



Public Service Commission

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

DATE: October 22, 1999
 TO: Brenda Hawkins, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *FL ALM APC ymtd*
 RE: Docket No. 991136-TX, King Communications & Service, 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 King Communications & Service (King) 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, King has adequate liquidity, sufficient common equity and reports positive net income for the period.

In this matter, King 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 has a line of credit for \$35,000 and can increase this line if the need arises. The applicant states that it has an excellent banking relationship with First Union Bank of Naples. 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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DOCKET NO. 991136-7
KING COMMUNICATIONS & SERVICE
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS OF
12/31/1998

CURRENT ASSETS	\$7,184
CURRENT LIABILITIES	1,003
CURRENT RATIO	7.16
CASH	3,734
COMMON EQUITY	22,900
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	22,900
COMMON EQUITY RATIO	100%
NET INCOME	4,148
RETURN ON EQUITY	18%

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

August 19, 1999

Daniel R. Delgado, Treasurer
King Communications & Services, Inc.
2727 Bayshore Drive, Suite 101
Naples, Florida 34112

Re: Docket No. 991136-TX

Dear Mr. Delgado:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by King Communications & Services, Inc., which was filed with this office on August 18, 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