



Public Service Commission

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

DATE: December 8, 1998
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 981566-TI, Special Accounts Billing 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 . . .

ACK _____
 AFA _____ Regarding the showing of financial capability, the Finance staff has analyzed the unaudited
 APP _____ financial statements of Special Accounts Billing Group, Inc. (SAB) for the nine month period
 CAF _____ ending September 30, 1998. An audit could change one's opinion of the company's financial
 CMU _____ condition. As the attached schedule shows, SAB has adequate liquidity, but reports negative
 CTR _____ common equity and negative net income.
 EAG _____ In this matter, SAB is asking for a certificate to provide IXC service. For purposes of granting
 LEG _____ a certificate based on the financial information provided, the financial capability appears
 LIN _____ minimal.
 OPC _____ Although an analysis of the financial statements reveals the applicant is in a minimal financial
 RCH _____ position, the applicant attests to its financial capability to provide and maintain the proposed
 SEG _____ telecommunications service by noting that SAB proposes to operate as a reseller in the state of
 WAS _____ Florida, and will incur minimal capital or operating expenses. Furthermore, the company's
 OTH _____ investors will provide \$25,000 in additional funding if needed. 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

13983 DEC 11 88

SPSC-RECORDS/REPORTING

DOCKET NO. 981566
SPECIAL ACCOUNTS BILLINGS GROUP, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/98
CURRENT ASSETS	\$27,511
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	27,511
COMMON EQUITY	(343)
TOTAL DEBT	76,933
TOTAL INVESTOR CAPITAL	76,591
COMMON EQUITY RATIO	NMF
NET INCOME	(1,343)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure