula Isler, Division of Communications
FROM: Eva Samaan, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 990813-TI, ACC Business (AT&T Communications of the Southern States),
 Interest Calculation for Refund of Overcharges *APC*

Staff has calculated the interest on the overcharges in this show cause proceeding based on a request made by the Division of Communications. Finance staff prepared two analyses for overcharges. Schedule A reflects the overcharges that occurred from May 1998 to January 1999 and computes the associated interest. Schedule B shows the interest calculations on the unrefunded balance of \$2,779.17 and \$32,482.72 in interest accrued through February 1999. The appropriate interest rate is the average 30-day commercial paper rate for each month. The last available interest rate was 5.08% for July 1999. On August 4, 1999, Ms. Rhonda Merritt, sent a letter on behalf of AT&T, stating that they will complete the refund by December 31, 1999. Based on this statement, staff prepared the analysis with the assumption that the amount due will be refunded by that date. The total refund is \$36,460.74, which consists of \$35,261.89 in overcharges and past due interest and \$1,198.84 in interest accrued through December 1999 as shown on the attached schedules.

- 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

09392 AUG-6 99

FPSC-RECORDS/REPORTING

SCHEDULE A

ACC BUSINESS (AT&T COMMUNICATIONS OF THE SOUTHERN STATES)

<u>MONTH</u>	<u>AVERAGE MONTHLY INTEREST RATE</u>	<u>MONTHLY INTEREST FACTOR</u>	<u>MONTHLY OVER CHARGE</u>	<u>ACCUM. OVER CHARGE</u>	<u>INTEREST ON MONTHLY OVER CHARGE</u>	<u>MONTHLY OVERCHARGE PRINCIPAL & INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
MAY 98	5.52%	0.46%	119,606.00	119,606.00	274.84	119,880.84	0.00	119,880.84	274.84
JUNE	5.55%	0.46%	121,200.00	240,806.00	280.28	121,480.28	120,435.29	241,915.57	1,109.57
JULY	5.58%	0.47%	115,300.00	356,106.00	268.07	115,568.07	243,040.48	358,608.55	2,502.55
AUG	5.54%	0.46%	122,783.00	478,889.00	283.42	123,066.42	360,264.12	483,330.55	4,441.55
SEP	5.37%	0.45%	127,800.00	606,689.00	285.95	128,085.95	485,493.45	613,579.41	6,890.41
OCT	5.16%	0.43%	116,426.00	723,115.00	250.32	116,676.32	616,217.80	732,894.11	9,779.11
NOV	5.30%	0.44%	126,725.00	849,840.00	279.85	127,004.85	736,131.06	863,135.91	13,295.91
DEC	5.20%	0.43%	136,878.00	986,718.00	296.57	137,174.57	866,876.17	1,004,050.74	17,332.74
JAN 99	4.86%	0.40%	89,737.00	1,076,455.00	181.53	89,918.53	1,008,112.96	1,098,031.49	21,576.49
FEB	4.83%	0.40%	0.00	1,076,455.00	0.00	0.00	1,102,451.07	1,102,451.07	25,996.07
MONTH	<u>PRINCIPAL</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>BALANCE</u>		<u>OVERCHARGE INTEREST</u>			<u>TOTALS</u>
ARCH	1,073,675.83	540,081.24	4,321.55	537,916.13			1,076,455.00		1,076,455.00
APRIL	537,916.13	540,081.24	2,165.11	(0.00)			25,996.07 +	6,486.66	32,482.72
TOTAL			6,486.66	0.00					1,108,937.72
						<u>OVERCHARGES REFUND BALANCE</u>	1,076,455.00 (1,073,675.83) 2,779.17	<u>REFUNDED AMT UNPAID BALANCE INTEREST</u>	(1,073,675.83) 2,779.17 32,482.72

SCHEDULE B

ACC BUSINESS (AT&T COMMUNICATIONS OF THE SOUTHERN STATES)

<u>MONTH</u>	<u>AVERAGE MONTHLY INTEREST RATE</u>	<u>MONTHLY INTEREST FACTOR</u>	<u>MONTHLY OVER CHARGE</u>	<u>ACCUM. OVER CHARGE</u>	<u>INTEREST ON MONTHLY OVER CHARGE</u>	<u>MONTHLY OVERCHARGE PRINCIPAL & INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
MAY	4.83%	0.40%	35,261.89	35,261.89	141.78	35,403.68	0.00	35,403.68	141.78
JUNE	4.95%	0.41%	0.00	35,261.89	0.00	0.00	35,549.72	35,549.72	287.82
JULY	5.08%	0.42%	0.00	35,261.89	0.00	0.00	35,700.06	35,700.06	438.17
AUG	5.08%	0.42%	0.00	35,261.89	0.00	0.00	35,851.04	35,851.04	589.15
SEPT	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,002.66	36,002.66	740.77
OCT	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,154.93	36,154.93	893.03
NOV	5.08%	0.42%	0.00	35,261.89	0.00	0.00	36,307.83	36,307.83	1,045.94
MONTH	PRINCIPAL	PAYMENT	INTEREST	BALANCE					TOTAL
DEC	36,307.83	36,461.38	152.91	0.00		BAL. FORWARD	35,261.89		35,261.89
TOTAL			152.91	0.00		INTEREST	1,045.94	+	1,198.84
						REFUND	36,307.83		36,460.74
ACCUMULATED INTEREST		32,482.72							
UNREFUNDED BALANCE		2,779.17							
TOTAL		35,261.89							