



Public Service Commission

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

DATE: August 20, 1998
 TO: Kelly Biegalski, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 980911-TI, Hold Billing Services, Ltd d/b/a HBS Billing Services, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Hold Billing Services, Ltd d/b/a HBS Billing Services (HBS) for the period ending December 31, 1997. As the attached schedule shows, HBS has minimal liquidity, but reports sufficient common equity and positive net income.

ACK _____ In this matter, HBS is asking for a certificate to provide IXC service. For purposes of granting
 AFA _____ a certificate based on the financial information provided, the financial capability appears
 APP _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
 CAF _____ telecommunications service by noting that HBS has a \$7.5 million revolving line of credit with
 CMU _____ a capital lending corporation. Based on this showing, the applicant appears to meet the financial
 CTR _____ capability standard of Section 364.337, Florida Statutes.

EAG _____ cc: Division of Legal Services
 LEG _____ Division of Records and Reporting (2) ✓

LIN _____
 OPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCUMENT NUMBER - DATE

09029 AUG 21 88

FPSD RECORDS/REPORTING

DOCKET NO. 98091771
HOLD BILLING SERVICES, LTD d/b/a HBS BILLING SERVICES

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97 (000)
CURRENT ASSETS	\$15,509
CURRENT LIABILITIES	17,498
CURRENT RATIO	0.89
CASH	959
COMMON EQUITY	2,479
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	2,479
COMMON EQUITY RATIO	100%
NET INCOME	795
RETURN ON EQUITY	32%

NMF = No Meaningful Figure