



Public Service Commission

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

DATE: January 11, 2000
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 991839-TI, NetworkIP, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *apc*

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 Network Enhanced Telecom, LLP, parent of NetworkIP, LLC (NIP) for the period ending September 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NIP has adequate liquidity, sufficient common equity and reported a positive net income for the period.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC
- MAW _____
- DTH _____

In this matter, NIP 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. NIP can obtain additional financing, if deemed necessary, through its parent company in order to provide telecommunication service in Florida. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 991839-TI
NETWORK ENHANCED TELECOM, LLP

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 09/30/99

CURRENT ASSETS	\$6,935,064
CURRENT LIABILITIES	7,516,732
CURRENT RATIO	0.92
CASH	3,625,672
COMMON EQUITY	2,400,913
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	2,400,913
COMMON EQUITY RATIO	100%
NET INCOME	3,914,964
RETURN ON EQUITY	163%