



Public Service Commission

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

DATE: October 2, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL APC ALM*
RE: Docket No. 971090-TT, Communication Sciences Group, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 balance sheet of Communication Sciences Group, Inc. (CSG) for the period ending June 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CSG has adequate liquidity and ownership equity. It does not have an income statement.

In this matter, CSG 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 currently well capitalized, has an exemplary credit rating, has established a sufficient line of credit, and has received investment promises from current and potential investors. 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) ✓

DOCUMENT NUMBER-DATE

10256 OCT-76

FPSC-RECORDS/REPORTING

DOCKET NO. 971090-TI
COMMUNICATION SCIENCES GROUP, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED BALANCE SHEET

	AS OF <u>JUNE 30, 1997</u>
CURRENT ASSETS	468,625
CURRENT LIABILITIES	220,220
CURRENT RATIO	2.13
CASH	234,450
COMMON EQUITY	373,468
TOTAL DEBT	187,081
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	560,549
COMMON EQUITY RATIO	67%
NET INCOME	--
RETURN ON EQUITY	--

* BALANCE SHEET ONLY