



Public Service Commission

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

DATE: March 18, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL MC*
RE: Docket No. 961367-TX, Atlas Equity, Inc. d/b/a Performance Telecom *ALM*
 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 Atlas Equity, Inc. d/b/a Performance Telecom (Atlas) for the period ending March 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Atlas has adequate liquidity, ownership equity, and profitability.

In this matter, Atlas is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. 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 has lines of credit and additional equity commitments in excess of \$1 million. 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. 961367-TI
ATLAS EQUITY, INC. D/B/A PERFORMANCE TELECOM
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE**

FROM UNAUDITED FINANCIAL STATEMENTS

**PERIOD ENDING
MARCH 31, 1996**

CURRENT ASSETS	640,635
CURRENT LIABILITIES	964
CURRENT RATIO	664.56
CASH	151,330
COMMON EQUITY	655,178
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	655,178
COMMON EQUITY RATIO	100%
NET INCOME	639,818
RETURN ON EQUITY	98%