



ORIGINAL

Public Service Commission

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

RECORDS AND REPORTING

98 JUN 16 AM 11:25

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DATE: June 5, 1998
 TO: Ray Kennedy, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 980697-TI, The Williams Communications, Inc. d/b/a VYVX, Inc. *ALM*
 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 markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of The Williams Communications, Inc. d/b/a VYVX, Inc. (VYVX) for the period ending December 31, 1997. As the attached schedule shows, VYVX has marginal liquidity, but reports sufficient common equity and a positive net income for the period.

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In this matter, VYVX 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 to provide and maintain the proposed telecommunications service by noting that VYVX has provided high quality telecommunication service since 1990 and has never been in default of any material financial obligation. In addition, The Williams Company, Inc. is a publicly traded Fortune 500 company and is solidly profitable. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LIN _____ cc: Division of Legal Services
 OPC _____ Division of Records and Reporting (2)

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FPSC-RECORDS/REPORTING

DOCKET NO. 980697-TI
WILLIAMS COMMUNICATIONS, INC. D/B/A VYVX, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

(DOLLARS IN MILLIONS)

	AS OF 12/31/97
CURRENT ASSETS	\$2,255.9
CURRENT LIABILITIES	3,027.4
CURRENT RATIO	0.75
CASH	81.3
COMMON EQUITY	3,571.7
TOTAL DEBT	4,565.3
TOTAL INVESTOR CAPITAL	8,137 .
COMMON EQUITY RATIO	44%
NET INCOME	261.60
RETURN ON EQUITY	7%

NMF = No Meaningful Figure