



# Public Service Commission

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

**DATE:** September 23, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD APC ALM*  
**RE:** Docket No. 970314-TT, Adelpia Telecommunications of Florida, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 projected financial statements of Adelpia Telecommunications of Florida, Inc. (ATF) for the 12 month period ending March 31, 1998. As the attached schedule shows, ATF projects minimal liquidity, negative common equity and a negative net income for the period.

In this matter, ATF is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that ATF will increase available capital from future operations. In addition, the applicant can rely upon the financial support of the parent company, Adelpia Communication Corporation, which currently has \$1.3 billion dollars in assets. 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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DOCUMENT NUMBER-DATE

09957 SEP 29 97

FPSC-RECORDS/REPORTING

DOCKET NO. : 970814-T1  
ADELPHIA TELECOMMUNICATIONS OF FLORIDA, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED PROJECTED FINANCIAL STATEMENTS

	AS OF 4/97 TO 3/98
CURRENT ASSETS	\$49,874
CURRENT LIABILITIES	67,574
CURRENT RATIO	0.74
CASH	49,874
COMMON EQUITY	(17,417)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(17,417)
COMMON EQUITY RATIO	NMF
NET INCOME	(7,982)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

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