



Public Service Commission

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

DATE: June 5, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 000477-TI, Orion Telecommunications, 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 audited financial statements of Orion Telecommunications, Inc. (OTI) for the period ending June 30, 1999. As the attached schedule shows, OTI has minimal liquidity, negative common equity and negative income for the period.

- APP
CAF
CMP
COM
CTR
ECR
LEG
OPC
PAI
RGO
SEC
SER
OTH
In this matter, OTI 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 minimal.
Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability by noting that the company has sufficient liquid assets to provide and maintain the proposed telecommunications service. 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

06895 JUN-68

FPSC-RECORDS/REPORTING

DOCKET NO. 000477  
ORION TELECOMMUNICATIONS CORP.

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 06/30/1999
CURRENT ASSETS	\$5,850,281
CURRENT LIABILITIES	10,046,227
CURRENT RATIO	0.58
CASH	801,483
COMMON EQUITY	(3,622,982)
TOTAL DEBT	873,215
TOTAL INVESTOR CAPITAL	(2,749,767)
COMMON EQUITY RATIO	NMF
NET INCOME	(4,089,917)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure