



Public Service Commission

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

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58 JUN 16 AM 11:24
RECORDS AND REPORTING

DATE: June 9, 1998
TO: Louis Yambor, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 980533-TI, Public Interest Network Services, 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 unaudited financial statements of Public Interest Network Services, Inc. (PINS) for the period ending January 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PINS has adequate liquidity but reports negative common equity and negative net income.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

In this matter, PINS 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its principal will provide funds to the company if necessary and that the company will be a switchless reseller with no facilities. 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
06334 JUN 16 88
FPSC-RECORDS/REPORTING

DOCKET NO. 980533-T1
PUBLIC INTEREST NETWORK SERVICES, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

ONE MONTH
ENDED
JANUARY 31, 1998

CURRENT ASSETS	42,968
CURRENT LIABILITIES	602
CURRENT RATIO	71.38
CASH	38,968
COMMON EQUITY	(23,634)
TOTAL DEBT	72,000
PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	(27,634)
RETURN ON EQUITY	NEGATIVE

NMF=NO MEANINGFUL FIGURE