



Public Service Commission

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

DATE: April 16, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD* *ALM*
RE: Docket No. 970453-TI, SelTel, L.L.C., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *MDH*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 audited financial statements of Southeastern Telecom, Inc. the parent company of SelTel, L.L.C. (SelTel) for the period ending March 31, 1996. As the attached schedule shows, the company has adequate liquidity, sufficient common equity and produces a positive net income.

ACK _____
 AFA _____
 APP _____
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 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____

In this matter, SelTel is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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 it is a switchless rebiller, and that no additional capital requirements or expenses will be incurred by the company with its expanded operations into the state of Florida. In addition, the company's primary ongoing expenses will be the payment of commissions to sales personnel, which does not occur until payments are received from its customers. 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

OPC _____
 RCH _____
 SEC _____
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. : 970453-11
FINANCIAL STATEMENTS OF SOUTHEASTERN TELECOM, INC
PARENT COMPANY OF SETEL, L.L.C

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS OF

	AS OF 03/31/96
CURRENT ASSETS	\$8,814,832
CURRENT LIABILITIES	4,576,861
CURRENT RATIO	1.93
CASH	477,502
COMMON EQUITY	3,617,243
TOTAL DEBT	1,453,494
TOTAL INVESTOR CAPITAL	5,070,737
COMMON EQUITY RATIO	71%
NET INCOME	768,403
RETURN ON EQUITY	21%

NMF = No Meaningful Figure

State of Florida

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
(904) 413-6770

Public Service Commission

April 14, 1997

Monique Byrnes
Technologies Management, Inc.
Post Office Drawer 200
Winter Park, Florida 32790-0200

Re: Docket No. 970453-TI

Dear Ms. Byrnes:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by SeTel, LC, which was filed in this office on April 11, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission