



Public Service Commission

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

DATE: January 27, 1999
 TO: Nancy Pruitt, Division of Communications ALM
 FROM: Pete Lester, Division of Auditing and Financial Analysis PL
 RE: Docket No. 990013-TX, Telephone One, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service [Signature]

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 Telephone One, Inc. (TOI) for the period ending January 18, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TOI has adequate liquidity and sufficient common equity. The company projected \$466,280 in net income for calendar year 1999.

- ACK _____
- AFA _____
- APP _____
- CAF _____
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- LEG _____
- LIN _____
- OPC _____
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- SEC 1
- WAS _____
- OTH _____

In this matter, TOI 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 its owner has excellent references from the company's two banks. The company can obtain capital through its owner if necessary. 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
01154 JAN 28 99
FPSC-RECORDS/REPORTING

DOCKET NO. 990013-TX
TELEPHONE ONE, INC.
ALEC TELECOMMUNICATIONS SERVICE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>01/18/99</u>
CURRENT ASSETS	\$571,880
CURRENT LIABILITIES	7,500
CURRENT RATIO	76.25
CASH	454,280
COMMON EQUITY	566,780
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	566,780
COMMON EQUITY RATIO	100%
NET INCOME	466,280 *
RETURN ON EQUITY	82%

NMF=NO MEANINGFUL FIGURE

* Net income projected for calendar year 1999.