



Public Service Commission

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

DATE: October 22, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *JD*
 RE: Docket No. 971321-TX, Max-Tel Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 Max-Tel Communications, Inc. (MTC) for the nine month period ending September 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

- ACK _____
- AFS _____
- APP _____
- CNE _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPD _____
- RTH _____
- SC _____
- WAL _____
- OTH _____

In this matter, MTC 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 will increase available capital from continuing operations. 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
11137 OCT 28 96
FPSC-RECORDS/REPORTING

DOCKET NO. : 971321 X
MAX-TEL COMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICES
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/97
CURRENT ASSETS	\$153,017
CURRENT LIABILITIES	99,324
CURRENT RATIO	1.54
CASH	1,402
COMMON EQUITY	94,473
TOTAL DEBT	68,925
TOTAL INVESTOR CAPITAL	163,398
COMMON EQUITY RATIO	58%
NET INCOME	88,873
RETURN ON EQUITY	94%

NMF = No Meaningful Figure