



Public Service Commission

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

DATE: December 9, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM SUT APC [Signature]*
RE: Docket No. 961400-TX, Fast Connections, Inc. d/b/a Fascon, Inc., 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 Fast Connections, Inc. (FCI) for the four-month period ending October 31, 1996 and the audited financial statements of Proxy Communications, Inc., the applicant's sister company, for the three-month period ending December 31, 1995. An audit could change one's opinion of the applicant's financial condition. As the attached schedule shows, FCI has adequate liquidity and ownership equity but reports negative net income.

- ACK _____
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- APP _____
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In this matter, FCI 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that its sister company, Proxy Communications, Inc. fully supports its operations and will guarantee and cover any obligations or liabilities incurred by the applicant's telecommunications services. 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

DOCUMENT NUMBER-DATE

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FPSC-RECORDS-REPORTING

DOCKET NO. 961400-TX
FAST CONNECTIONS, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF FAST CONNECTIONS, INC.
AND AUDITED FINANCIAL STATEMENTS
OF PROXY COMMUNICATIONS, INC. (SISTER COMPANY)

	Fast Connections FOR THE FOUR MONTHS ENDING 10/31/96	Proxy Communications FOR THE THREE MONTHS ENDING 12/31/95
CURRENT ASSETS	\$5,025	\$1,315,232
CURRENT LIABILITIES	0	1,414,176
CURRENT RATIO	N/A	0.93
CASH	5,025	16,451
COMMON EQUITY	10,767	937,335
TOTAL DEBT	0	4,884,435
TOTAL INVESTOR CAPITAL	10,767	5,821,770
COMMON EQUITY RATIO	100%	16%
NET INCOME	(5,733)	7,335
RETURN ON EQUITY	NMF	1%

N/A = Not Applicable

NMF = No Meaningful Figure