



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

DATE: November 25, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis PL ALM
 RE: Docket No. 971394-TX, ElectroNet Intermedia Consulting, Inc., Financial Analysis ARC
 for Certificate Application for Alternative Local Exchange Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 . . .

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Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of ElectroNet Intermedia Consulting, Inc. (ENIC) for the seven-month period ending July 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ENIC has adequate liquidity and ownership equity. For the period, the company reports a loss.

In this matter, ENIC is asking for a certificate to provide alternative local exchange telecommunications 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 in excess of \$70,000 in contracts receivable due before December 31, 1997 (not included in the financial statements). The applicant also notes that it has a \$100,000 credit line with a local private investor. 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

12437 DEC-45

FPSO-REG/REC/REPORTING

DOCKET NO. 971394-TX
ELECTRONET INTERMEDIA CONSULTING, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANTS' COMPILATION

	SEVEN MONTHS ENDED <u>JULY 31, 1997</u>
CURRENT ASSETS	13,467
CURRENT LIABILITIES	4,020
CURRENT RATIO	3.35
CASH	2,759
COMMON EQUITY	67,333
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	67,333
COMMON EQUITY RATIO	100%
NET INCOME	(58,988)
RETURN ON EQUITY	NEGATIVE