



# Public Service Commission

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

**DATE:** March 25, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD ALM APC*  
**RE:** Docket No. ~~970369-TI~~, Long Distance Service, Inc., Financial 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 . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Long Distance Service, Inc. (LDSI) 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, LDSI has adequate liquidity, sufficient common equity and substantial net income.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 LIN \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RCH \_\_\_\_\_  
 SEC \_\_\_\_\_  
 WAS \_\_\_\_\_  
 OTH \_\_\_\_\_

In this matter, LDSI 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. In addition, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that LDSI produces sufficient capital income to finance operations. 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

03249 MAR 28 5

FPSC-RECORDS/REPORTING

DOCKET NO. : 97035  
LONG DISTANCE SERVICE, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/96
CURRENT ASSETS	\$577,231
CURRENT LIABILITIES	48,427
CURRENT RATIO	11.92
CASH	556,520
COMMON EQUITY	820,953
TOTAL DEBT	129,157
TOTAL INVESTOR CAPITAL	950,110
COMMON EQUITY RATIO	86%
NET INCOME	3,271,021
RETURN ON EQUITY	398%

NMF = No Meaningful Figure

State of Florida

Commissioners:

JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF RECORDS &  
REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(904) 413-6770

## Public Service Commission

March 20, 1997

Monique Byrnes  
Technologies Management, Inc.  
Post Office Drawer 200  
Winter Park, Florida 32790-0200

Re: Docket No. 970352-TI

Dear Ms. Byrnes:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Long Distance Services, Inc., which was filed in this office on March 20, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting  
Florida Public Service Commission