



Public Service Commission

ORIGINAL

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

DATE: November 17, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD ALM*
RE: Docket No. 971410-TI, Tele Tower, Inc., 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 Tele Tower, Inc. (TTI) for the three month period ending March 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TTI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TTI 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 TTI proposes to operate as a reseller in the state of Florida, and will incur minimal capital or operating expenses. In addition, the company has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow. 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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FPSC - FINANCIAL REPORTING

DOCKET NO. : 971410-11
TELE TOWER, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/31/97
CURRENT ASSETS	\$166,160
CURRENT LIABILITIES	78,740
CURRENT RATIO	2.11
CASH	66,160
COMMON EQUITY	245,030
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	245,030
COMMON EQUITY RATIO	100%
NET INCOME	105,674
RETURN ON EQUITY	43%

NMF = No Meaningful Figure