



Public Service Commission

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

DATE: April 14, 1999
TO: Tony McCoy, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *APC*
RE: Docket No. 990431-TX, Southeastern Services, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 Southeastern Services, Inc. (SSI) for the period ending March 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SSI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, SSI is asking for a certificate to provide alternative local exchange telecommunications 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. Mr. Mark Woods, the President of SSI, will provide personal funds in the amount of \$18,000 through his account with Merrill Lynch, to support future operations, if necessary. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
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- RRR _____
- SEC _____
- WAW _____
- OTH _____

cc: Division of Legal Services
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

04959 APR 1999

FPSC-RECORDS/REPORTING

DOCKET NO. 990431
SOUTHEASTERN SERVICES, INC.

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 03/31/99

CURRENT ASSETS	\$159,826
CURRENT LIABILITIES	19,482
CURRENT RATIO	8.20
CASH	18,692
COMMON EQUITY	182,051
LONG-TERM DEBT	19,357
TOTAL INVESTOR CAPITAL	201,408
COMMON EQUITY RATIO	90%
NET INCOME	52,958
RETURN ON EQUITY	29%

NMF = No Meaningful Figure