



ORIGINAL
Public Service Commission

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

DATE: April 28, 1998

TO: Tommy Williams, Division of Communications

FROM: David J. Draper, Division of Auditing and Financial Analysis *GD* *ALM*
APC

RE: Docket No. 980510-TX, Vast-Tel Communications, Inc., Financial Analysis *GD*
Certificate Application for Alternative Local Exchange Telecommunications Service *GD*

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 personal financial statements of Ray Kelly, president and owner of Vast-Tel Communications, Inc. (VTC), for the period ending March 2, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, VTC has adequate liquidity and sufficient common equity. VTC is a start-up company and does not have a relevant income statement at this time.

- ACK _____
- AFA _____
- APP _____
- CAF _____
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- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
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- SEC 1
- WAS _____
- OTH _____

In this matter, VTC 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 it established a line of credit with Boyd Bank in the amount of \$60,000 to be used as operating capital. 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

05011 MAY-4 88

FPC-RECORDS/REPORTING

DOCKET NO. 980510-TX
VAST-TEL COMMUNICATIONS, INC

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/02/98
CURRENT ASSETS	\$33,000
CURRENT LIABILITIES	11,000
CURRENT RATIO	3.00
CASH	25,000
COMMON EQUITY	390,241
TOTAL DEBT	125,000
TOTAL INVESTOR CAPITAL	515,241
COMMON EQUITY RATIO	76%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure