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State of Florida
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Public Service Commission

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

DATE: February 28, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *AD*
RE: Docket No. 970224-TI, Global Rate Processing, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM* *1993*

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 Global Rate Processing, Inc. (GRPI) for the one month period ending October 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GRPI has adequate liquidity, sufficient common equity and currently reports no income.

ACK _____
 AFA _____
 ADP _____
 CAF _____
 CM _____
 CTR _____
 EAG _____
 LEG _____
 LRM _____
 OI _____
 PE _____

In this matter, GRPI 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. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that all network switching and transmission will be provided by the underlying carrier. GRPI does not incur any network costs until calls are placed by the customers and rates are structured so that its per minute rate covers its per minute costs. Based on this representation, 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
02409 MAR-56
FPSC-RECORDS/REPORTING

DOCKET NO. : 97022
GLOBAL RATE PROCESSING, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 10/31/96
CURRENT ASSETS	\$20,339
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	20,339
COMMON EQUITY	61,500
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	61,500
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure