



# Public Service Commission

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

**DATE:** March 15, 1996

**TO:** Tom Williams, Division of Communications

**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *SLW ALM APC DMS 128*

**RE:** Docket No. 960276-TX, BellSouth Telecommunications, 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.

ACK \_\_\_\_\_ Also Section 364.01 (3) and (4) states that:

AFA \_\_\_\_\_  
APP \_\_\_\_\_ (3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

CAF \_\_\_\_\_ and

CMU \_\_\_\_\_ (4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d)  
CTR \_\_\_\_\_ Promote competition by encouraging new entrants into telecommunications markets  
ENG \_\_\_\_\_

REG \_\_\_\_\_ Regarding the showing of financial capability, the Finance staff has analyzed the audited  
LTI \_\_\_\_\_ financial statements of BellSouth Telecommunications, Inc. (BSTI) for the period ending  
DNG \_\_\_\_\_ December 31, 1995. As the attached schedule shows, BSTI has adequate liquidity and  
MCH \_\_\_\_\_ ownership equity, but reports negative net income.

SCD \_\_\_\_\_ / In this matter, BSTI is asking for a certificate to provide alternative local exchange  
WAS \_\_\_\_\_ telecommunications service. Staff notes the limited nature of the application and that no  
MTH \_\_\_\_\_ customer provided funds appear to be at risk. For purposes of granting a certificate based  
on the financial information provided, the financial capability of the company appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE

03771 APR-2 1996

FPSC-RECORDS/REPORTING

DOCKET NO. 960276-TX  
BELLSOUTH TELECOMMUNICATIONS, INC.  
LEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$4,653,000,000
CURRENT LIABILITIES	3,266,000,000
CURRENT RATIO	1.42
CASH	1,084,000,000
COMMON EQUITY	7,967,000,000
TOTAL DEBT	9,118,000,000
NET INVESTOR CAPITAL	17,085,000,000
COMMON EQUITY RATIO	47%
NET INCOME	(1,379,000,000)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure