



Public Service Commission

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

DATE: December 4, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
RE: Docket No. 971502-TX, NuStar Communications Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*

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 . . .

ACK _____ Regarding the showing of financial capability, the Finance staff has analyzed a projected twelve month income statement and the unaudited balance sheet of NuStar Communications Corporation
 AFA _____ (NCC) for the period ending August 31, 1997. An audit could change one's opinion of the
 APP _____ company's financial condition. As the attached schedule shows, NCC has adequate liquidity,
 CAF _____ sufficient common equity and projects a positive net income for the period.

CMU _____ In this matter, NCC is asking for a certificate to provide alternative local exchange
 CTR _____ telecommunications service. For purposes of granting a certificate based on the financial
 EAG _____ information provided, the financial capability appears adequate. The applicant attests to its
 LEG _____ financial capability to provide and maintain the proposed telecommunications service by noting
 LIN _____ that NCC proposes to operate as a reseller in the state of Florida, and will incur minimal capital
 OPC _____ or operating expenses. In addition, the company has structured its retail pricing so that its per
 RCH _____ minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow.
 SEC _____ Based on this showing, the applicant appears to meet the financial capability standard of Section
 364.337, Florida Statutes.

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

DOCUMENT NUMBER-DATE
 12723 DEC 12 5
 FPSC-RECORDS/REPORTING

DOCKET NO. 971502-
NUSTAR COMMUNICATIONS CORPORATION

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 08/31/97
CURRENT ASSETS	\$43,861
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	40,474
COMMON EQUITY	60,531
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	60,531
COMMON EQUITY RATIO	100%
PROJECTED NET INCOME FOR TWELVE MONTHS	12,800
RETURN ON EQUITY	21%

NMF = No Meaningful Figure

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

November 17, 1997

Lloyd Roberts, President
NuStar Communications Corp.
44 Music Square East, Suite 118
Nashville, Tennessee 37203

Re: Docket No. 971502-TX

Dear Mr. Roberts:

This will acknowledge receipt of an application for certificate to provide exchange telecommunications service by NuStar Communications Corp., which was filed in this office on November 14, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission