



Public Service Commission

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

DATE: September 9, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 960890-TI, RRV Enterprises, Inc. d/b/a Consumer Access, Financial *APC 182*
 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

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 WAS _____
 WTH _____

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of RRV Enterprises, Inc. d/b/a Consumer Access (RRV) for the six-month period ending July 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, RRV has adequate liquidity and ownership equity but reports negative net income.

In this matter, RRV 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 appears adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is financially capable of providing the proposed services on a continuous basis throughout the State of Florida while meeting any lease and/or ownership obligations.

cc: Division of Legal Services
 Division of Records and Reporting

DOCUMENT NUMBER-DATE
 09751 SEP 13 88
 FPSC-RECORDS/REPORTING

DOCKET NO. 960890-T1
RRV ENTERPRISES, INC. d/b/a Consumer Access
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX
MONTHS ENDED
7/31/96

CURRENT ASSETS	\$684,522
CURRENT LIABILITIES	126,448
CURRENT RATIO	5.41
CASH	122,016
COMMON EQUITY	412,181
TOTAL DEBT	214,899
TOTAL INVESTOR CAPITAL	627,080
COMMON EQUITY RATIO	66%
NET INCOME	(321,444)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure