



Public Service Commission

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

DATE: February 4, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 971669-TI, American Telephone Company, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 balance sheet of American Telephone Company, Inc. (ATC) for the period ending December 29, 1997 and a projected twelve month income statement. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ATC has adequate liquidity, sufficient common equity and projects a positive net income for a twelve month period.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OFC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

In this matter, ATC 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. In addition, if the company requires additional financing, it will seek such funding in the private banking sector. 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

02311 FEB 1998

FPSC-RECORDS/REPORTING

DOCKET NO. 971669-T1
AMERICAN TELEPHONE COMPANY, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/29/97
CURRENT ASSETS	\$501,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	1,000
COMMON EQUITY	511,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	511,000
COMMON EQUITY RATIO	100%
TWELVE MONTH PROJECTED NET INCOME	9,802,692
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure