## State of Florida





## Public Service Commission

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

**DATE:** June 7, 2000

**TO:** Nancy Pruitt, Division of Regulatory Oversight

FROM: David J. Draper, Division of Economic Regulation

RE: Docket No. 000613-TX, PatriotCom, 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 balance sheet of PatriotCom, Inc. (PCI) for the period ending May 10, 2000. An audit could change one's opinion of the company's financial condition. The company is not in operations and has no relevant income statement. As the attached schedule shows, PCI has adequate liquidity and sufficient common equity.

In this matter, PCI is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

Division of Legal Services

Division of Records and Reporting (2)

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07022 JUN-88

DOCKET NO. 000613 PATRIOTCOM, INC.

NMF = No Meaningful Figure

## ALTERNATIVE LOCAL EXCHANGE SERVICE FINANCIAL ANALYSIS

## FROM AN UNAUDITED BALANCE SHEET

	AS
	OF 05/10/2000
CURRENT ASSETS	\$2,726,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	1,200,000
COMMON EQUITY	2,726,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	2,726,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%