



Public Service Commission

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

DATE: May 22, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DJ* *ALM*
RE: Docket No. 980546-TI, Omniplex Communications Group, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *WFB*

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 Omniplex Communications Group, LLC (OCG) for the ten month period ending October 31, 1997. The applicant requested confidential treatment of its financial statements. An audit could change one's opinion of the company's financial condition. Based on the review of the applicant's financial information, OCG has adequate liquidity, sufficient common equity and reports positive net income for the period.

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In this matter, OCG is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service and will maintain capital from internally generated funds. In addition, OCG proposes to operate as a reseller in the state of Florida, and will incur minimal capital and operating expenses. 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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