



Public Service Commission

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

DATE: September 14, 2000  
 TO: Nancy Pruitt, Division of Regulatory Oversight  
 FROM: Christine G. Romig, Division of Economic Regulation  
 RE: Docket No. 000869-TI, PatriotCom, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

*RL* *ALM* *AK*

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 balance sheet of PatriotCom, Inc. (PCI) for the period ended May 10, 2000. An audit could change one's opinion of the company's financial condition. The company is not in operations and has no relevant income statement. As the attached schedule shows, PCI has adequate liquidity and sufficient common equity.

In this matter, PCI 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. The applicant attests to its financial capability by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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)

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 000869-TI  
PatriotCom, Inc.  
INTEREXCHANGE TELECOMMUNICATIONS SERVICE

FINANCIAL ANALYSIS

	AS AT	
	05/10/2000	
CURRENT ASSETS	\$2,726,000	
CURRENT LIABILITIES	0	
CURRENT RATIO (CA/CL)	NMF	(a)
CASH & CASH EQUIVALENTS	1,200,000	
COMMON EQUITY	2,726,000	
TOTAL DEBT (SHORT-TERM & LONG TERM)	0	
PREFERRED STOCK	0	
TOTAL INVESTOR CAPITAL	2,726,000	
COMMON EQUITY RATIO	100%	(b)
NET INCOME/(LOSS)	NMF	(c)
RETURN ON EQUITY (Net Income/Equity)	NMF	

(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