



Public Service Commission

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

DATE: August 19, 1998  
 TO: Tommy Williams, Division of Communications  
 FROM: David J. Draper, Division of Auditing and Financial Analysis  
 RE: Docket No. 980803-TX, Oltronics, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM

*[Handwritten signature]*

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 Oltronics, Inc. (OTC) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OTC has sufficient common equity, but reported marginal liquidity and negative net income for the period.

ACK \_\_\_\_\_ In this matter, OTC is asking for a certificate to provide alternative local exchange  
 AFA \_\_\_\_\_ telecommunications service. For purposes of granting a certificate based on the financial  
 APP \_\_\_\_\_ information provided, the financial capability appears marginal.  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_ Although an analysis of the financial statements reveals the applicant is in a marginal financial  
 CTR \_\_\_\_\_ position, the applicant attests to its financial capability to provide and maintain the proposed  
 EAG \_\_\_\_\_ telecommunications service by noting that the company has obtained \$190,000 in a combined line  
 LEG \_\_\_\_\_ of credit with several lending institutions to be used as needed. Based on this showing, the  
 applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LIN \_\_\_\_\_ cc: Division of Legal Services  
 OPC \_\_\_\_\_ Division of Records and Reporting (2) ✓  
 RCH \_\_\_\_\_

SEC 1  
 WAS \_\_\_\_\_  
 C \_\_\_\_\_

COMMUNICATIONS SECTION

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DOCKET NO. 980803  
OLTRONICS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$378,299
CURRENT LIABILITIES	383,536
CURRENT RATIO	0.99
CASH	155,075
COMMON EQUITY	70,069
TOTAL DEBT	4,802
TOTAL INVESTOR CAPITAL	74,671
COMMON EQUITY RATIO	94%
NET INCOME	(170,433)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

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From: Kay Flynn  
To: Rick Moses  
Subject: fwd: question  
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===NOTE=====7/01/98--5:14pm--CC: Linda Williams  
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Rick, we have an "application for a license to provide basic local exchange services" where the terminology "facilities-based reseller of local telecommunication services" is also used. Is this an ALEC? Dumb question, I know. No filing fee was included. Kay

P.S. Company name is Oltronics, Inc.

Fwd=by:=Rick=Moses====7/02/98--7:32am--  
Fwd to: Kay Flynn  
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It is an ALEC and they will probably have their own switch is why they call themselves "facilities based".

Fwd=by:=Kay=Flynn=====7/02/98--7:32am--  
Fwd to: Rick Moses  
CC: Linda Williams  
.....

Thanks for the translation. We'll process accordingly.  
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