



Public Service Commission

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

DATE: August 29, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Christine G. Romig, Division of Economic Regulation
RE: Docket No. 000794-TI, CoreComm Florida, 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 CoreComm Limited, the parent company of CoreComm Florida, Inc. (CoreComm) for the period ending December 31, 1999. As the attached schedule shows, CoreComm's parent company has adequate liquidity and sufficient common equity.

In this matter, CoreComm is asking for a certificate to provide IXC service. For purposes of granting a certificate, the financial capability appears adequate based on the financial information provided on the parent company.

APP ___
CAF ___
CMP ___
COM ___
CTR ___ CoreComm is a recently formed subsidiary of CoreComm Limited and, therefore, has no
ECR ___ detailed income and profit and loss statement at present. However, CoreComm states
LEG ___ that it possesses the financial capability to provide the services it proposes as it will rely
OPC ___ on funding from its ultimate parent company, CoreComm Limited. Based on this
PAI ___ showing, the applicant appears to meet the financial capability standard of Section
RGO ___ 364.337, Florida Statutes.
SEC ___
SER ___
OTH ___

DOCUMENT NUMBER-DATE

10742 AUG 30 8

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

FPSC-RECORDS/REPORTING

DOCKET NO. 000794-TI
CoreComm Florida, Inc.
INTEREXCHANGE TELECOMMUNICATIONS SERVICE

FINANCIAL ANALYSIS

FROM CoreComm Limited 's Form 10-K

		<u>12/31/99</u>
(A)	CURRENT ASSETS	\$192,587,000
(B)	CURRENT LIABILITIES	52,168,000
	CURRENT RATIO (CA/CL)	3.6917 (a)
(C)	CASH & CASH EQUIVALENTS	86,685,000
(D)	COMMON EQUITY	126,926,000
(E)	TOTAL DEBT (SHORT-TERM & LONG TERM)	213,009,000
(F)	PREFERRED STOCK	0
	TOTAL INVESTOR CAPITAL	339,935,000
	COMMON EQUITY RATIO	37% (b)
(G)	NET INCOME/(LOSS)	(103,524,000)
	RETURN ON EQUITY (Net Income/Equity)	-82%

(a) .8 is marginal; .95 is adequate

(b) 35% is marginal

EQUITY RATIO:

EQUITY / INVESTOR CAPITAL

(Common Equity / (Common Equity + Pfd. Stk. + LT. Debt + Current LT. Debt + ST Debt))

NMF = NO MEANINGFUL FIGURE
3/3 = ADEQUATE
2/3 = ADEQUATE
1/3 = MARGINAL
0/3 = MINIMAL