

State of Florida



Public Service Commission

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

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**DATE:** July 17, 2001  
**TO:** Tommy Williams, Division of Regulatory Oversight *ALM ds*  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 010760-TI, Intelligent Switching & Software, LLC, 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 Intelligent Switching & Software, LLC (ISS) for the period ending March 31, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ISS has adequate liquidity and sufficient common equity. The company reported a loss for the period.

In this matter, ISS 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 projects sales growth and it has financial support from an affiliate. 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-COMMISSION CLERK

DOCKET NO. 010760-TI  
INTELLIGENT SWITCHING & SOFTWARE, LLC  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>03/31/2001</u>
CURRENT ASSETS	\$137,190
CURRENT LIABILITIES	108,000
CURRENT RATIO	1.27
CASH	137,190
COMMON EQUITY	99,960
TOTAL DEBT	50,000
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	149,960
COMMON EQUITY RATIO	67%
NET INCOME	(40)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE