

State of Florida



Public Service Commission

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

DATE: May 14, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 010380-TX, Hosting-Network, 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 Hosting-Network, Inc. (HNI) for the four month period ending April 30, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, HNI has adequate liquidity, sufficient common equity and positive net income.

In this matter, HNI is asking for a certificate to provide alternative local exchange telecommunications 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
06207 MAY 17 2001
FPSC-RECORDS/REPORTING

DOCKET NO. 010380-TX
HOSTING-NETWORK, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 04/30/2001
CURRENT ASSETS	\$124,296
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	123,096
COMMON EQUITY	774,296
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	774,296
COMMON EQUITY RATIO	100%
NET INCOME	123,096
RETURN ON EQUITY	16%

NMF = No Meaningful Figure