



# Public Service Commission

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

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**DATE:** May 8, 2001  
**TO:** Nancy Pruitt, Division of Regulatory Oversight  
**FROM:** David J. Draper, Division of Economic Regulation *DD F.A.T. ALM*  
**RE:** Docket No. 010578-TI, Long Distance Consolidated Billing Co., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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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 financial statements of Long Distance Consolidated Billing Co. (LDC) for the period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, LDC has negative common equity, but reports adequate liquidity and positive net income.

In this matter, LDC 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 the company will maintain capital from internally generated funds. 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

06210 MAY 17 2001

FPSC-RECORDS/REPORTING

DOCKET NO. 010578-TI  
LONG DISTANCE CONSOLIDATED BILLING CO.

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/2000
CURRENT ASSETS	\$11,826
CURRENT LIABILITIES	1,143
CURRENT RATIO	10.35
CASH	11,826
COMMON EQUITY	(105,651)
TOTAL DEBT	116,635
TOTAL INVESTOR CAPITAL	10,984
COMMON EQUITY RATIO	NMF
NET INCOME	11,394
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure