



Public Service Commission

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

DATE: January 9, 1997
 TO: Tom Williams, Division of Communications
 FROM: David Draper, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 970017-TI, Matdil Enterprises, Inc. d/b/a/ Ocean Communication, *APC*
 Financial Analysis for Certificate Application for Intrastate Interexchange
 Telecommunications Service *WMC*

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 Matdil Enterprises, Inc. d/b/a/ Ocean Communication (OcCom) for the period ending December 9, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OcCom has a positive net income and adequate liquidity and common equity.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____

If this matter, OcCom is asking for a certificate to provide IXC 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.

An analysis of the financial statements reveals the applicant has an adequate financial position. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. 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

W'S _____
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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. : 97001 S
MATDIL ENTERPRISES, INC.
d/b/a OCEAN COMMUNICATION
IX TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/09/96
CURRENT ASSETS	\$227,819
CURRENT LIABILITIES	95,706
CURRENT RATIO	2.38
CASH	0
COMMON EQUITY	158,919
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	158,919
COMMON EQUITY RATIO	100%
NET INCOME	69,440
RETURN ON EQUITY	44%