



ORIGINAL

Public Service Commission

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

DATE: August 31, 1998
TO: Tommy Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 980928-TX, Public Telephone Network, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*

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 Public Telephone Network, Inc. (PTN) for the projected period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PTN projects adequate liquidity, sufficient common equity and positive net income for the period.

JK _____ In this matter, PTN is asking for a certificate to provide alternative local exchange telecommunications 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.

MU _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by providing personal financial statements of the owner, which indicates significant net worth. In addition, PTN projects that it will not have debt. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

QPC _____ cc: Division of Legal Services
WCH _____ Division of Records and Reporting (2)

SEC _____
WAS _____
OTH _____

SEP 1 1998

**DOCKET NO. 980928-TXI
PUBLIC TELEPHONE NETWORK, INC.
ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/99
CURRENT ASSETS	\$23,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	23,000
COMMON EQUITY	157,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	157,000
COMMON EQUITY RATIO	100%
NET INCOME	800,000
RETURN ON EQUITY	510%

NMF=NO MEANINGFUL FIGURE