



Public Service Commission

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

DATE: December 20, 2000
TO: Nancy Pruitt, Division of Communications
FROM: La'Ticca M. Iyamu, Division of Auditing and Financial Analysis *lu* *ALM*
RE: Docket No. 001756-TX, The Alternate Phone Company, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *CSA*

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 audited consolidated financial statements of Sun Coast Media Group, Inc. and Subsidiaries, including The Alternate Phone Company (TAPCO) for the period ending May 28, 2000. As the attached schedule shows, the group has adequate liquidity, sufficient common equity, and a positive net income as reported for the period.

In this matter, TAPCO 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 applicant can rely upon the financial support of the parent company if needed. 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

16502 DEC 29 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001756-XX
TAPCO

ALEC APPLICATION
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 05/28/2000
CURRENT ASSETS	\$4,355,000
CURRENT LIABILITIES	3,398,000
CURRENT RATIO	1.28
CASH	302,000
COMMON EQUITY	5,082,000
TOTAL DEBT	2,650,000
TOTAL INVESTOR CAPITAL	7,732,000
COMMON EQUITY RATIO	65.73%
NET INCOME	1,197,000
RETURN ON EQUITY	24%

NMF = No Meaningful Figure