



# Public Service Commission

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

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**DATE:** January 21, 2000  
**TO:** Kelly Biegalsky, Division of Communications  
**FROM:** Eva Samaan, Division of Auditing and Financial Analysis *ES* *ALM*  
**RE:** Docket No. 000020-TI, ASC Telecom d/b/a AlternaTel, Interest Calculation for Refund of Overcharges

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Staff has calculated the interest on the overcharges in this show cause proceeding based on a memo received on January 19, 2000 from the Division of Communications. Based on the assumptions provided in the memo, finance staff prepared two analyses for the overcharges. Schedule A reflects the overcharges which occurred evenly from February to September of 1999, while Schedule B calculates the interest on the overcharges and interest brought forward. The appropriate interest rate is the average 30-day commercial paper rate for each month. The last available interest rate was the monthly average of 5.58% for December 1999. The overcharges will be refunded in equal installments in May and June 2000. The total refund is \$12,482.51, which consists of \$11,802.45 in overcharges and \$680.06 in interest accrued through June of 2000 as shown on the attached schedule.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- GMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAG \_\_\_\_\_
- OPC \_\_\_\_\_
- RPA \_\_\_\_\_
- SEC \_\_\_\_\_
- VAVW \_\_\_\_\_
- OTH \_\_\_\_\_

cc: Division of Legal Services  
 Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

01115 JAN 25 8

FPSC-RECORDS/REPORTING

**SCHEDULE A**

**ASC TELECOM, INC.**

<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 AND INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
FEB 99	4.83%	0.40%	\$1,475.31	\$1,475.31	\$2.97	\$1,478.28	\$0.00	\$1,478.28	\$2.97
MAR	4.87%	0.41%	\$1,475.31	2,950.61	2.99	1,478.30	1,484.27	2,962.57	11.96
APR	4.84%	0.40%	\$1,475.31	4,425.92	2.98	1,478.28	2,974.52	4,452.81	26.89
MAY	4.83%	0.40%	\$1,475.31	5,901.23	2.97	1,478.27	4,470.71	5,948.98	47.76
JUN	4.95%	0.41%	\$1,475.31	7,376.53	3.04	1,478.35	5,973.52	7,451.87	75.34
JUL	5.08%	0.42%	\$1,475.31	8,851.84	3.12	1,478.43	7,483.39	8,961.81	109.97
AUG	5.21%	0.43%	\$1,475.31	10,327.14	3.20	1,478.51	9,000.72	10,479.23	152.09
SEP	5.31%	0.44%	\$1,475.31	11,802.45	3.26	1,478.57	10,525.60	12,004.17	201.72

OVERCHARGE	\$11,802.45
INTEREST	\$201.72
<u>TOTAL</u>	<u>\$12,004.17</u>

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**SCHEDULE B**

ASC TELECOM, INC.

<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 AND INTEREST</u>	<u>BALANCE FORWARD PLUS INTEREST</u>	<u>REFUND BALANCE</u>	<u>ACCUM INTEREST</u>
OCT	5.30%	0.44%	\$12,004.17	\$12,004.17	\$53.02	\$12,057.19	\$0.00	\$12,057.19	\$53.02
NOV	5.43%	0.45%	0.00	12,004.17	0.00	0.00	12,111.75	12,111.75	107.58
DEC	5.58%	0.47%	0.00	12,004.17	0.00	0.00	12,168.07	12,168.07	163.90
JAN 00	5.58%	0.47%	0.00	12,004.17	0.00	0.00	12,224.65	12,224.65	220.48
FEB	5.58%	0.47%	0.00	12,004.17	0.00	0.00	12,281.49	12,281.49	277.32
MAR	5.58%	0.47%	0.00	12,004.17	0.00	0.00	12,338.60	12,338.60	334.43
APR	5.58%	0.47%	0.00	12,004.17	0.00	0.00	12,395.98	12,395.98	391.81

<u>MONTH</u>	<u>PRINCIPAL</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>BALANCE</u>	<u>OVERCHARGE INTEREST</u>	<u>TOTAL REFUND</u>				
MAY	\$12,395.98	\$6,241.25	\$57.64	\$6,212.37			391.81	+	86.53	\$12,004.17
JUN	\$6,212.37	\$6,241.25	\$28.89	\$0.00						\$478.34
<u>TOTAL</u>			86.53							\$12,482.51