



# Public Service Commission

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

**DATE:** July 30, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL APC [Signature]*  
**RE:** Docket No. 970634-TI, Norlight Telecommunications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Norlight Telecommunications, Inc. (Norlight) for the twelve-month period ending January 26, 1997 . An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Norlight has adequate liquidity and ownership equity but reports low profitability.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 In this matter, Norlight is asking for a certificate to provide IXC 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.

CMUJ \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 LIN \_\_\_\_\_  
 The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is a facilities-based carrier in several states and that it is well capitalized and currently profitable. Also, Norlight states that it has support if necessary from its parent. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

OPC \_\_\_\_\_  
 RCH \_\_\_\_\_  
 cc: Division of Legal Services  
 Division of Records and Reporting (2) ✓

SEC \_\_\_\_\_  
 WAS \_\_\_\_\_  
 OTH \_\_\_\_\_

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 FPSC-RECORDS/REPORTING

DOCKET NO. 970634-TI  
NORLIGHT TELECOMMUNICATIONS, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

TWELVE MONTHS  
ENDED  
JANUARY 26, 1997

CURRENT ASSETS	13,775,128
CURRENT LIABILITIES	8,977,857
CURRENT RATIO	1.53
CASH	1,995,578
COMMON EQUITY	50,711,250
TOTAL DEBT	294,451
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	51,005,701
COMMON EQUITY RATIO	99%
NET INCOME	563,783
RETURN ON EQUITY	1%