



Public Service Commission

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

DATE: December 22, 2000

TO: Tommy Williams, Division of Regulatory Oversight

FROM: Pete Lester, Division of Economic Regulation *PL*

RE: Docket No. 001684-TX, Florida Municipal Power Agency, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM
et

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 Florida Municipal Power Agency (FMPA) for the period ending September 30, 1999. As the attached schedule shows, FMPA has adequate liquidity and sufficient common equity. The agency reported a loss for the period.

In this matter, FMPA is asking for a certificate to provide alternative local exchange telecommunications 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has access to the public debt market and it has lines of credit. The applicant also has access to the commercial paper market. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- APP _____
- CAF _____
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- OTH _____

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

DOCUMENT NUMBER-DATE

16510 DEC 29 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001684-TX
FLORIDA MUNICIPAL POWER AGENCY
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

IN THOUSANDS	AS OF <u>09/30/99</u>
CURRENT ASSETS	\$8,536
CURRENT LIABILITIES	1,415
CURRENT RATIO	6.03
CASH	1,253
MEMBERS EQUITY	6,220
TOTAL DEBT	4,325
TOTAL CAPITAL	10,545
EQUITY RATIO	59%
NET INCOME	(368)
RETURN ON EQUITY	NEGATIVE