



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

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**DATE:** December 21, 2001  
**TO:** Division of the Commission Clerk and Administrative Services  
**FROM:** Division of Competitive Services (D. Buys)  
**RE:** **DOCKET NO. 011654-TI** - Investigation and determination of appropriate method for refunding overcharges assessed on intrastate calls made using prepaid calling services by locus telecommunications, inc.

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Attached is Locus Telecommunications, Inc.'s response to staff's inquiry in which the company is offering to make a payment to the State of Florida General Revenue Fund for overcharges applied to intrastate calls made using its prepaid calling services.

DRB/  
Attachment

APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
LEG \_\_\_\_\_  
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SEC \_\_\_\_\_  
SER \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

15971 DEC 21 01

FPSC-COMMISSION CLERK

December 5, 2001

Dale R. Buys  
Bureau of Service Quality  
State of Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

2001 DEC 14 AM 10:46  
DIVISION OF  
COMPETITIVE SERVICES

Dear Mr. Buys:

This letter to response to your letter dated October 26, 2001 regarding the *Satellite Phone Card*.

As you instructed in you letter, we are proffering to make a payment to the Florida general revenue fund for the difference in amount charged for all intrastate calls in Florida. We are unable to determine the actual refund amount, however, we have estimated the amount as described below.

According to our records, the rate structure of the *Satellite Phone Card* was changed effective May 1, 2001. Therefore, we estimated the refund amount from May 1, 2001 to the August 31, 2001, when we made necessary changes in order to provide the prepaid calling services in compliance with all applicable Commission Rules and Florida Statues.

For the period, the total estimate refund amount is \$3,896.75. The said amount has been derived from the following calculations:

1. Connection charge difference of \$0.20 (\$0.79 - \$0.59) per call.  
Total numbers of calls for the period were 10,375 calls; total estimated difference due to the connection charge is \$2,075 (10,375 calls times \$0.20)
2. Minute increment  
Using the 3-minute billing increment, the difference in amount per call ranges from 0 minute to 2 minutes worth of time. Therefore, the difference, \$259.38, is calculated based on the average extra minutes of 1 minute; total number of call 10,375 calls times \$0.025, which is the per minute rate.
3. Service charge of \$0.49  
Usually, the customers use up the cards within 20 days after the initial purchase or use and the service charge does not apply if the customers use up the card in one call. So we estimated the refund amounts due to the undisclosed service charge based on the average percentage for each card denomination. Under the assumption of one time service charge per card (since most of cards will be used within 20 days), the percentage portion of service charge per each card is 10% for \$5.00, 5% for \$10.00 and 2% for \$20.00 card. We take the average of these numbers and multiply that average percentage to the total intra-state revenue for the period; total intra-state revenue for the period of 05/01- 08/01 is \$27,409.95 and the average service charge is 5.7% of the card face value. When we multiply

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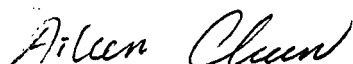
these numbers together, \$1,562.37 will be the overcharge due to the unclosed service charge on the intra-state revenue.

As per your instructions, we also have revised tariff listing the connection charges of \$0.79 and the bi-monthly charge of \$0.49. Furthermore, we enclosed a copy of contract between Locus and our distributor customer that insures the distributor provides the required information to the customers.

When we sell PIN numbers to our distributors, we are applying the certain discount to the face value of the cards.

If you have any questions or need further information, please contact me at 201-585-3634 or email me at [eychun@locus.net](mailto:eychun@locus.net).

Sincerely,



Aileen Chun  
Accountant / Tax & Control  
Locus Telecommunications, Inc.

enclosures:  
revised tariff – price list  
distributor contract copy