



Public Service Commission

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

DATE: November 17, 2000
TO: Brenda Hawkins, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 001444-TX, Positive Investments, Inc., 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 Reconnection Plus, Inc., the parent company of Positive Investments, Inc. (PII), for the period ending August 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PII's parent company has adequate liquidity and sufficient common equity. The company reported a loss for the period.

In this matter, PII is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has 5 retail locations and has a T-1 connection to the internet. The company has been in business over a year. 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)

DOCUMENT NUMBER-DATE

15104 NOV 22 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001444-TX
POSITIVE INVESTMENTS, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF RECONNECTION PLUS, INC., THE PARENT COMPANY

	AS OF <u>8/31/2000</u>
CURRENT ASSETS	\$11,997
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	3,274
COMMON EQUITY	79,988
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	79,988
COMMON EQUITY RATIO	100%
NET INCOME	(34,153)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE