



Public Service Commission

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

DATE: April 27, 1998  
 TO: Tommy Williams, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis *LD* *ALM*  
 RE: Docket No. 971652-TX, Momentum Telecom, Inc., Financial Analysis for Certificate *AP*  
 Application for Alternative Local Exchange Telecommunications Service *C*

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 Momentum Telecom, Inc. (MTI) for the period ending January 9, 1998. An audit could change one's opinion of the company's financial condition. MTI is a new company and has not started operations. As the attached schedule shows, MTI has adequate liquidity and sufficient common equity.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
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 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_

In this matter, MTI 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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)

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FPSC-RECORDS/REPORTING

DOCKET NO. 971652-TX  
MOMENTUM TELECOM, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE SHEET

|                        | AS<br>OF<br>01/09/98 |
|------------------------|----------------------|
| CURRENT ASSETS         | \$744,095            |
| CURRENT LIABILITIES    | 547,886              |
| CURRENT RATIO          | 1.36                 |
| CASH                   | 217,421              |
| COMMON EQUITY          | 413,701              |
| TOTAL DEBT             | 0                    |
| TOTAL INVESTOR CAPITAL | 413,701              |
| COMMON EQUITY RATIO    | 100%                 |
| NET INCOME             | 0                    |
| RETURN ON EQUITY       | 0%                   |

NMF = No Meaningful Figure