



Public Service Commission

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

DATE: July 30, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight *OD*
FROM: David J. Draper, Division of Economic Regulation *DM* *ALM*
RE: Docket No. 010952-TI, Miko Telephone Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *192*

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 Miko Telephone Communications, Inc. (MTC) for the four month period ending April 30, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTC has adequate liquidity, but reports negative common equity and negative income for the period.

In this matter, MTC 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, 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)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

DOCKET NO. 010952-TI
MIKO TELEPHONE COMMUNICATIONS, INC.

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 04/30/2001
CURRENT ASSETS	\$100,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	100,000
COMMON EQUITY	(86)
TOTAL DEBT	196,489
TOTAL INVESTOR CAPITAL	196,403
COMMON EQUITY RATIO	NMF
NET INCOME	(86)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure