



Public Service Commission

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

DATE: June 11, 1996
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 960475-TI, TLX Communications, Inc., Financial *APC* Analysis for *183*
 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 TLX Communications, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability.

- ACK _____
- AFA ~~For~~ certification purposes, the application appears adequate.
- APP _____
- CAF _____
- CMU ~~cc:~~ Division of Legal Services
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OFC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
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 FPSC-RECORDS/REPORTING

DOCKET NO. 960475-T1
TLX COMMUNICATIONS, INC.
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	NINE MONTHS ENDING 8/31/95
CURRENT ASSETS	707,254
CURRENT LIABILITIES	267,425
CURRENT RATIO	2.64
CASH	209,474
COMMON EQUITY	596,503
TOTAL DEBT	36,364
TOTAL INVESTOR CAPITAL	632,867
COMMON EQUITY RATIO	94%
NET INCOME	173,375 *
RETURN ON EQUITY	29%

* EXCLUDING INCOME TAXES AND DEPRECIATION