



Public Service Commission ORIGINAL

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

DATE: April 5, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 000284-TX, ConnectSouth Communications of Florida, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 . . .

ConnectSouth Communications of Florida, Inc. (CCF) requested and was granted confidentiality for its financial statements. Regarding the showing of financial capability, the finance staff has analyzed the unaudited financial statements of ConnectSouth, LLC, parent company of CCF, for the period ending January 31, 2000.

In this matter, CCF is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

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The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. ConnectSouth, LLC will assume all financial responsibility for CCF's operations. 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)

DOCUMENT NUMBER-DATE

04303 APR-68

FPSC-RECORDS/REPORTING

ALEC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 01/31/00

*FYI
only*

CURRENT ASSETS	\$11,729,944
CURRENT LIABILITIES	3,336,972
CURRENT RATIO	3.52
CASH	11,674,252
COMMON EQUITY	12,593,663
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	12,593,663
COMMON EQUITY RATIO	100%
NET INCOME	(933,652)
RETURN ON EQUITY	NMF.

NMF= Non-meaningful figure