



Public Service Commission

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

DATE: February 24, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis. *APC ALM*
RE: Docket No. 980135-TX, Alternative Telecommunication Service, Inc., *WMS* Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 unaudited balance sheet of Alternative Telecommunication Service, Inc. (ATSI) for the period ending February 20, 1998 and the company's twelve month projected income statement. ATSI is a new company and has not started operations. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ATSI has adequate liquidity and sufficient common equity. Although the company has not generated any income as of February 20, 1998, it projects a positive net income over a twelve month period.

In this matter, ATSI is asking for a certificate to provide alternative local exchange telecommunications 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 owners have pledged their personal assets if additional capital is needed. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

DO NOT WRITE IN THESE SPACES
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**DOCKET NO. 980135-TX
ALTERNATIVE TELECOMMUNICATION SERVICE, INC. (ATSI)**

**ALTERNATIVE TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS**

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 02/20/98
CURRENT ASSETS	\$2,766
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	2,766
COMMON EQUITY	2,766
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	2,766
COMMON EQUITY RATIO	100%
PROJECTED NET INCOME	29,550
RETURN ON EQUITY	1068%

NMF = No Meaningful Figure