

State of Florida



Public Service Commission

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

DATE: April 6, 2001
TO: Tommy Williams, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation *DJ*
RE: Docket No. 010332-TI, West End Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM

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 West End Communications, Inc. (WEC) for the period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WEC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, WEC is asking for a certificate to provide IXC service. 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 the company will maintain capital from internally generated funds. 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

04469 APR 11 2001

FPSC-RECORDS/REPORTING

DOCKET NO. 010332-TI
WEST END COMMUNICATIONS, INC.

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/2000
CURRENT ASSETS	\$2,593,425
CURRENT LIABILITIES	2,255,986
CURRENT RATIO	1.15
CASH	123,453
COMMON EQUITY	432,105
TOTAL DEBT	510,713
TOTAL INVESTOR CAPITAL	942,818
COMMON EQUITY RATIO	46%
NET INCOME	415,005
RETURN ON EQUITY	96%

NMF = No Meaningful Figure