



Public Service Commission

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

DATE: April 17, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *CT* *ALM*
 RE: Docket No. 960135-TX, Telephone Company of Central Florida, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *[Handwritten signatures]*

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 Telephone Company of Central Florida, Inc. (TCCF) for the period ending March 8, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCCF has adequate liquidity but marginal ownership equity and a net income figure is not available.

In this matter, TCCF is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

cc: Division of Legal Services
 Division of Records and Reporting

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DOCUMENT NUMBER-DATE
 04647 APR 23 96
 FPSC-RECORDS/REPORTING

DOCKET NO. 960135-TX
TELEPHONE COMPANY OF CENTRAL FLORIDA, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF 03/08/96</u>
CURRENT ASSETS	\$15,100
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	15,100
COMMON EQUITY	8,256
TOTAL DEBT	15,000
NET INVESTOR CAPITAL	23,256
COMMON EQUITY RATIO	36%
NET INCOME	NMF
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure -

No actual income figure - Start-up company - operations pending issuance of ALEC certificate