



Public Service Commission

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

DATE: August 25, 2000

TO: Tommy Williams, Division of Regulatory Oversight ALM

FROM: Christine G. Romig, Division of Economic Regulation CR

RE: Docket No. 001007-TI, Enron Broadband 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 consolidated financial statements of Enron Corp. and Subsidiaries for the period, January 1 through March 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Enron Corp. and Subsidiaries has adequate liquidity, positive common equity and reported a positive net income for the period.

In this matter, Enron Broadband Services, Inc. (EBSI) is asking for a certificate to provide IXC service. For purposes of granting a certificate, the financial capability appears adequate based on the financial information provided on the consolidated entity.

- APP _____
 - CAF _____
 - CMP _____
 - COM _____
 - CTR _____
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 - LEG _____
 - OPC _____
 - PAI _____
 - RGO _____
 - SEC I
 - SER _____
 - OTI _____
- cc: Division of Legal Services
- Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

10743 AUG 30 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001007-T1
 ENRON BROADBAND SERVICES, INC.
 INTEREXCHANGE TELECOMMUNICATIONS SERVICE

FINANCIAL ANALYSIS

FROM ENRON CORP. & SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS

	ANNUALIZED THREE MONTHS ENDED 03/31/00 (c)
CURRENT ASSETS	\$9,333,000
CURRENT LIABILITIES	9,190,000
CURRENT RATIO (CA/CL)	1.0156 (a)
CASH & CASH EQUIVALENTS	466,000
COMMON EQUITY	9,011,000
TOTAL DEBT (SHORT-TERM & LONG TERM)	10,172,000
PREFERRED STOCK	1,129,000
TOTAL INVESTOR CAPITAL	20,312,000
COMMON EQUITY RATIO	44% (b)
NET INCOME/(LOSS)	1,352,000 (c)
RETURN ON EQUITY (Net Income/Equity)	15%

(a) .8 is marginal; .95 is adequate

(b) 35% is marginal

EQUITY RATIO:

EQUITY / INVESTOR CAPITAL

(Common Equity / (Common Equity + Pfd. Stk. + LT. Debt + Current LT. Debt + ST Debt))

NMF = NO MEANINGFUL FIGURE
 3/3 = ADEQUATE
 2/3 = ADEQUATE
 1/3 = MARGINAL
 0/3 = MINIMAL

(c) Per unaudited financial statements 01/01/00 through 03/31/00 is \$338,000. Annualized is \$1,352,000 (\$338,000/3*12)