



Public Service Commission

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

DATE: October 11, 1995
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 950876-TI, Ogden Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC [signature] TGD*

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 audited financial statements of Ogden Corporation, the parent company of Ogden Communications, Inc. Although Ogden Corporation has a very low equity ratio, as the attached schedule shows, the company has adequate liquidity, profitability, and a S & P bond rating of BBB+.

Ogden Communicaitons, Inc. is applying for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds are at risk. Under the minimal requirements of the statute, the application appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER-DATE

10301 OCT 18 1995

FPSC-RECORDS/REPORTING

DOCKET NO. 950876-T1
OGDEN COMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF OGDEN CORPORATION

DOLLARS IN THOUSANDS

	12 MONTHS ENDING <u>12/31/94</u>	12 MONTHS ENDING <u>12/31/93</u>
CURRENT ASSETS	\$995,897	\$932,558
CURRENT LIABILITIES	512,899	429,847
CURRENT RATIO	1.94	2.17
CASH	117,359	109,097
COMMON EQUITY	596,818	486,267
TOTAL DEBT	2,095,793	1,982,249
NET INVESTOR CAPITAL	2,692,611	2,468,516
COMMON EQUITY RATIO	22%	20%
NET INCOME	66,306	56,790
RETURN ON EQUITY	11%	12%