



Public Service Commission

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

DATE: March 6, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 000053-TI, Tel-Phone Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM

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 A & H Beeper & Cellular, Inc., the affiliated company of Tel-Phone Communications, Inc. (TPC), for the period ending October 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TPC's affiliate has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TPC 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 its shareholders have pledged liquid assets to TPC and that the net resources of A & H Beeper & Cellular, Inc. are available to TPC. 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)

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02937 MAR-68

FPSC-RECORDS/REPORTING

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF A & H BEEPER & CELLULAR, INC., AN AFFILIATED COMPANY

AS OF
10/31/1999

CURRENT ASSETS	\$52,200
CURRENT LIABILITIES	2,021
CURRENT RATIO	25.83
CASH	(3,490)
COMMON EQUITY	55,016
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	55,016
COMMON EQUITY RATIO	100%
NET INCOME	43,867
RETURN ON EQUITY	80%

In this matter, TPC is asking for a certificate to provide IXC service. Staff notes the financial condition of the applicant. For purposes of granting a certificate based on the financial condition provided, the financial condition appears adequate.

The applicant must, in its financial condition, to provide and maintain the proposed telecommunications service by noting that its shareholders have pledged liquid assets to TPC and that the net resources of A & H Beeper & Cellular, Inc. are available to TPC. Based on the showing, the applicant appears to meet the financial condition standard of Section 364.01, Florida Statutes.

Division of Legal Services
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATA

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