



# Public Service Commission

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

---

**DATE:** September 25, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 960882-TI, Telephone Company of Central Florida, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *25 APC [signature]*

---

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

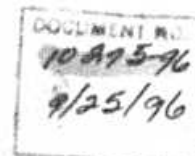
(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Telephone Company of Central Florida, Inc. (TCCF) for the nine-month period ending September 24, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCCF has adequate liquidity but minimal ownership equity and negative net income.

In this matter, TCCF is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

Although an analysis of the financial statements reveals the applicant is in the start-up stage of this business, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant holds an ALEC certificate and currently provides local exchange service to customers in United, Centel, and BellSouth territories via resale of LEC services. Thus, there is an existing customer base currently generating income for the applicant. Further, the applicant plans to resell long distance service and anticipates little, if any, further capital expenditures attributable to IXC service.

cc: Division of Legal Services  
Division of Records and Reporting



DOCKET NO. 960882-T1  
TELEPHONE COMPANY OF CENTRAL FLORIDA, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	FOR THE TWO MONTHS ENDING 3/08/96	FOR THE NINE MONTHS ENDING 9/24/96
CURRENT ASSETS	\$15,100	\$14,197
CURRENT LIABILITIES	0	0
CURRENT RATIO	N/A	N/A
CASH	15,100	9,270
COMMON EQUITY	8,256	185
TOTAL DEBT	15,000	26,871
TOTAL INVESTOR CAPITAL	23,256	27,056
COMMON EQUITY RATIO	36%	1%
NET INCOME	Not Provided	(14,830)
RETURN ON EQUITY	NMF	NMF

NMF = No Meaningful Figure