



Public Service Commission

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

DATE: August 18, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 980927-TI, Public Telephone Network, 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 personal financial statements of Garth Reeves, President of Public Telephone Network, Inc. (PTN) for the period ending December 26, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PTN has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, PTN is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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. 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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**DOCKET NO. 980927
PUBLIC TELEPHONE NETWORK, INC.**

**IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS**

**FROM UNAUDITED PERSONAL FINANCIAL STATEMENTS OF
GARTH REEVES**

	AS OF 12/26/97
CURRENT ASSETS	\$3,082,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	45,000
COMMON EQUITY	6,496,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	6,496,000
COMMON EQUITY RATIO	100%
NET INCOME	188,000
RETURN ON EQUITY	3%

NMF = No Meaningful Figure