



Public Service Commission

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

DATE: September 20, 2000

TO: Toni McCoy, Division of Regulatory Oversight

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

RE: Docket No. 000689-TX, Vortal Connect.Com, Inc. d/b/a Vortal Connect, 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 Vortal Connect.Com, Inc. d/b/a Vortal Connect (Vortal) for the period ending June 15, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Vortal has adequate liquidity and sufficient common equity. The company reported negative income for the period due to the fact it has not started operations.

In this matter, Vortal 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 by noting that it is in the process of issuing \$3.3 million in equity to investors. 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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DOCUMENT NUMBER-DATE

12192 SEP 27 8

FPSC-RECORDS/REPORTING

ALTERNATIVE LOCAL EXCHANGE SERVICE
 FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/15/2000
CURRENT ASSETS	\$75,656
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	75,656
COMMON EQUITY	75,656
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	75,656
COMMON EQUITY RATIO	100%
NET INCOME	(9,344)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

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In this matter, Vortal 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 agrees to its financial capability by noting that it is in the process of issuing \$3.5 million in equity to investors. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

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 1999 SEP 23