



Public Service Commission

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

DATE: January 17, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 961359-TI, Cominex, L.L.C., Financial Analysis for Certificate
 Application for Intrastate Interexchange Telecommunications Service *AP C TD*

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 financial statements of Cominex, L.L.C. (Cominex) for the period ending June 30, 1996, based on an accountant's compilation. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Cominex has adequate liquidity and net income but reports a very low level of common equity.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC / _____
- WAS _____
- OTH _____

In this matter, Cominex 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 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 by noting that it has the financial capability to provide interexchange 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

DOCUMENT NUMBER-DATE
00689 JAN 21 97
FPSC-RECORDS/REPORTING

DOCKET NO. 961359-TI
COMINEX, L.L.C.
INTEREXCHANGE CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

TWELVE MONTHS
ENDING
6/30/96

CURRENT ASSETS	731,879
CURRENT LIABILITIES	740,753
CURRENT RATIO	0.99
CASH	23,862
COMMON EQUITY	1,045
TOTAL DEBT	47,258
TOTAL INVESTOR CAPITAL	48,303
COMMON EQUITY RATIO	2%
NET INCOME	1,045
RETURN ON EQUITY	100%