



Public Service Commission

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

DATE: March 1, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 000077-TX, My-Tel, Inc., 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 Rama Communications, Inc., parent company of My-Tel, Inc. (MTI) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, MTI 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.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. MTI is a subsidiary of Rama Communications and will have its parent's financial support in carrying out its 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

02927 MAR-68

FPSC-RECORDS/REPORTING

DOCKET NO. 000077-TX
RAMA COMMUNICATIONS, INC.

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 12/31/99

CURRENT ASSETS	\$113,740
CURRENT LIABILITIES	11,034
CURRENT RATIO	10.31
CASH	28,620
COMMON EQUITY	2,403,189
LONG-TERM DEBT	342,500
TOTAL INVESTOR CAPITAL	2,745,689
COMMON EQUITY RATIO	88%
NET INCOME	40,091
RETURN ON EQUITY	2%

NMF= Non-meaningful figure