



# Public Service Commission

## -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 *SJS APC*  
**RE:** Docket No. 960647-TX, Dial & Save of Florida, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 audited financial statements of Dial & Save of Florida, Inc.'s (DIAL) parent company, Telco Communications Group, Inc., for the period ending September 30, 1995. As the attached schedule shows, DIAL has adequate liquidity and profitability but marginal ownership equity.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CTP \_\_\_\_\_
- EAS \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- ORC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC   1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

In this matter, DIAL 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. 960647-TX  
DIAL & SAVE OF FLORIDA, INC.
- LEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS  
OF THE PARENT COMPANY:  
(TELCO COMMUNICATIONS GROUP, INC.)

	AS OF 9/30/95
CURRENT ASSETS	\$50,037,938
CURRENT LIABILITIES	23,940,117
CURRENT RATIO	2.09
CASH	350,936
COMMON EQUITY	12,527,028
TOTAL DEBT	37,555,306
TOTAL INVESTOR CAPITAL	50,082,334
COMMON EQUITY RATIO	25%
NET INCOME	10,872,124
RETURN ON EQUITY	87%