



Public Service Commission

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

DATE: January 14, 2000  
 TO: Tommy Williams, Division of Communications  
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*  
 RE: Docket No. 991608-TI, PromiseVision Technology, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 PromiseVision Technology, Inc.(PVT) for the period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PVT has adequate liquidity but has negative common equity. The company reported a loss for the period.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

In this matter, PVT is asking for a certificate to provide IXC 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its debt is from its sole stockholder. It further notes that is has minimal capital requirements and that any capital requirements can be supplied by the company's stockholder. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 991608-7  
PROMISEVISION TECHNOLOGY, INC.  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>06/30/1999</u>
CURRENT ASSETS	\$21,814
CURRENT LIABILITIES	17,958
CURRENT RATIO	1.21
CASH	9,802
COMMON EQUITY	(117,778)
TOTAL DEBT	118,438
PREFERRED STOCK	6,685
COMMON EQUITY RATIO	NMF
NET INCOME	(157,778)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE