



# Public Service Commission

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

**DATE:** September 17, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD ape ALM*  
**RE:** Docket No. 970786-TX, Pre-Cell Solutions, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364 (1) (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited projected financial statements of Pre-Cell Solutions, Inc. (PCS) for a twelve month period ending October 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PCS has forecasted adequate liquidity, sufficient common equity and a projected positive net income for the period.

In this matter, PCS is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the projected financial information provided, the financial capability appears adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, the Company has commitments from investors in the amount of \$500,000 dollars. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

- ACK \_\_\_\_\_
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- APP \_\_\_\_\_
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- CMU \_\_\_\_\_
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DOCUMENT NUMBER-DATE  
9528 SEP 19 97  
FPSC-RECORDS/REPORTING

DOCKET NO. : 970786  
PRECELL SOLUTIONS, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED PROJECTED FINANCIAL STATEMENTS

	AS OF 10/31/98
CURRENT ASSETS	\$52,500
CURRENT LIABILITIES	9,000
CURRENT RATIO	5.83
CASH	2,000
COMMON EQUITY	79,927
TOTAL DEBT	0
TOTAL INVESTOF CAPITAL	79,927
COMMON EQUITY RATIO	100%
NET INCOME	47,956
RETURN ON EQUITY	60%

NMF = No Meaningful Figure