



Public Service Commission

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

DATE: February 24, 1999  
 TO: Kelly Biegalski, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis *del*  
 RE: Docket No. 990166-TI, Prime Time Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Prime Time Communications, Inc. (PTC) for the eleven month period ending November 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PTC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, PTC is asking for a certificate to provide IXC 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 PTC proposes to operate as a reseller in the state of Florida, and will incur minimal capital or operating expenses. The company has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow. 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)

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 GAG \_\_\_\_\_  
 JEG \_\_\_\_\_  
 JIN \_\_\_\_\_  
 JPC \_\_\_\_\_  
 JCH \_\_\_\_\_  
 JEC \_\_\_\_\_  
 JAS \_\_\_\_\_  
 JTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

02553 FEB 26 99

Fpsc-RECORDS/REPORTING

DOCKET NO. 990166  
PRIME TIME COMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/98
CURRENT ASSETS	\$76,571
CURRENT LIABILITIES	42,131
CURRENT RATIO	1.82
CASH	22,181
COMMON EQUITY	27,731
TOTAL DEBT	44,274
TOTAL INVESTOR CAPITAL	72,006
COMMON EQUITY RATIO	39%
NET INCOME	40,600
RETURN ON EQUITY	146%

NMF = No Meaningful Figure