



Public Service Commission

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

DATE: July 25, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL HPC*
 RE: Docket No. 970679-TI, OLS, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 market . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of OLS, Inc. (OLS) for the period ending June 30, 1997 for the balance sheet and the 12 months beginning August 1, 1997 for the projected income statement. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, OLS has adequate liquidity, ownership equity, and profitability.

ACK _____
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 LEG _____
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 OLS _____

In this matter, OLS is asking for a certificate to provide IXC 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 is a reseller without large capital needs, and it does not anticipate taking on any debt. Also, OLS states that it has good banking relationships and that it anticipates profitability in Florida within 3 months. 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 (2)

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FPSC-REGORDS/REPORTING

DOCKET NO. 970679-TI
OLS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

BALANCE SHEET JUNE 30, 1997
PROJ. INCOME STATEMENT 12 MONTHS BEGINNING
AUGUST 1, 1997 (PROJECTED)

| | |
|------------------------|---------|
| CURRENT ASSETS | 59,116 |
| CURRENT LIABILITIES | 9,863 |
| CURRENT RATIO | 5.99 |
| CASH | 24,072 |
| COMMON EQUITY | 121,415 |
| TOTAL DEBT | 43,121 |
| PREFERRED STOCK | 0 |
| TOTAL INVESTOR CAPITAL | 164,536 |
| COMMON EQUITY RATIO | 74% |
| NET INCOME | 17,516 |
| RETURN ON EQUITY | 14% |

11/15/97 10:00 AM
10/15/97 10:00 AM
10/15/97 10:00 AM