



# Public Service Commission

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

DATE: March 24, 1999  
 TO: Tommy Williams, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis *el APC ALM*  
 RE: Docket No. 990240-TI, Radiant Telecom, Inc., Financial Analysis for Certificate  
 Application for Intrastate Interexchange Telecommunications Service *mm*

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 Radiant Telecom, Inc. (RTI) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, RTI has adequate liquidity, sufficient common equity and reported positive income for the period.

In this matter, RTI 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_ cc: Division of Legal Services
- EAG \_\_\_\_\_ Division of Records and Reporting (2)
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTU \_\_\_\_\_

DOCUMENT NUMBER - DATE  
 04136 MAR 31 99  
 FPSC-RECORDS/REPORTING

DOCKET NO. 99024  
RADIANT TELECOM, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

|                        | AS<br>OF<br>12/31/98 |
|------------------------|----------------------|
| CURRENT ASSETS         | \$734,318            |
| CURRENT LIABILITIES    | 146,869              |
| CURRENT RATIO          | 5.00                 |
| CASH                   | 27,714               |
| COMMON EQUITY          | 645,969              |
| TOTAL DEBT             | 42,847               |
| TOTAL INVESTOR CAPITAL | 688,816              |
| COMMON EQUITY RATIO    | 94%                  |
| INCOME BEFORE TAX      | 681,952              |
| RETURN ON EQUITY       | NMF                  |

NMF = No Meaningful Figure