



Public Service Commission

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

ORIGINAL
FILE COPY

DATE: September 16, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *APC*
 RE: Docket No. 971177-TX, Eagle Communications, Inc d/b/a Eagle Teleco, Inc.,
 Financial Analysis for Certificate Application for Alternative Local Exchange
 Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Eagle Communications, Inc d/b/a Eagle Teleco, Inc. (ETC) for the six month period ending June 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ETC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, ETC is asking for a certificate to provide alternative local exchange telecommunications service. 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 the Company will maintain capital from internally generated funds. 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 (2)

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09529 SEP 1997

FPSC-RECORDS/REPORTING

DOCKET NO. : 97117 X
EAGLE COMMUNICATIONS, INC
d/b/a EAGLE TELCO, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/97
CURRENT ASSETS	\$293,675
CURRENT LIABILITIES	138,466
CURRENT RATIO	2.12
CASH	286,839
COMMON EQUITY	156,176
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	156,176
COMMON EQUITY RATIO	100%
NET INCOME	248,386
RETURN ON EQUITY	159%

NMF = No Meaningful Figure