



Public Service Commission

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

DATE: September 20, 1996
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALM AAC*
RE: Docket No. 960987-TX, Onyx Distributing Company, Inc., Financial Analysis for Certificate Application for Local Exchange Telecommunications Service *1003*

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 financial statements, from an accountant's compilation, of Onyx Distributing Company, Inc. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, the company has adequate liquidity and profitability but marginal ownership equity.

However, the applicant attests that it has sufficient financial capability to provide local exchange telecommunications service.

Based on this representation, 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 960987-TX
ONYX DISTRIBUTING COMPANY, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

6 MONTHS
ENDING
JUNE 30, 1996

CURRENT ASSETS	1,237,043
CURRENT LIABILITIES	160,651
CURRENT RATIO	7.70
CASH	85,294
COMMON EQUITY	242,497
TOTAL DEBT	882,504
TOTAL INVESTOR CAPITAL	1,125,001
COMMON EQUITY RATIO	22%
NET INCOME	181,826
RETURN ON EQUITY	75%