



Public Service Commission

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DATE: January 7, 1997
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 961383-TI, Meridian Telecom Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *APC* *107*

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 Meridian Telecom Corporation (MTC) for the nine-month period ending September 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTC has adequate liquidity and ownership equity and is profitable.

In this matter, MTC 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. The applicant's management indicates that it has sufficient financial capability to meet its ongoing obligations. In addition to funds available, the applicant has access to additional funding through financial institutions and, if necessary, through additional capital from the shareholders. 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

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 961383-TI
MERIDIAN TELECOM CORPORATION
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE NINE
MONTHS ENDING
9/30/96

CURRENT ASSETS	\$182,220
CURRENT LIABILITIES	140,800
CURRENT RATIO	1.29
CASH	67,670
COMMON EQUITY	1,412,191
TOTAL DEBT	710,000
TOTAL INVESTOR CAPITAL	2,122,191
COMMON EQUITY RATIO	67%
NET PROFIT	9,417
RETURN ON EQUITY	1%