



ORIGINAL Public Service Commission

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

DATE: August 23, 1999
TO: Tony McCoy, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED ALM*
RE: Docket No. 990966-TI, TransNet Connect, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 TransNet Connect, Inc. (TNC) for the period ending August 4, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TNC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, TNC 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.

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 SEC 1 ec: Division of Legal Services
 WAW _____ Division of Records and Reporting (2)
 OTH _____

DOCUMENT NUMBER-DATE

10287 AUG 27 99

FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 08/04/99

CURRENT ASSETS	\$453,839
CURRENT LIABILITIES	24,192
CURRENT RATIO	18.76
CASH	269,389
COMMON EQUITY	514,857
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	514,857
COMMON EQUITY RATIO	100%
NET INCOME	514,857
RETURN ON EQUITY	100%