



Public Service Commission

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

DATE: September 24, 1997
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 971020-TI, Gemini Communications Management, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 balance sheet of Gemini Communications Management, Inc. (Gemini) as of June 13, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Gemini has adequate liquidity and ownership equity. As a start-up company, it does not have an income statement.

In this matter, Gemini is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 it has no debt, it possesses significant technological assets, and it can obtain additional capital from shareholders if necessary. 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) ✓

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DOCKET NO. 971020-T1
GEMINI COMMUNICATIONS MANAGEMENT, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED BALANCE SHEET

	AS OF JUNE 13, 1997
CURRENT ASSETS	67,767
CURRENT LIABILITIES	12,723
CURRENT RATIO	5.33
CASH	19,968
COMMON EQUITY	155,000
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	155,000
COMMON EQUITY RATIO	100%
NET INCOME	--
RETURN ON EQUITY	--

* BALANCE SHEET ONLY, START-UP COMPANY