



Public Service Commission

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

ORIGINAL
FILE COPY

DATE: April 16, 1997

TO: Tom Williams, Division of Communications

FROM: David J. Draper, Division of Auditing and Financial Analysis

RE: Doctra No. 970448-TS, Alpha Communication Solutions, Inc., Financial Analysis

Certificate Application for Shared Tenant Service

ALM

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

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.
- (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 Pacsetter Enterprises, Inc. which wholly owns Alpha Communication Solutions, Inc. (ASC) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, the company has adequate liquidity, sufficient common equity and a positive net income for 1996.

In this matter, ACS is asking for a certificate to provide Shared Tenant service. Staff notes the limited nature of the application and that no customer provided funds are 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. In addition, ASC notes that it is a wholly owned subsidiary of Pacsetter Enterprises, and will draw upon the financial and operational resources of its parent company. Pacsetter Enterprises has available credit facilities in the amount of \$120,000 to further support the provision of telecommunications services through ASC. 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

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FFSC-R00R008/REPORTING

DOCKET NO. : 97044
FINANCIAL STATEMENTS OF PACESETTER ENTERPRISES, INC.
PARENT COMPANY OF ALPHA COMMUNICATION SOLUTIONS, INC.

SHARE TENET SERVICES
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$232,173
CURRENT LIABILITIES	92,206
CURRENT RATIO	2.52
CASH	55,809
COMMON EQUITY	212,591
TOTAL DEBT	150,634
TOTAL INVESTOR CAPITAL	363,225
COMMON EQUITY RATIO	59%
NET INCOME	119,040
RETURN ON EQUITY	56%

NMF = No Meaningful Figure