



Public Service Commission

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

DATE: February 22, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 960043-TX, Telenet of South Florida, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *MS*

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 unaudited financial statements of Telenet of South Florida, Inc. (TSF), a newly formed corporation, as of January 1, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TSF has adequate liquidity and ownership equity but no net income, because there are no operations as of yet.

TSF plans to offer debit cards. Considering the unaudited financial statements and the company's financial condition, staff recommends that the company secure a surety bond. For purposes of granting a certificate under the minimal requirements of the statute, the application appears adequate if the applicant can secure a bond.

cc: Division of Legal Services
Division of Records and Reporting ✓

- ACK _____
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- APP _____
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DOCUMENT NUMBER-DATE
 02586 MAR-18
 FPSC-RECORDS/REPORTING

DOCKET NO. 960043-TX
TELENET OF SOUTH FLORIDA, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
Company offers debit cards.
FROM UNAUDITED FINANCIAL STATEMENTS
NEWLY FORMED CORPORATION

	AS OF 1/01/96
CURRENT ASSETS	\$15,000
CURRENT LIABILITIES	1,000
CURRENT RATIO	15.00
CASH	10,000
COMMON EQUITY	49,000
TOTAL DEBT	0
NET INVESTOR CAPITAL	49,000
COMMON EQUITY RATIO	100%
NET INCOME (LOSS)	0
RETURN ON EQUITY	NMF

NOTE: This is a newly formed corporation, and
there are no operations as of yet.
NMF = No Meaningful Figure