



Public Service Commission

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

DATE: August 11, 1998
 TO: Lou Yambor, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 980788-TI, T2U Co., Financial Analysis for Certificate Application for *AP*
 Intrastate Interexchange Telecommunications Service *WPA*

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 Colmena Corporation, the parent company of T2U Co. (T2U) for the period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, T2U's parent company has adequate liquidity, sufficient common equity, and reported a positive net income for the period.

ACK In this matter, T2U is asking for a certificate to provide IXC service. Staff notes the limited
AFA nature of the application and that no customer provided funds appear to be at risk. For purposes
APP of granting a certificate based on the financial information provided, the financial capability
CAF appears adequate.

CMU The applicant attests to its financial capability to provide and maintain the proposed
CTR telecommunications service by noting that its parent company is publicly traded, sufficiently
EAG capitalized, and will provide it with investment funds as needed. Based on this showing, the
LEG applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

RCH
SEC 1
WAS
OTH

DOCKET NO. 980786-11
T2U CO.
IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF COLMENA CORPORATION, THE PARENT COMPANY

AS
OF
03/31/98

CURRENT ASSETS	\$4,532,542
CURRENT LIABILITIES	2,720,530
CURRENT RATIO	1.67
CASH	180,742
COMMON EQUITY	3,207,806
TOTAL DEBT	345,573
TOTAL INVESTOR CAPITAL	3,553,379
COMMON EQUITY RATIO	90%
NET INCOME	1,150,150
RETURN ON EQUITY	36%

NMF=NO MEANINGFUL FIGURE