



# Public Service Commission

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

**DATE:** January 5, 2000  
**TO:** Brenda Hawkins, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 991752-TX, International Telephone Group, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *PL*

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 International Telephone Group, Inc. (ITG) 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, ITG has adequate liquidity and sufficient common equity. The company reported a loss for the period.

In this matter, ITG 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 was recently purchased by NUI Corporation, which operates natural gas utilities and is publicly traded. NUI has a BBB bond rating according to Standard and Poor's. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RPR \_\_\_\_\_
- SEC \_\_\_\_\_
- VAIV \_\_\_\_\_
- OTH \_\_\_\_\_

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

DOCUMENT NUMBER-DATE

00330 JAN-78

FPSC-RECORDS/REPORTING

DOCKET NO. 991752-1,  
INTERNATIONAL TELEPHONE GROUP, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS OF  
12/31/1998

CURRENT ASSETS	\$947,002
CURRENT LIABILITIES	585,316
CURRENT RATIO	1.62
CASH	134,516
COMMON EQUITY	164,057
TOTAL DEBT	285,000
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	449,057
COMMON EQUITY RATIO	37%
NET INCOME	(261,697)
RETURN ON EQUITY	NEGATIVE