



Public Service Commission ORIGINAL

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

DATE: November 15, 2000
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 001676-TI, Pacific Centrex Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials and signature: 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 Pacific Centrex Services, Inc. (PCS) for the five month period ending May 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PCS has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, PCS 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.

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

DOCUMENT NUMBER-DATE

NOV 17 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001676-  
PACIFIC CENTREX SERVICES, INC.

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/31/2000
CURRENT ASSETS	\$2,913,656
CURRENT LIABILITIES	2,132,900
CURRENT RATIO	1.37
CASH	157,018
COMMON EQUITY	867,025
TOTAL DEBT	734,878
TOTAL INVESTOR CAPITAL	1,601,903
COMMON EQUITY RATIO	54%
NET INCOME	147,002
RETURN ON EQUITY	17%

NMF = No Meaningful Figure