



# Public Service Commission

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

**DATE:** July 16, 1997  
**TO:** Kelly Biegalski, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL*  
**RE:** Docket No. 970791-TX, TeleConex, Inc., Financial Analysis *ALM* for Certificate Application for Alternative Local Exchange Telecommunications Service *[Signature]*

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, pro forma financial statements of TeleConex, Inc. (TeleConex) for the projected period ending August 31, 1998. An audit could change one's opinion of the company's financial condition.

ACK        As the attached schedule shows, TeleConex has adequate liquidity, ownership equity, and  
AFA        profitability.

APP         
CAF        In this matter, TeleConex is asking for a certificate to provide alternative local exchange  
CMU        telecommunications service. Staff notes the limited nature of the application. For purposes of  
CTR        granting a certificate based on the financial information provided, the financial capability appears  
adequate.

EAG         
LEG        The applicant attests to its financial capability to provide and maintain the proposed  
LIN        telecommunications service by noting that it has access to the personal assets of its owner and  
OPC        that it has available lines of credit with three banks. Based on this showing, the applicant  
appears to meet the financial capability standard of Section 364.337, Florida Statutes.

RCH         
SEC        cc: Division of Legal Services  
WAS        Division of Records and Reporting (2) ✓  
OTH       

DOCUMENT NUMBER-DATE

07219 JUL 18 97

FPSC-RECORDS/REPORTING

DOCKET NO. 970701-TX  
TELECONEX, INC.  
ALEC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM PROJECTED FINANCIAL STATEMENTS

12 MONTHS ENDING  
AUGUST 31, 1998

CURRENT ASSETS	223,280
CURRENT LIABILITIES	0
CASH	223,280
COMMON EQUITY	234,780
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	234,780
COMMON EQUITY RATIO	100%
NET INCOME	214,580
RETURN ON EQUITY	91%