



## Public Service Commission

ORIGINAL

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

**DATE:** October 20, 2000

TO: Tommy Williams, Division of Regulatory Oversight

FROM: Pete Lester, Division of Economic Regulation

**RE:** Docket No. 001175-TX, Baytel Communications, 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

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(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 Baytel Communications, Inc. (Baytel) for the period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Baytel has adequate liquidity and sufficient common equity. As a start-up, the company projects a loss for the year 2000.

In this matter, Baytel 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 is negotiating a loan for \$500,000 and it expects an equity infusion of \$150,000 from its owners. Pursuant to a Dade County ordinance, the company will post a \$100,000 performance bond. 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

FPSC-RECORDS/REPORTING

## DOCKET NO. 001175-TX BAYTEL COMMUNICATIONS, INC. ALEC CERTIFICATE

FINANCIAL ANALYSIS

## FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/2000	
CURRENT ASSETS	\$235	
CURRENT LIABILITIES	0 64.337 (1), Florida Statutos, requires the follow	Section 3
CURRENT RATIO	NMF	
CASH	ning to stand more tang light potentiate to a single stand the single 235 tank gainwork a took sain	
COMMON EQUITY	4,667	
TOTAL DEBT	ion 364.01 (3) and (4) states that 0	
PREFERRED STOCK	) The Logislature finds that the competitive soluting local exclutings to communications set	
TOTAL INVESTOR CAPITAL	4,667	
	100% and 100% and 100%	
RETURN ON EQUITY	NEGATIVE	

\* PROJECTED FOR 12 MONTHS ENDING 12/31/00 NMF=NO MEANINGFUL FIGURE

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The applicant attests to its financial capability to provide and maintain the managed decommunications service by noting that it is negotiating a loan for \$500,000 and it expects an quity infusion of \$150,000 from its owners. Pursuant to a Dade County ordinance, the company of post a \$100,000 performance bond. Based on this showing, the applicant appears to ment the manetal expansion standard of Section 304.337. Florida Statutes.

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