



Public Service Commission

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

DATE: April 26, 2000
TO: Toni McCoy, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *JD*
RE: Docket No. 000390-TI, Norstar Communications, Inc. d/b/a Business Saving Plan, Inc.,
 Financial Analysis for Certificate Application for Intrastate Interexchange
 Telecommunications Service *ALM*

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 unaudited financial statements of Norstar Communications, Inc. d/b/a Business Saving Plan, Inc. (BSP) for the nine month period ending September 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BSP reported positive net income, but has minimal liquidity and negative common equity.

AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 MAS _____
 OPC _____
 RRR _____
 SEC _____
 WAW _____
 OTH _____

In this matter, BSP 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that BSP will maintain capital from internally generated funds.

In addition, the company can rely on the financial support of BSP investors for any additional financing. 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
05180 APR 27 8
FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/1999
CURRENT ASSETS	\$5,986
CURRENT LIABILITIES	68,393
CURRENT RATIO	0.09
CASH	5,986
COMMON EQUITY	(8,344)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(8,344)
COMMON EQUITY RATIO	100%
NET INCOME	543,632
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure