



Public Service Commission

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

DATE: June 6, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *225 APC ALM*
RE: Docket No. 960635-TX, Orlando Business Telephone Systems, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *MTS*

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 Orlando Business Telephone Systems, Inc. (OBTS) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OBTS has adequate liquidity, ownership equity, and profitability.

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In this matter, OBTS is asking for a certificate to provide alternative local exchange telecommunications 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 appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

DOCKET NO. 960635-TX
ORLANDO BUSINESS TELEPHONE SYSTEMS, INC.
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM REVIEWED, UNAUDITED FINANCIAL STATEMENTS

	AS OF December 31, 1995
CURRENT ASSETS	\$1,285,170
CURRENT LIABILITIES	435,747
CURRENT RATIO	2.95
CASH	23,613
COMMON EQUITY	1,168,614
TOTAL DEBT	111,656
TOTAL INVESTOR CAPITAL	1,280,270
COMMON EQUITY RATIO	91%
NET INCOME	119,877
RETURN ON EQUITY	10%