

State of Florida



Public Service Commission

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

DATE: July 14, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000559-TI, Enhanced Communications Group, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials: ALM and a 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 Enhanced Communications Group, LLC (ECG) for the period ending April 6, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ECG has sufficient common equity but inadequate liquidity. The company reported a loss for the period.

In this matter, ECG is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

Although the company is in a marginal financial condition, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has access to bank lines of credit and to funds from its owner. 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)

- Vertical list of department abbreviations: APP, CAF, CMP, COM, CTR, ECR, LEG, OPC, PAI, RGO, SEC, SER, OTH

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Public Service Commission

May 9, 2000

Monica R. Borne, Esquire
Nowalsky, Bronston & Gothard
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002

Re: Docket No. 000559-TI

Dear Ms. Borne:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Enhanced Communications Group, L.L.C., which was filed in this office on May 5, 2000 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Division of Records and Reporting
Florida Public Service Commission