



# Public Service Commission

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

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**DATE:** May 25, 2000  
**TO:** Toni McCoy, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PL* *SRMT*  
**RE:** Docket No. 000473-TX, Telergy Network Services, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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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 financial statements of Telergy, Inc., the parent company of Telergy Network Services, Inc. (Telergy). The applicant requested and was granted confidentiality for its financial statements.

In this matter, Telergy is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has the full backing of its parent company, it anticipates significant revenue growth, and it has access to bank loans and lines of credit. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG \_\_\_\_\_
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- SEC \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

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

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