



# Public Service Commission

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

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**DATE:** August 1, 2002  
**TO:** Angela Fondo, Division of Competitive Markets and Enforcement  
**FROM:** David J. Draper, Division of Economic Regulation *DM*  
**RE:** Docket No. 020724-TI, Optical Telephone Corporation, Interest Calculation for Refund of Overcharges

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As you requested, the Finance staff has calculated the interest on the overcharges due to Optical Telephone Corporation customers. The total refund amount of \$142,865.48 consists of \$140,842.97 in overcharges and \$2,022.51 in interest. The calculation assumes that the overcharges of \$140,842.97 were incurred evenly from September 2001 to June 2002. In addition, staff assumes that principal and interest will be refunded evenly in October 2002. The appropriate interest rate is the average 30-day commercial paper rate for each month. The last available monthly interest rate of 1.74% is used for the future months past July 2002. Attached is a schedule which shows the calculations.

cc: Office of the General Counsel  
Division of Commission Clerk and Administrative Services (2) ✓

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INTEREST ON OVER-CHARGES  
 DOCKET No. : 020724-T1  
 COMPANY NAME: Optical Telephone Corp.

Interest Calculations of Refund

MONTH	AVERAGE MONTHLY INTEREST RATE	MONTHLY INTEREST FACTOR	MONTHLY OVERCHARGES	MONTHLY OVERCHG INTEREST	MONTHLY OVERCHARGE PRINCIPAL AND INTEREST	BALANCE BROUGHT FORWARD PLUS INTEREST	REFUND BALANCE	MONTHLY REFUND
SEP 01	3.070%	0.256%	\$14,084.30	\$36.03	\$14,120.33	\$0.00	\$14,120.33	
OCT	2.445%	0.204%	\$14,084.30	\$28.70	\$14,112.99	\$14,149.10	\$28,262.09	
NOV	2.130%	0.178%	\$14,084.30	\$25.00	\$14,109.30	\$28,312.26	\$42,421.56	
DEC	1.910%	0.159%	\$14,084.30	\$22.42	\$14,106.71	\$42,489.08	\$56,595.79	
JAN 02	1.775%	0.148%	\$14,084.30	\$20.83	\$14,105.13	\$56,679.51	\$70,784.64	
FEB	1.760%	0.147%	\$14,084.30	\$20.66	\$14,104.95	\$70,888.45	\$84,993.41	
MAR	1.775%	0.148%	\$14,084.30	\$20.83	\$14,105.13	\$85,119.13	\$99,224.26	
APR	1.775%	0.148%	\$14,084.30	\$20.83	\$14,105.13	\$99,371.03	\$113,476.16	
MAY	1.760%	0.147%	\$14,084.30	\$20.66	\$14,104.95	\$113,642.59	\$127,747.54	
JUN	1.760%	0.147%	\$14,084.30	\$20.66	\$14,104.95	\$127,934.90	\$142,039.86	
JUL	1.740%	0.145%		\$0.00	\$0.00	\$142,245.82	\$142,245.82	
AUG	1.740%	0.145%		\$0.00	\$0.00	\$142,452.07	\$142,452.07	
SEP	1.740%	0.145%		\$0.00	\$0.00	\$142,658.63	\$142,658.63	
OCT	1.740%	0.145%		\$0.00	\$0.00	\$142,865.48	\$0.00	142,865.48
TOTAL OVERCHARGES			140,842.97					142,865.48
TOTAL INTEREST								\$2,022.51
TOTAL OVERCHARGE								\$140,842.97
TOTAL REFUND								\$142,865.48