



Public Service Commission

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

DATE: August 14, 1997
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. ~~970-13-TL~~ Discount Call Rating, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM AR*

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 Discount Call Rating (DCR) for the year ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DCR has adequate liquidity, ownership equity, and profitability.

ACK _____
 AFA _____ In this matter, DCR 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.
 APP _____
 CAF _____
 CMU _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting the financial statements of its parent company and by noting that it has access to additional funding, if necessary, from financial institutions and from shareholders. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 CTR _____
 EAG _____
 LEG _____

LIN _____
 NPC _____ cc: Division of Legal Services
 RCH _____ Division of Records and Reporting (2) ✓

SEC 1
 WAS _____
 YTH _____

DOCUMENT NUMBER - DATE

00293 AUG 18 97

FPSC-RECORDS/REPORTING

DOCKET NO. 970743-TI
DISCOUNT CALL RATING, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS
OF WATS MARKETING, INC., THE PARENT CO. OF DISCOUNT CALL
RATING, INC.

YEAR
ENDED
DECEMBER 31, 1996

CURRENT ASSETS	4,292
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	4,292
COMMON EQUITY	13,621
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	13,621
COMMON EQUITY RATIO	100%
NET INCOME	14,725
RETURN ON EQUITY	108%

NMF=NO MEANINGFUL FIGURE