



Public Service Commission

ORIGINAL

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

DATE: April 14, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EP ALM TPD*
RE: Docket No. 000318-TI, Hotel Connect Management, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Hotel Connect Management, Inc, (HCM) 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, HCM has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, HCM is asking for a certificate to provide IXC 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 _____
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- MAS _____
- OPC _____
- RRR _____
- SEC _____
- NAW _____
- OTH _____

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The company states that it has available additional funding in the amount of \$65,000 to support 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 000318-TI
HOTEL CONNECT MANAGEMENT, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 12/31/99

CURRENT ASSETS	\$1,992,770
CURRENT LIABILITIES	709,181
CURRENT RATIO	2.81
CASH	65,400
COMMON EQUITY	1,369,342
LONG-TERM DEBT	390,095
TOTAL INVESTOR CAPITAL	1,759,437
COMMON EQUITY RATIO	78%
NET INCOME	56,599
RETURN ON EQUITY	4%

NMF= Non-meaningful figure

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Division of Records and Reporting (2)

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