



Public Service Commission

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

DATE: May 30, 2000
TO: Toni McCoy, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000388-TX, Network Information Solutions, 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 Network Information Solutions, Inc. (NIS) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NIS has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, NIS 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.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it expects to continue to grow as a value-added reseller and it does not foresee capital expenditures and start-up costs in Florida. 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

06725 JUN-18

FPSC-RECORDS/REPORTING

DOCKET NO. 000388-T
NETWORK INFORMATION SOLUTIONS, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED, PROJECTED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>12/31/2000</u>
CURRENT ASSETS	\$383,366
CURRENT LIABILITIES	95,949
CURRENT RATIO	4.00
CASH	11,016
COMMON EQUITY	492,297
TOTAL DEBT	27,118
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	519,415
COMMON EQUITY RATIO	95%
NET INCOME	430,026
RETURN ON EQUITY	87%