



Public Service Commission

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

DATE: February 11, 1997
 TO: Tom Williams, Division of Communications
 FROM: David Draper, Division of Auditing and Financial Analysis *ALM*
 RE: Docket No. 970021-TI, Connect One Communication Corp., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *1997*

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 Connect One Communication Corporation (COC) for the two month period ending November 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, COC has a negative net income, but adequate liquidity and common equity.

ACK _____
 AFA _____
 APP _____ In this matter, COC 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.
 CAF _____
 CMU _____
 CTR _____
 EAG _____ An analysis of the financial statements reveals the applicant is in a adequate financial position.
 LEG _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has sufficient capital to provide the services it proposes. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
 LIN _____
 OPC _____

RCH _____
 SEC | cc: Division of Legal Services
 Division of Records and Reporting
 WAS _____
 JTH _____

DOCUMENT NUMBER-DATE

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/FPSC-RECORDS/REPORTING

DOCKET NO. : 970027-TI
CONNECT ONE COMMUNICATIONS CORPORATION

INTEREXCHANGE CARRIER
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

| | AS OF 11/30/96 |
|------------------------|----------------------|
| CURRENT ASSETS | \$3,968,000 |
| CURRENT LIABILITIES | 0 |
| CURRENT RATIO | NMF |
| CASH | 3,968,000 |
| COMMON EQUITY | 3,987,000 |
| TOTAL DEBT | 0 |
| TOTAL INVESTOR CAPITAL | 3,987,000 |
| COMMON EQUITY RATIO | 100% |
| NET INCOME | (22,000) |
| RETURN ON EQUITY | NMF |

NMF = No Meaningful Figure