



Public Service Commission

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

DATE: November 5, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
 RE: Docket No. 981225-TX, UniDial Communications, Inc., Financial Analysis For Certificate Application for Alternative Local Exchange Telecommunications Service *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 audited financial statements of UniDial Communications, Inc. (UDC) for the period ending December 31, 1997. The applicant is a start-up company and has requested confidential treatment of its financial statements. Based on a review of the applicant's financial information, staff has determined that the company has satisfied the minimal financial requirements needed for certification in the state of Florida.

ACK _____ In this matter, UDC is asking for a certificate to provide alternative local exchange
 AFA _____ telecommunications service. The applicant attests to its financial capability to provide and maintain
 APP _____ the proposed telecommunications service by noting that UDC has the ability to issue securities to
 CAF _____ finance its growing operations. Furthermore, UDC has shown significant revenue growth and has
 CMU _____ structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring
 CTR _____ an almost instantaneous positive cash flow. Based on this showing, the applicant appears to meet
 EAG _____ the financial capability standard of Section 364.337, Florida Statutes.

LEG _____ cc: Division of Legal Services
 LIN _____ Division of Records and Reporting (2)

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