



Public Service Commission

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

DATE: May 20, 1999
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 990394-TX, Talk Too Communications, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials: AS, ALM, APC, and a signature.

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 364.01 (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 balance sheet of Talk Too Communications (TTC) for the period ending March 1, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TTC has adequate liquidity and sufficient common equity. The company is new and has not generated any measurable income.

AFA, APP, CAF, CMU, CTR, EAG, LEG, MAS, OPC, RRR, SEC, WAW, OTH. In this matter, TTC is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the applicant can rely upon the financial support of its investors if needed. 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)

DOCUMENT NUMBER-DATE
06182 MAY 21 89
FPSC-RECORDS/REPORTING

DOCKET NO. 990394-1
TALK TOO COMMUNICATIONS

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/01/99
CURRENT ASSETS	\$46,000
CURRENT LIABILITIES	26,000
CURRENT RATIO	1.77
CASH	13,500
COMMON EQUITY	125,000
TOTAL DEBT	99,000
TOTAL INVESTOR CAPITAL	224,000
COMMON EQUITY RATIO	56%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure