



Public Service Commission

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

DATE: September 18, 1998
 TO: Tommy Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL* *ALM*
 RE: Docket No. 981015-TX, Paul Vairo d/b/a Rehook1, 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 Paul Vairo d/b/a Rehook1 (Rehook1) for the period ending August 1, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Rehook1 has adequate liquidity and sufficient common equity. The company is a start-up and only has a balance sheet.

- ACK _____
- AFA _____ In this matter, Rehook1 is asking for a certificate to provide alternative local exchange
- APP _____ telecommunications service. Staff notes the limited nature of the application. For purposes of
- CAF _____ granting a certificate based on the financial information provided, the financial capability appears
- CMU _____ adequate.
- CTR _____ The applicant attests to its financial capability to provide and maintain the proposed
- EAG _____ telecommunications service by noting that it will have prepaid accounts. The owner will provide
- LEG _____ additional capital to the company, and the owner has a positive credit history. Based on this
- LIT _____ 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

10091 SEP 23 88

FPSC RECORDS/REPORTING

- WAS _____
- OTH _____

DOCKET NO. 981015-
PAUL VAIRO D/B/A REHOOK1
ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE SHEET

	AS OF <u>08/01/98</u>
CURRENT ASSETS	\$14,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	14,000
COMMON EQUITY	14,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	14,000
COMMON EQUITY RATIO	100%
NET INCOME	NONE *
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE

* NEW COMPANY, BALANCE SHEET ONLY