



Public Service Commission

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

DATE: June 5, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 960569-TX, Tel-Save, Inc., d/b/a The Phone Company, Financial *APC* Analysis for Certificate Application for Alternative Local Exchange *YMB* Telecommunications Service *190*

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 Tel-Save, Inc., d/b/a The Phone Company (TLSV) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TLSV has adequate liquidity, ownership equity, and profitability.

In this matter, TLSV is asking for a certificate to provide alternative local exchange telecommunications 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.

cc: Division of Legal Services
 Division of Records and Reporting

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 960569-TX
TEL-SAVE, INC. d/b/a The Phone Company
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$65,156,000
CURRENT LIABILITIES	21,064,000
CURRENT RATIO	3.09
CASH	41,211,000
COMMON EQUITY	41,314,000
TOTAL DEBT	5,921,000
TOTAL INVESTOR CAPITAL	47,235,000
COMMON EQUITY RATIO	87%
NET INCOME	9,035,000
RETURN ON EQUITY	22%