



Public Service Commission

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

DATE: October 27, 1999  
 TO: Nancy Pruitt, Division of Communications  
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED* *ALM*  
 RE: Docket No. 991625-TX, Gulf Coast Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *[Signature]*

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 Gulf Coast Communications, Inc. (GCC) for the period ending September 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GCC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, GCC 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.

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. GCC has the ability to solicit its shareholders for additional capital, if necessary, to support its future business 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

~~18443~~ NOV-28

FPSC-RECORDS/REPORTING

DOCKET NO. 991625-  
GULF COAST COMMUNICATIONS, INC.

ALEC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 09/30/99

CURRENT ASSETS	\$28,670
CURRENT LIABILITIES	38
CURRENT RATIO	752.10
CASH	22,353
COMMON EQUITY	22,748
LONG-TERM DEBT	5,884
TOTAL INVESTOR CAPITAL	28,632
COMMON EQUITY RATIO	79%
NET INCOME	30,479
RETURN ON EQUITY	134%