



Public Service Commission

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

DATE: September 23, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED APC*
 RE: Docket No. 991387-TX, AccuTel of Texas, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *DM*

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 AccuTel of Texas, Inc. (ACT) for the period ending April 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ACT has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, ACT 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 adequate.

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

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. Kenneth Weaver, a major shareholder, is willing to loan ACT up to \$250,000, if additional funding is necessary to support the company's operations. 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

11742 SEP 28 99

FPSC-RECORDS/REPORTING

DOCKET NO. 991387-T,
ACCUTEL OF TEXAS, INC.

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 04/30/99

CURRENT ASSETS	\$560,274
CURRENT LIABILITIES	255,614
CURRENT RATIO	2.19
CASH	560,274
COMMON EQUITY	1,279,410
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	1,279,410
COMMON EQUITY RATIO	100%
NET INCOME	181,372
RETURN ON EQUITY	14%