



Public Service Commission ORIGINAL

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

DATE: August 21, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 000811-TX, IPVoice Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM

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 audited financial statements of IPVoice Communications, Inc. (IPV) for the period ending December 31, 1999. As the attached schedule shows, IPV has minimal liquidity, negative common equity and reported negative net income for the period.

In this matter, IPV is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

APP — Although an analysis of the financial statements reveals the applicant is in a minimal financial
CAF — position, the applicant attests to its financial capability to provide and maintain the proposed
CMP — telecommunications service by noting that it is in the process of issuing and selling stock to finance
COM — operations. Based on this showing, the applicant appears to meet the financial capability standard
CTR — of Section 364.337, Florida Statutes.
ECR —
LEG —
OPC —
PAI —
RGO —
SEC —
SER —
OTH —

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

DOCUMENT NUMBER-DATE

10297 AUG 22 8

FPSC-RECORDS/REPORTING

DOCKET NO. 000811-
IPVOICE COMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$256,348
CURRENT LIABILITIES	406,339
CURRENT RATIO	0.63
CASH	98,592
COMMON EQUITY	(917,836)
TOTAL DEBT	1,145,400
TOTAL INVESTOR CAPITAL	227,564
COMMON EQUITY RATIO	NMF
NET INCOME	(1,788,644)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure