



Public Service Commission

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

DATE: December 22, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 001702-TI, Businessnet Telecom, 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 Businessnet Telecom, Inc. (BTI) 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, BTI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, BTI 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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OTH _____

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has access to additional funding from financial institutions and, if necessary, from shareholders. 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

16511 DEC 29 8

FPSC-RECORDS/REPORTING

DOCKET NO. 001702-TI
BUSINESSNET TELECOM, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>12/31/1999</u>
CURRENT ASSETS	\$333,428
CURRENT LIABILITIES	185,112
CURRENT RATIO	1.80
CASH	14,105
COMMON EQUITY	437,845
TOTAL DEBT	5,840
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	443,685
COMMON EQUITY RATIO	99%
NET INCOME	21,517
RETURN ON EQUITY	5%