



# Public Service Commission

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

**DATE:** March 10, 1998  
**TO:** Paula Isler, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 980241-TI, The Inside Edge Communications, Inc., Financial Analysis *HPC*  
 for Certificate Application for Intrastate Interexchange Telecommunications Service *WJH*

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 The Inside Edge Communications, Inc. (Inside) 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, Inside has adequate liquidity and profitability. However, its 20% equity ratio is very low.

In this matter, Inside 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 adequate.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it will have minimal capital investment in Florida and that most of its costs involve marketing and customer service. 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)

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DOCKET NO. 980240-TX and  
DOCKET NO. 980241-TI  
THE INSIDE EDGE COMMUNICATIONS, INC.  
IXC AND ALEC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

|                        | YEAR<br>ENDED<br><u>DECEMBER 31, 1997</u> |
|------------------------|---|
| CURRENT ASSETS         | 693,073                                   |
| CURRENT LIABILITIES    | 64,884                                    |
| CURRENT RATIO          | 10.68                                     |
| CASH                   | 528,541                                   |
| COMMON EQUITY          | 1,995,005                                 |
| TOTAL DEBT             | 8,013,455                                 |
| PREFERRED STOCK        | 0   |
| TOTAL INVESTOR CAPITAL | 10,008,460                                |
| COMMON EQUITY RATIO    | 20%                                       |
| NET INCOME             | 1,915,467                                 |
| RETURN ON EQUITY       | 98%                                       |

STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(850) 413-6770

**Public Service Commission**

February 13, 1998

Thomas E. Lawrence, Vice President Operations  
The Inside Edge Communications, Inc.  
8601 Fourth Street North, Suite 301  
St. Petersburg, Florida 33702

Re: Docket No. 980241-T1

Dear Mr. Lawrence:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by The Inside Edge Communications, Inc., which was filed in this office on February 12, 1998 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.

Please make notes as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting  
Florida Public Service Commission