



Public Service Commission

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

DATE: September 27, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 991215-TI, Xtel, Inc., d/b/a ACG, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM

Handwritten initials and signature

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 Xtel, Inc., d/b/a ACG (ACG) for the period ending July 31, 1999 and projected income statement for the year 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ACG has minimal liquidity and negative common equity, but projects a positive net income for the next year.

In this matter, ACG 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. ACG's stockholders are willing to provide additional capital, if necessary, to support the company's operations. 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

11741 SEP 28 99

FPSC-RECORDS/REPORTING

Vertical list of initials: AFA, APP, CAF, CMU, CTR, EAG, LEG, MAG, OPC, PAI, SEC, VAW, OTH

DOCKET NO. 991215-TT
XTEL, INC. d/b/a ACG

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE SHEET AS OF 07/31/99

CURRENT ASSETS	\$64,517
CURRENT LIABILITIES	99,100
CURRENT RATIO	0.65
CASH	64,517
COMMON EQUITY	(24,365)
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	(24,365)
COMMON EQUITY RATIO	NMF
PROJECTED NET INCOME	1,347,496
RETURN ON EQUITY	NMF

NMF= Non-meaningful figure

STATE OF FLORIDA

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



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
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Public Service Commission

August 27, 1999

Monique Byrnes, Consultant
Technologies Management, Inc.
Post Office Drawer 200
Winter Park, Florida 32790-0200

Re: Docket No. 991215-TI

Dear Ms. Byrnes:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Xtel, Inc. d/b/a ACG, which was filed with this office on August 25, 1999 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