



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
RE: Docket No. 990651-TX, P.V. Tel. of Florida, LLC, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 alternative local exchange telecommunications 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.

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

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DATE
RECORDS AND REPORTING

DOCKET NO. 990651-TX
P.V. TEL, INC.

ALEC 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



*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

*- added -
as 2nd liaison*

*to use per Mr.
Byrd*

*Old
75264*

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

*(this one is
on the executive
floor)*

TX 324 m/ same as above

*Cy to
RAR/Wasy
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

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CONFIDENTIAL FACSIMILE

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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: Nounye
F.Y.I.

Docket NO. 990650 - TI ⚡
990651 - TX