

State of Florida



Public Service Commission

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

DATE: June 6, 2001
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 010751-TX, Global Dialtone, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 unaudited financial statements of Global Dialtone, Inc. (GDI) for the period ending April 2, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GDI has adequate liquidity and sufficient common equity for the period and projects positive net income for the year.

In this matter, GDI 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 projects net income growth and it has a line of credit. 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

07153 JUN-8 2001

FPSC RECORDS-REPORTING

DOCKET NO. 010751-TX
GLOBAL DIALTONE, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>4/02/01</u>	
CURRENT ASSETS	\$4,500	
CURRENT LIABILITIES	2,100	
CURRENT RATIO	2.14	
CASH	2,500	
COMMON EQUITY	107,400	
TOTAL DEBT	15,000	
PREFERRED STOCK	0	
TOTAL INVESTOR CAPITAL	122,400	
COMMON EQUITY RATIO	88%	
NET INCOME	37,925	*
RETURN ON EQUITY	35%	

*Net Income projected 2001