



Public Service Commission

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

DATE: August 31, 1996

TO: Tom Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis

*ALM
APC
JMK 1996*

RE: Docket No. 960497-TI, Norcom, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 Norcom, Inc. The company has adequate liquidity, ownership equity, and profitability.

- ACK _____
- AFB _____
- ALP _____
- UAT _____
- CMN _____
- CLP _____
- CAF _____
- LET _____
- LN _____
- TWC _____
- WH _____
- SEC 1 _____
- WAS _____
- OTH _____

The applicant attests that it has sufficient financial capability to provide interexchange telecommunications service. Based on the financial analysis and the attestation, 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

DOCUMENT NUMBER-DATE
09506 SEP-6 1996
FPSC-RECORDS/REPORTING

DOCKET NO. 960497-TI
NORCOM, INC.
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

BALANCE SHEET INCOME STATEMENT	6/30/96 <u>YEAR ENDING 12/31/95</u>
CURRENT ASSETS	95,325
CURRENT LIABILITIES	2,850
CURRENT RATIO	33.45
CASH	63,475
COMMON EQUITY	30,875
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	30,875
COMMON EQUITY RATIO	100%
NET INCOME	35,955
RETURN ON EQUITY	116%