



Public Service Commission

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

DATE: December 8, 1998
 TO: Tony McCoy, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED ALM APC*
 RE: Docket No. 981536-TL. One Tel 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 financial statements of One Tel Inc. (OTI) for the period ending February 18, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OTI has adequate liquidity, sufficient common equity, but as a newly formed corporation has no income to report at the present time.

ACK _____
 AFA _____
 APP _____ In this matter, OTI is asking for a certificate to provide IXC service. Staff notes the limited
 CAF _____ nature of the application and that no customer provided funds appear to be at risk. For purposes
 CMU _____ of granting a certificate based on the financial information provided, the financial capability
 _____ appears adequate.

CTR _____
 EAG _____ The applicant attests to its financial capability to provide and maintain the proposed
 LEG _____ telecommunications service by noting that it has available funds in the amount of \$500,000
 LIN _____ committed by its parent company, One Tel Limited. Based on this showing, the applicant
 _____ appears to meet the financial capability standard of Section 364.337, Florida Statutes.

OPC _____
 RCH _____ cc: Division of Legal Services
 SEC _____ Division of Records and Reporting (2)

WAS _____
 DTH _____

DOCUMENT NUMBER DATE

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STATE OF FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 981536-T1
ONE TEL INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 02/18/98

CURRENT ASSETS	\$100,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	100,000
COMMON EQUITY	70,549
TOTAL DEBT	29,451
TOTAL INVESTOR CAPITAL	100,000
COMMON EQUITY RATIO	71%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure