



# Public Service Commission

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

**DATE:** October 28, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL APC ALM*  
**RE:** Docket No. 961137-TI, HLC Internet, 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 HLC Internet, Inc. The company has inadequate liquidity and negative ownership equity. Regarding profitability, the company experienced a loss for the period reviewed.

ACK \_\_\_\_\_ Based on the above, the company's financial condition is marginal. However, the company  
 AFA \_\_\_\_\_ attests that it has the financial capability to provide IXC service. For certification purposes, the  
 APP \_\_\_\_\_ application appears adequate.

CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_ cc: Division of Legal Services  
 Division of Records and Reporting

EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 LIN \_\_\_\_\_  
 OIC \_\_\_\_\_  
 RCI \_\_\_\_\_  
 SEI \_\_\_\_\_  
 WAN \_\_\_\_\_  
 OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

11509 OCT 30 96

FPSC-RECORDS/REPORTING

DOCKET NO. 961137-TI  
HLC INTERNET, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS

TWELVE MONTHS  
ENDING  
DECEMBER 31, 1996

CURRENT ASSETS	553,952
CURRENT LIABILITIES	1,465,567
CURRENT RATIO	0.38
CASH	81,575
COMMON EQUITY	(543,915)
TOTAL DEBT	285,424
COMMON EQUITY RATIO	NMF
NET INCOME	(1,884,080)
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE



# Public Service Commission

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

---

DATE: October 28, 1996  
TO: Tom Williams, Division of Communications  
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*  
RE: Docket No. 961137-TI, HLC Internet, Inc., Financial Analysis for Certificate *PL APC*  
Application for Intrastate Interexchange Telecommunications Service *[Signature]*

---

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 HLC Internet, Inc. The company has inadequate liquidity and negative ownership equity. Regarding profitability, the company experienced a loss for the period reviewed.

Based on the above, the company's financial condition is marginal. However, the company attests that it has the financial capability to provide IXC service. For certification purposes, the application appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

DOCKET NO. 961137-TI  
HLC INTERNET, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS

TWELVE MONTHS  
ENDING  
DECEMBER 31, 1996

CURRENT ASSETS	553,952
CURRENT LIABILITIES	1,465,567
CURRENT RATIO	0.38
CASH	81,575
COMMON EQUITY	(543,915)
TOTAL DEBT	285,424
COMMON EQUITY RATIO	NMF
NET INCOME	(1,884,080)
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE