



Public Service Commission

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

DATE: July 15, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis
RE: Docket No. 960750-TX, Sprint Communications Company Limited Partnership, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

APC [Signature]

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 Sprint Communications Company Limited Partnership (SPRNT) for the period ending December 31, 1995. As the attached schedule shows, SPRNT has adequate liquidity, ownership equity, and profitability.

In this matter, SPRNT 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

07588 JUL 18 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960750-TX
SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$3,619,400,000
CURRENT LIABILITIES	2,717,700,000
CURRENT RATIO	1.33
CASH	124,200,000
COMMON EQUITY	4,642,600,000
TOTAL DEBT	5,677,400,000
TOTAL INVESTOR CAPITAL	10,320,000,000
COMMON EQUITY RATIO	45%
NET INCOME	395,300,000
RETURN ON EQUITY	9%