



Public Service Commission

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

DATE: June 19, 1998
 TO: Rick Moses, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD ALM*
 RE: Docket No. 980749-TI, Twister Communications Network, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ajc*

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 Twister Communications Network, Inc. (TCN) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCN has minimal common equity, but has adequate liquidity and reported a positive net income for the period.

ACK _____ The applicant attests to its financial capability to provide and maintain the proposed
 AFA _____ telecommunications service by noting that TCN proposes to operate as a reseller in the state of
 APP _____ Florida, and will incur minimal capital or operating expenses. In addition, the company has
 CAF _____ structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring
 CMU _____ an almost instantaneous positive cash flow. Based on this showing, the applicant appears to meet
 the financial capability standard of Section 364.337, Florida Statutes.

CTR _____
 EAG _____ cc: Division of Legal Services
 LEG _____ Division of Records and Reporting (2)

LIN _____
 OPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 980749-1
TWISTER COMMUNICATIONS NETWORK, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$878,508
CURRENT LIABILITIES	403,635
CURRENT RATIO	2.18
CASH	105,712
COMMON EQUITY	39,750
TOTAL DEBT	600,000
TOTAL INVESTOR CAPITAL	639,750
COMMON EQUITY RATIO	6%
NET INCOME	38,750
RETURN ON EQUITY	97%

NMF = No Meaningful Figure