



# Public Service Commission

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

**DATE:** October 10, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM APC [signature] TJA*  
**RE:** Docket No. 960900-TX, Telaleasing Enterprises, 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.

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 Telaleasing Enterprises, Inc. (TLE) for the period ending December 31, 1995. As the attached schedule shows, TLE has adequate liquidity, ownership equity, and profitability.

In this matter, TLE 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is one of the largest independent providers of pay telephone and hospitality telecommunications services in the United States. Further, the applicant believes that cash generated from operations and available borrowings pursuant to its largely unused \$25,000,000 revolving credit facility will be sufficient to fund the company's cash requirements. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- ACK \_\_\_\_\_
- AFB \_\_\_\_\_
- ALT \_\_\_\_\_
- CCF \_\_\_\_\_
- CHS \_\_\_\_\_
- CLM \_\_\_\_\_
- EMJ \_\_\_\_\_
- LEW \_\_\_\_\_
- LIT \_\_\_\_\_
- OPC \_\_\_\_\_
- PLH \_\_\_\_\_
- SEL \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT #  
10948-96  
10/14/96

DOCKET NO. 960900-TX  
TELEASING ENTERPRISES, INC.  
ALEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

F DAVEL COMMUNICAITONS, INC. (PARENT COMPANY)

AS  
OF  
12/31/95

CURRENT ASSETS	\$10,498,951
CURRENT LIABILITIES	3,598,954
CURRENT RATIO	2.92
CASH	2,433,143
COMMON EQUITY	27,989,872
TOTAL DEBT	291,802
TOTAL INVESTOR CAPITAL	28,281,674
COMMON EQUITY RATIO	99%
NET INCOME	1,311,729
RETURN ON EQUITY	5%