



Public Service Commission

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

**DATE:** April 25, 2000  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD*  
**RE:** Docket No. 000432-TI, Natel, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Natel, LLC (Natel) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Natel has sufficient common equity and positive income, but reports minimal liquidity.

In this matter, Natel is asking for a certificate to provide IXC service. 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. In addition, Natel has the ability to obtain additional financing through traditional commercial lending institutions. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

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

DOCUMENT NUMBER-DATE

05187 APR 27 00

FPSC-RECORDS/REPORTING

DOCKET NO. 000432-  
NATEL, LLC

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

|                        | AS<br>OF<br>12/31/1999 |
|------------------------|------------------------|
| CURRENT ASSETS         | \$298                  |
| CURRENT LIABILITIES    | 22,347                 |
| CURRENT RATIO          | 0.01                   |
| CASH                   | 298                    |
| COMMON EQUITY          | 32,087                 |
| TOTAL DEBT             | 814                    |
| TOTAL INVESTOR CAPITAL | 32,901                 |
| COMMON EQUITY RATIO    | 98%                    |
| NET INCOME             | 330,837                |
| RETURN ON EQUITY       | 1031%                  |

NMF = No Meaningful Figure