



# Public Service Commission

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

**DATE:** July 16, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** Eva P. Samaan, Division of Auditing and Financial Analysis *ED ALM*  
**RE:** Docket No. 990785-TX, Telecom Connection Corp., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *afc yptd*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Income Tax Return of Telecom Connection Corp. (TCC) for the calendar year 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TCC is asking for a certificate to provide alternative local exchange telecommunications 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 it has available funds in the amount of \$37,670 through its Corporate Account with First Union Bank. 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

08609 JUL 20 99

FPSC-RECORDS/REPORTING

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC 1
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

DOCKET NO. 990785-  
TELECOM CONNECTION CORPORATION 

ALEC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM INCOME TAX RETURN FOR CALENDAR YEAR 1998

CURRENT ASSETS	\$94,724
CURRENT LIABILITIES	3,120
CURRENT RATIO	30.36
CASH	85,399
COMMON EQUITY	94,572
LONG-TERM DEBT	12,040
TOTAL INVESTOR CAPITAL	106,612
COMMON EQUITY RATIO	89%
NET INCOME	270,242
RETURN ON EQUITY	286%

NMF = No Meaningful Figure