



Public Service Commission

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

DATE: April 30, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 010393-TI, AT&T Broadband Phone of Florida, LLC d/b/a AT&T Digital Phone, 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 unaudited financial statements of AT&T Broadband Phone of Florida, LLC d/b/a AT&T Digital Phone (AT&T) for the nine month period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AT&T has minimum liquidity, but reports sufficient common equity and net income for the period.

In this matter, AT&T 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 maintain capital from internally generated funds. 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

05369 MAY-16

FDSC-RECORDS-REPORTING

DOCKET NO. 010393-TI
AT&T BROADBAND OF FLORIDA, LLC d/b/a AT&T DIGITAL PHONE

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/2000 (million)
CURRENT ASSETS	\$15,452
CURRENT LIABILITIES	51,344
CURRENT RATIO	0.30
CASH	316
COMMON EQUITY	110,108
TOTAL DEBT	61,785
TOTAL INVESTOR CAPITAL	171,893
COMMON EQUITY RATIO	64%
NET INCOME	7,789
RETURN ON EQUITY	7%

NMF = No Meaningful Figure