



ORIGINAL

Public Service Commission

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

DATE: September 21, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 990955-TX, InterCom Network, Inc., Financial Analysis 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 . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of InterCom Network, Inc. (InterCom) for the period ending May 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, InterCom has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, InterCom 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 its financial condition is rated strong by Dun and Bradstreet. The company also provided a number of banking, trade, and client references. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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APP
CAF
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cc: Division of Legal Services
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

11530 SEP 23 89

FPSC-RECORDS/REPORTING

DOCKET NO. 990955-TX
INTERECOM NETWORK, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>05/31/99</u>
CURRENT ASSETS	\$488,947
CURRENT LIABILITIES	368,645
CURRENT RATIO	1.33
CASH	35,247
COMMON EQUITY	700,795
TOTAL DEBT	382,019
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,082,814
COMMON EQUITY RATIO	65%
NET INCOME	334,647
RETURN ON EQUITY	48%