



ORIGINAL
Public Service Commission

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

DATE: September 21, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *P. Lester*
RE: Docket No. 991027-TX, Florida Phone Service, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*
mt

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 Florida Phone Service, Inc. (FPS) for the projected period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FPS projects adequate liquidity, sufficient common equity and positive net income for the period.

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

In this matter, FPS is asking for a certificate to provide alternative local exchange telecommunications 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 is a reseller with low capital needs. It is currently a reseller for BellSouth Mobility. 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)

DOCUMENT NUMBER-DATE

11531 SEP 23 99

FPSC-RECORDS/REPORTING

DOCKET NO. 991027-TX
FLORIDA PHONE SERVICE, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED, PROJECTED FINANCIAL STATEMENTS

AS OF
12/31/2000

CURRENT ASSETS	\$107,244
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	107,244
COMMON EQUITY	112,735
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	112,735
COMMON EQUITY RATIO	100%
NET INCOME	95,030
RETURN ON EQUITY	84%

NMF=NO MEANINGFUL FIGURE