



Public Service Commission

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

DATE: March 23, 1998
 TO: Ray Kennedy, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *JD* *ALM*
 RE: Docket No. 980359-TI, Intercom Network, Inc., Financial Analysis for Certificate *APC* *180*
 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 Intercom Network, Inc. (INI) for the period ending December 31, 1997.

An audit could change one's opinion of the company's financial condition. As the attached schedule shows, INI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, INI 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)

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FD-302 (REV. 11-15-83)

DOCKET NO. 980359-TI
INTERCOM NETWORK, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$149,670
CURRENT LIABILITIES	37,829
CURRENT RATIO	3.96
CASH	17,137
COMMON EQUITY	233,820
TOTAL DEBT	92,859
TOTAL INVESTOR CAPITAL	326,679
COMMON EQUITY RATIO	72%
NET INCOME	14,627
RETURN ON EQUITY	6%

NMF = No Meaningful Figure