



Public Service Commission

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

DATE: June 5, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL* *ALM*
RE: Docket No. 010688-TI, Y & B Services Corporation, 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 unaudited financial statements of Y & B Services Corporation (Y & B) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Y & B has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Y & B is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 it has low capital needs and it projects net income growth. 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

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FPSC RECORDS/REPORTING

DOCKET NO. 010688-TI
Y & B SERVICES CORPORATION
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/99</u>
CURRENT ASSETS	\$1,589,045
CURRENT LIABILITIES	371,166
CURRENT RATIO	4.28
CASH	(17,528)
COMMON EQUITY	80,114
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	80,114
COMMON EQUITY RATIO	100%
NET INCOME	116,298
RETURN ON EQUITY	145%