



# Public Service Commission

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

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**DATE:** May 26, 2000  
**TO:** Tommy Williams, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 000366-TX, Deland Actel, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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*ALM*

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 Deland Actel, Inc. (DAI) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DAI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, DAI 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 been in business since 1991, it has consistent cash flows, and it has a line of credit with a bank. 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

06723 JUN-18

FPSC-RECORDS/REPORTING

DOCKET NO. 000366-TX  
DELAND ACTEL, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/1999</u>
CURRENT ASSETS	\$91,418
CURRENT LIABILITIES	39,116
CURRENT RATIO	2.34
CASH	33,927
COMMON EQUITY	70,441
TOTAL DEBT	22,836
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	93,277
COMMON EQUITY RATIO	76%
NET INCOME	83,870
RETURN ON EQUITY	119%