



Public Service Commission

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

DATE: November 4, 1998
 TO: Nancy Pruitt, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 981310-TI, Enhanced Communications Network, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Enhanced Communications Network, Inc. (ECN) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ECN has adequate liquidity and sufficient common equity. The company currently is not providing any services, therefore, has no relevant income statement for the period.

In this matter, ECN is asking for a certificate to provide IXC service. 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 its principle owner will make available \$25,000 in additional capital if needed. 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)

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FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$10,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	10,000
COMMON EQUITY	10,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	10,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure