



ORIGINAL
Public Service Commission

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

DATE: January 4, 2000
TO: Brenda Harkins, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 991935-TX, Metropolitan Telecommunications of Florida, Inc. d/b/a Mettel, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 financial statements of Metropolitan Telecommunications of Florida, Inc. d/b/a Mettel (MTF) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTF has minimal liquidity, negative common equity and negative income.

In this matter, MTF 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has a \$500,000 commitment from the parent company to assist in financial operations. 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 1
- WAW _____
- OTH _____

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

DOCUMENT NUMBER-DATE

00329 JAN-78

FPSC-RECORDS/REPORTING

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/98
CURRENT ASSETS	\$2,185,368
CURRENT LIABILITIES	4,112,014
CURRENT RATIO	0.53
CASH	160,347
COMMON EQUITY	(558,763)
TOTAL DEBT	35,257
TOTAL INVESTOR CAPITAL	(523,506)
COMMON EQUITY RATIO	NMF
NET INCOME	(1,796,747)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure