



# Public Service Commission

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

DATE: December 18, 1998  
 TO: Nancy Pruitt, Division of Communications  
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *N APC ALM*  
 RE: Docket No. 981754-TI, Uni-Tel Communications Group Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *gms*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 Uni-Tel Communications Group, Inc. (UTC) for the period ending October 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, UTC has a marginal level of common equity, adequate liquidity, and reported a positive net income for the period.

~~ACK~~ \_\_\_\_\_  
 NFA \_\_\_\_\_ In this matter, UTC is asking for a certificate to provide IXC 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.  
 APP \_\_\_\_\_  
 GAF \_\_\_\_\_

CMU \_\_\_\_\_  
 CTR \_\_\_\_\_ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has two lines of credit; one with NBD/First Chicago Bank and one with Pinnacle Bank for \$500,000, respectively. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_

LIN \_\_\_\_\_  
 OF \_\_\_\_\_ cc: Division of Legal Services  
 RO \_\_\_\_\_ Division of Records and Reporting (2)

SEC \_\_\_\_\_  
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DOCUMENT NUMBER-DATE  
 14447 DEC 22 88  
 FPSC-RECORDS/REPORTING

DOCKET NO. 98175  
UNI-TEL COMMUNICATIONS GROUP, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 10/31/98

CURRENT ASSETS	\$634,286
CURRENT LIABILITIES	83,263
CURRENT RATIO	7.62
CASH	120,549
COMMON EQUITY	98,412
TOTAL DEBT	598,732
TOTAL INVESTOR CAPITAL	697,145
COMMON EQUITY RATIO	14%
NET INCOME	78,412
RETURN ON EQUITY	80%

NMF = No Meaningful Figure