



Public Service Commission

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

DATE: May 30, 2001
TO: Toni McCoy, Division of Communications *DM*
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 010756-TX, Bluewater Communication Corporation, 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 . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Bluewater Communication Corporation (BCC) for the four month period ending May 8, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BCC has adequate liquidity and sufficient common equity, but reports negative income for the period.

In this matter, BCC 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. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. 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

07013 JUN-56

FPSC-RECORDS/REPORTING

DOCKET NO. 010756-TX
BLUEWATER COMMUNICATION CORPORATION

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/08/2001
CURRENT ASSETS	\$50,000
CURRENT LIABILITIES	4,000
CURRENT RATIO	12.50
CASH	50,000
COMMON EQUITY	108,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	108,000
COMMON EQUITY RATIO	100%
NET INCOME	(8,000)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure