



Public Service Commission

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

DATE: October 8, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis
 RE: Docket No. 991188-TI, TeleBeam, Incorporated, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM
APC
[Signature]

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 TeleBeam, Incorporated (TeleBeam) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TeleBeam has adequate liquidity and reported a positive net income for the period. The company has a low level of common equity.

In this matter, TeleBeam is asking for a certificate to provide IXC 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 shown steady growth in revenues and net income. The company also states it has a record of high quality service at reasonable rates. 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)

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC 1
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE

12524 OCT 14 99

FPSC-RECORDS/REPORTING

DOCKET NO. 991188-1
TELEBEAM, INCORPORATED
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS OF
12/31/1998

CURRENT ASSETS	\$1,541,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	916,000
COMMON EQUITY	3,078,000
TOTAL DEBT	12,387,000
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	15,465,000
COMMON EQUITY RATIO	20%
NET INCOME	330,000
RETURN ON EQUITY	11%

NMF=NO MEANINGFUL FIGURE