



ORIGINAL
Public Service Commission

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

DATE: September 11, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000776-TX, Express Phone Service, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials: ALM, CSU

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 Express Phone Service, Inc. (EPS) for the period ending March 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EPS has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, EPS is asking for a certificate to provide alternative local exchange telecommunications 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 is a reseller and provides no facilities-based service. It is also collocated with an affiliate, which allows it to meet lease obligations. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

DOCUMENT NUMBER - DATE
11336 SEP 12 8
FPSC-RECORDS/REPORTING

DOCKET NO. 000776-T  
EXPRESS PHONE SERVICE, INC.  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>03/31/00</u>
CURRENT ASSETS	\$106,978
CURRENT LIABILITIES	47,934
CURRENT RATIO	2.23
CASH	104,714
COMMON EQUITY	48,677
TOTAL DEBT	15,784
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	64,461
COMMON EQUITY RATIO	76%
NET INCOME	28,490
RETURN ON EQUITY	44%