



Public Service Commission

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

DATE: April 15, 1999
TO: Tommy Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 990335-TI, ACG Telecom Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 ACG Telecom Services, Inc. (ACG) 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, ACG has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, ACG is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 it has had significant growth in income and it has low capital needs. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC _____
- WAW _____
- OTH _____

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

DOCUMENT NUMBER-DATE
~~04557/1999~~
 FPSC-RECORDS/REPORTING

DOCKET NO. 990335-1
ACG TELECOM SERVICES, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
12/31/98

CURRENT ASSETS	\$103,374
CURRENT LIABILITIES	27,450
CURRENT RATIO	3.77
CASH	9,520
COMMON EQUITY	27,639
TOTAL DEBT	65,265
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	92,904
COMMON EQUITY RATIO	30%
NET INCOME	163,209
RETURN ON EQUITY	591%