



Public Service Commission

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

DATE: April 9, 1998
 TO: Paula Isler, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *AD*
 RE: Docket No. 980183-TI, Smart Stop, Inc., Financial Analysis for Certificate *ALM*
 Application for Intrastate Interexchange Telecommunications Service *APC* *mb*

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 Smart Stop, Inc. (SSI) for the period August 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SSI has adequate liquidity and sufficient common equity. The company is new and has not generated any measurable income.

ACK _____
 AFA _____
 APP _____ In this matter, SSI 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 by noting that it has sufficient liquid
 CTR _____ assets to provide and maintain the proposed telecommunications service. In addition, SSI
 EAG _____ proposes to operate as a reseller in the state of Florida, and will incur minimal capital or
 LEG _____ operating expenses. Based on this showing, the applicant appears to meet the financial capability
 LIN _____ standard of Section 364.337, Florida Statutes.

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

DOCUMENT NUMBER-DATE

04328 APR 16 88

FPC-RECORDS/REPORTING

DOCKET NO. 980183-T1
SMART STOP, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

SOURCE: UNAUDITED BALANCE SHEET

	AS OF 08/31/97
CURRENT ASSETS	\$4,257,534
CURRENT LIABILITIES	604,571
CURRENT RATIO	7.04
CASH	3,735,253
COMMON EQUITY	3,767,320
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	3,767,320
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure