



Public Service Commission

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

DATE: September 13, 2000

TO: Nancy Pruitt, Division of Regulatory Oversight

FROM: David J. Draper, Division of Economic Regulation *DJ*

RE: Docket No. 001233-TI, Touch America, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM cr

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 audited financial statements of Touch America, Inc. (TAI) for the period ending December 31, 1999. As the attached schedule shows, TAI has minimal liquidity, but reports sufficient common equity and positive net income for the period.

In this matter, TAI is asking for a certificate to provide IXC 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 Company will maintain capital from internally generated funds. 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)

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11664 SEP 18 00

FPSC-RECORDS/REPORTING

IXC APPLICATION
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999 (,000)
CURRENT ASSETS	\$30,433
CURRENT LIABILITIES	133,455
CURRENT RATIO	0.23
CASH	35
COMMON EQUITY	36,827
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	36,827
COMMON EQUITY RATIO	100%
NET INCOME	22,297
RETURN ON EQUITY	61%

NMF = No Meaningful Figure

OTI
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SEC
RGO
PAI
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