



# Public Service Commission

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

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**DATE:** May 30, 2001  
**TO:** Brenda Hawkins, Division of Regulatory Oversight *de* *ALM*  
**FROM:** David J. Draper, Division of Economic Regulation  
**RE:** Docket No. 010703-TI, TelecomE2 Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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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 balance sheet of TelecomE2 Corporation (TE2) for the period ending February 28, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TE2 has adequate liquidity and sufficient common equity. TE2 is not in operations at this time, therefore, has no relevant income statement.

In this matter, TE2 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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

07016 JUN-5

FPSC-RECORDS/REPORTING

DOCKET NO. 010703-TI  
TELECOM2 CORPORATION

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS  
OF  
02/28/2001

CURRENT ASSETS	\$37,482
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	37,482
COMMON EQUITY	37,482
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	37,482
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure