



Public Service Commission

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

DATE: August 19, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DS*
RE: Docket No. 981032-TI, Atlanta New York Warehouse Outlets, Inc. d/b/a DNP Communications, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Atlanta New York Warehouse Outlets, Inc. d/b/a DNP Communications (DNP) for the seven month period ending July 21, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DNP has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, DNP is asking for a certificate to provide IXC service. 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 the applicant can rely upon the financial support of the parent company, New York Warehouse Outlets, Inc., if needed. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

ec: Division of Legal Services
Division of Records and Reporting (2) ✓

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DOCKET NO. 981032-11
ATLANTA NEW YORK WAREHOUSE OUTLETS, INC. d/b/a DNP
COMMUNICATIONS

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/21/98
CURRENT ASSETS	\$48,733
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	36,396
COMMON EQUITY	71,500
TOTAL DEBT	130,354
TOTAL INVESTOR CAPITAL	201,855
COMMON EQUITY RATIO	35%
NET INCOME	10,204
RETURN ON EQUITY	14%

NMF = No Meaningful Figure