



Public Service Commission

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

FILE COPY

DATE: August 22, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALM APC*
RE: Docket No. ~~971015-TX~~, Preferred Payphones, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *PLM*

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 Preferred Payphones, Inc. (Preferred) for the year ending August 18, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Preferred has adequate liquidity, ownership equity, and profitability.

- ACK _____
 - AFA _____
 - APP _____
 - CAF _____
 - CMU _____
 - CTR _____
 - EAG _____
 - LEG _____
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 - RCH _____
 - SEC _____
 - WAS _____
- In this matter, Preferred is asking for a certificate to provide alternative local exchange telecommunications 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 its liquidity position, its bank reference, and its Dun & Bradstreet report. 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
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 FPSC-RECORDS/REPORTING

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DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

August 11, 1997

George F. Papania, President
Preferred Payphones, Incorporated
3941 Ryan Street, Suite K
Lake Charles, Louisiana 70605

Re: Docket No. 971015-TX

Dear Mr. Papania:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by Preferred Payphones, Incorporated, which was filed in this office on August 7, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission