



Public Service Commission

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

DATE: December 8, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD ALM APC*
RE: Docket No. 981696-TI, First Telephone Company, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *DD*

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 First Telephone Company (FTC) for the seven month period ending July 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FTC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
 AFA _____
 APP _____ In this matter, FTC is asking for a certificate to provide IXC service. For purposes of granting
 CAF _____ a certificate based on the financial information provided, the financial capability appears
 CMU _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
 CTR _____ telecommunications service by noting that the Company will maintain capital from internally
 EAG _____ generated funds. Based on this showing, the applicant appears to meet the financial capability
 LEG _____ standard of Section 364.337, Florida Statutes.

LIN _____ cc: Division of Legal Services
 OPC _____ Division of Records and Reporting (2)
 RCH _____
 SEC 1
 WAS _____
 DTH _____

DOCUMENT NUMBER-DATE

13943 DEC 10 88

TPSC-RECORDS/REPORTING

**DOCKET NO. 981698-T
FIRST TELEPHONE COMPANY**

**IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/98
CURRENT ASSETS	\$110,426
CURRENT LIABILITIES	59,012
CURRENT RATIO	1.87
CASH	4,080
COMMON EQUITY	51,919
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	51,919
COMMON EQUITY RATIO	100%
NET INCOME	123,882
RETURN ON EQUITY	239%

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYO
DIRECTOR
(850) 413-6770

Public Service Commission

November 24, 1998

Jose A. Perez-Villarreal, President
First Telephone Company
11080 Southwest 88th Street
Miami, Florida 33176

Re: Docket No. 981696-T1

Dear Mr. Perez-Villarreal:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by First Telephone Company, which was filed with this office on November 23, 1998 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission