



Public Service Commission

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

**DATE:** February 9, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 990063-T1, OneStar Long Distance, 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 OneStar Long Distance, Inc. (OSL) for the ten month period ending October 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OSL has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAB \_\_\_\_\_  
 LET \_\_\_\_\_

In this matter, OSL 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the Company will maintain capital from internally generated funds. In addition, OSL has the ability to obtain additional financing through traditional commercial lending institutions. 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

01928 FEB 15 8

FPSC-RECORDS/REPORTING

DOCKET NO. 990063  
ONESTAR LONG DISTANCE, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 10/31/98
CURRENT ASSETS	\$9,198,694
CURRENT LIABILITIES	6,999,412
CURRENT RATIO	1.31
CASH	3,666,380
COMMON EQUITY	2,047,052
TOTAL DEBT	7,826,531
TOTAL INVESTOR CAPITAL	9,873,583
COMMON EQUITY RATIO	21%
NET INCOME	441,305
RETURN ON EQUITY	22%

NMF = No Meaningful Figure