

State of Florida



Public Service Commission

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

DATE: January 3, 2001
TO: Tommy Williams, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 001803-TX, Movie, Television & Graphics Corp. d/b/a MTG, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM *es*

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 financial statements of Movie, Television & Graphics Corp. d/b/a MTG (MTG) for the period ending November 24, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTG has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, MTG 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 company can rely on the financial support of its investors for any additional financing. 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

00215 JAN-4 5

FPSC-RECORDS/REPORTING

DOCKET NO. 001803-TX
MOVIE, TELEVISION & GRAPHICS CORP. d/b/a MTG

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/24/2000
CURRENT ASSETS	\$223,335
CURRENT LIABILITIES	10,764
CURRENT RATIO	20.75
CASH	10,913
COMMON EQUITY	230,573
TOTAL DEBT	39,000
TOTAL INVESTOR CAPITAL	269,573
COMMON EQUITY RATIO	86%
NET INCOME	52,128
RETURN ON EQUITY	23%

NMF = No Meaningful Figure