



ORIGINAL
Public Service Commission

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

DATE: August 18, 1998
TO: Ray Kennedy, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ES*
RE: Docket No. 980960-TI, Network Billing Systems, L.L.C., Financial Analysis of 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 Balance Sheet of Network Billing Systems, L.L.C. (NBS) for the period ending July 20, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NBS has adequate liquidity and sufficient common equity, but as a new company it has no income to report at the present time.

In this matter, NBS is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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 it has available financing through its owners; Interconnect Services Group, L.L.C. and Pinnacle Communications International. 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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TELEPHONE REPORTING

DOCKET NO. 980960
NETWORK BILLING SYSTEMS, L.L.C.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED BALANCE SHEET AS OF 07/20/98

CURRENT ASSETS	\$100,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	100,000
COMMON EQUITY	100,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	100,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure