



Public Service Commission

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

DATE: January 8, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 001756-TI, The Ultimate Connection, L.C. d/b/a TAPCO., The Alternative Phone Company, 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 The Ultimate Connection, L.C. d/b/a TAPCO., The Alternative Phone Company (TAPCO), for the twelve month period ending May 28, 2000. As the attached schedule shows, TAPCO has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TAPCO is asking for a certificate to provide IXC 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 that the company will increase available capital from continuing operations. 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)

DOCUMENT NUMBER-DATE

00374 JAN-95

FPSC-RECORDS/REPORTING

DOCKET NO. 001756-TI
THE ULTIMATE CONNECTION, L.C. d/b/a TAPCO. THE ALTERNATIVE
PHONE COMPANY

IXC APPLICATION
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 05/28/2000 (,000)
CURRENT ASSETS	\$4,355
CURRENT LIABILITIES	3,398
CURRENT RATIO	1.28
CASH	302
COMMON EQUITY	5,082
TOTAL DEBT	2,650
TOTAL INVESTOR CAPITAL	7,732
COMMON EQUITY RATIO	66%
NET INCOME	1,197
RETURN ON EQUITY	24%

NMF = No Meaningful Figure