



# Public Service Commission

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

**DATE:** June 27, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD ALM*  
**RE:** Docket No. 970693-TT, Heritage Telecommunications Corp., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *APC*

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 Heritage Telecommunications Corp., (HTC) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, HTC produced negative net income for the period, but has adequate liquidity and sufficient common equity.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_ In this matter, HTC is asking for a certificate to provide IXC service. For purposes of granting  
 a certificate based on the financial information provided, the financial capability appears  
 CAF \_\_\_\_\_ adequate. The applicant attests to its financial capability to provide and maintain the proposed  
 CMU \_\_\_\_\_ telecommunications service by noting that the Company has a commitment from its largest  
 CTR \_\_\_\_\_ shareholder to maintain its capitalization on an as needed basis. Based on this showing, the  
 applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.  
 EAG \_\_\_\_\_

LEG \_\_\_\_\_ cc: Division of Legal Services  
 LIR \_\_\_\_\_ Division of Records and Reporting (2) ✓

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 FILE RECORDS/REPORTING

DOCKET NO. : 97069  
HERITAGE TELECOMMUNICATIONS CORP.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$7,360
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	7,360
COMMON EQUITY	7,360
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	7,360
COMMON EQUITY RATIO	100%
NET INCOME	(2,840)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure