



Public Service Commission

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

DATE: November 13, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis, *ALM*
RE: Docket No. 961293-TX, Unique Communications, 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 unaudited financial statements of Unique Communications, Inc. (UCI) for the period ending September 30, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, UCI has adequate liquidity and is showing a nominal profit but has marginal ownership equity.

In this matter, UCI 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has been profitably servicing Dade, Broward, and Palm Beach Counties for 14 years. Since the applicant will be serving these counties with the ALEC license, no further finances will be required. Furthermore, there will be no additional lease or ownership obligations by obtaining this license, as the applicant is already meeting this obligation. Based on this showing, 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

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DOCKET NO. 961293-TX
UNIQUE COMMUNICATIONS, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 9/30/95
CURRENT ASSETS	\$341,080
CURRENT LIABILITIES	61,594
CURRENT RATIO	5.54
CASH	59,360
COMMON EQUITY	126,963
TOTAL DEBT	284,658
TOTAL INVESTOR CAPITAL	411,621
COMMON EQUITY RATIO	31%
NET INCOME	141
RETURN ON EQUITY	0%