



Public Service Commission

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

DATE: July 21, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000672-TI, JirehCom, 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 JirehCom, Inc. (JirehCom) for the period ending March 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, JirehCom has adequate liquidity and sufficient common equity. The company reported a loss for the period.

In this matter, JirehCom 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 adequate.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is a switchless reseller and will not have substantial capital investment. The applicant's principal will provide up to \$25,000 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)

DOCUMENT NUMBER-DATE

12892 OCT 10 8

FPSC-RECORDS/REPORTING

FINANCIAL ANALYSIS
FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>03/31/2000</u>
CURRENT ASSETS	\$54,436
CURRENT LIABILITIES	1,981
CURRENT RATIO	27.48
CASH	29,436
COMMON EQUITY	52,454
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	52,454
COMMON EQUITY RATIO	100%
NET INCOME	(70,045)
RETURN ON EQUITY	NEGATIVE