



Public Service Commission

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

DATE: June 28, 1999
TO: Tommy Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 990632-TX, Intelcom, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Intelcom, Inc. (Intelcom). The balance sheet was as of March 15, 1999 and the income statement was projected for 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Intelcom has adequate liquidity, sufficient common equity and projects a positive net income.

In this matter, Intelcom 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 has a \$25,000 line of credit with Sprint Corporation, and noting that it projects profitability and positive cash flow. 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

07905 JUN 30 89

FRSIS-RECORDS/REPORTING

- _____ AFA
- _____ APP
- _____ CAF
- _____ CMU
- _____ CTR
- _____ EAG
- _____ LEO
- _____ MAS
- _____ OFC
- _____ RFR
- _____ SEC 1
- _____ WAW
- _____ DTH

DOCKET NO. 990632-TX
INTELCOM, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
03/15/99

CURRENT ASSETS	\$100,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	100,000
COMMON EQUITY	100,000
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	100,000
COMMON EQUITY RATIO	100%
NET INCOME	420,382 *
RETURN ON EQUITY	420% *

* PROJECTED 1999