



Public Service Commission

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

DATE: August 8, 2000
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL RTT ALM*
RE: Docket No. 000736-TI, PT-1 Counsel, 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 audited financial statements of Counsel Corporation, the parent company of PT-1 Counsel, Inc. (PT-1) for the period ending December 31, 1999. As the attached schedule shows, PT-1's parent company has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, PT-1 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 adequate.

APP _____ The applicant attests to its financial capability to provide and maintain the proposed
CAF _____ telecommunications service by noting that it can borrow funds if needed and that it can obtain
CMP _____ financial support from its parent company. Based on this showing, the applicant appears to meet
COM _____ the financial capability standard of Section 364.337, Florida Statutes.
CTR _____
ECR _____

LEG _____
OPC _____ cc: Division of Legal Services
PAI _____ Division of Records and Reporting (2)
RGO _____
SEC _____
SER _____
OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF COUNSEL CORPORATION, THE PARENT COMPANY

IN THOUSANDS

	<u>AS OF</u> <u>12/31/1999</u>
CURRENT ASSETS	\$122,067
CURRENT LIABILITIES	28,416
CURRENT RATIO	4.30
CASH	19,788
COMMON EQUITY	122,344
TOTAL DEBT	104,984
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	227,328
COMMON EQUITY RATIO	54%
NET INCOME	46,967
RETURN ON EQUITY	38%