



Public Service Commission

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

DATE: August 22, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 001035-TX, Budget Comm, 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 Budget Comm (BC) 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, BC has adequate liquidity and sufficient common equity. The company has not commenced operations, therefore, has no income statement.

In this matter, BC 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting

APP that the Company will maintain capital from internally generated funds. Based on this showing,
CAF the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
CMP
COM

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

DOCUMENT NUMBER-DATE

10302 AUG 22 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001035-1...
BUDGET COMM

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS.

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$30,000
CURRENT LIABILITIES	1,000
CURRENT RATIO	30.00
CASH	5,000
COMMON EQUITY	262,000
TOTAL DEBT	140,000
TOTAL INVESTOR CAPITAL	402,000
COMMON EQUITY RATIO	65%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure