



Public Service Commission

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

DATE: April 4, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *SET ALM APC*
RE: Docket No. 960054-TI, Integrated TeleServices, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

This is a Revision of AFAD's memo of February 2, 1996.

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 Integrated TeleServices, Inc. (ITS) for the period ending June 30, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ITS has adequate liquidity but reports negative common equity and negative net income.

In this matter, ITS 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 of the company appears minimal.

cc: Division of Legal Services
Division of Records and Reporting

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