



Public Service Commission

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

DATE: November 6, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 971187-TI, Telco Partners, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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, forecasted financial statements of Telco Partners, Inc. (Telco) for the year ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Telco has adequate liquidity, ownership equity, and profitability.

ACK _____
 AFA _____
 APP _____
 CAF _____
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 STR _____
 LAJ _____
 LEG _____
 LIN _____

In this matter, Telco is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 its principal will provide the necessary funding so the applicant can operate in Florida. The applicant will operate as a switchless reseller and, therefore, does not have any lease obligations. 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

11590 NOV 12 5

FPSC RECORDS/REPORTING

DOCKET NO. 971187-TI
TELCO PARTNERS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED, FORECASTED FINANCIAL STATEMENTS

YEAR
ENDING
DECEMBER 31, 1997

CURRENT ASSETS	689,603
CURRENT LIABILITIES	564,928
CURRENT RATIO	1.22
CASH	25,000
COMMON EQUITY	126,175
TOTAL DEBT	101,000
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	227,175
COMMON EQUITY RATIO	56%
NET INCOME	59,800
RETURN ON EQUITY	47%