

State of Florida



Public Service Commission

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

DATE: June 21, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EO AP ALM*
 RE: Docket No. 990650-TI, P.V. Tel of Florida, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 P.V. Tel of Florida, LLC (PVT) for the period ending March 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PVT has adequate liquidity, but insufficient common equity and reported a net loss for the period.

In this matter, PVT 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. PVT's financing consists of a \$250,000 line of credit with Merrill Lynch and \$1,000,000 preferred stock, currently under negotiation. In addition, the company plans on issuing senior notes in the amount of \$45,000,000. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- WFA _____
- WPD _____
- DAF _____
- DMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC 1
- WAW _____
- OTH _____

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

DOCUMENT ID: [REDACTED] - DATE

REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF March 31, 1999

CURRENT ASSETS	\$311,048
CURRENT LIABILITIES	133,521
CURRENT RATIO	2.33
CASH	209,239
COMMON EQUITY	95,548
LONG-TERM DEBT	478,032
TOTAL INVESTOR CAPITAL	573,580
COMMON EQUITY RATIO	17%
NET INCOME	(137,084)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

May 21, 1999

Vicki Gordon Kaufman, Attorney
McWhirter Reeves
117 South Gadsden
Tallahassee, Florida 32301

Re: Docket No. 990650-TI

Dear Mr. Kaufman:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by P.V. Tel of Florida, LLC, which was filed with this office on May 20, 1999 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission



*Updated
10-14-99*

October 12, 1999

Mr. Tom Williams
Florida Public Utilities Commission

Dear Mr. Williams

PV TEL, Inc. has changed its address to:

444 E. Center Street,
Kingsport Tenn. 37660-4804

*Certification pending
P.V. Tel of Florida, LLC
990650-71
990651-7X*

PV TEL's telephone remains the same @ 423-578-1961 my extension is 318 or just dial "0" for the operator. ✓

If you have any questions please call me.

F 423-245-0363

Sincerely,

[Signature]
William A. Byrd, P.E., C.S.
Vice President

to use per Mr. Byrd

*- added -
as 2nd liaison*

*(this one is
on the executive
floor)*

*Old
75264
m/ 1999 East Stone Drive, Suite 419
Kingsport, TN 37660*

TX 324 m/ same as above

*Cy to
RAR/Woody
for pending
dpts*

PV TEL LLC*
KINGSPORT, TENNESSEE
MYRTLE BEACH, SOUTH CAROLINA

*Old
F 423-578-1966*

Done 10/14/99

RECEIVED-FPSC

P.V. Telecom Enterprises, Inc.

444 E. Center Street

Kingsport, Tn. 37660

Phone (423)578-1961

Fax (423)245-0363

99 OCT 13 PM 3:31

RECORDS AND REPORTING

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Please Forward FAX to: Tom Williams Date: 10-12-99

FAX Number: 850-413-6587 Pages (including cover): 2

FAX From: Bill Byrd

Additional Information:

TO: Nouny E

F.Y.I.

Docket NO. 990650 - TI

990651 - TX