



Public Service Commission ORIGINAL

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

DATE: December 9, 1999
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 991766-TI, LightNetworks, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 projected financial statements of LightNetworks, Inc. (LNI) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, LNI has adequate liquidity and sufficient common equity, but as a new company, it projects a net loss for the period.

In this matter, LNI is asking for a certificate to provide IXC 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 by noting that it has available \$25,000,000 in a credit facility through its recent agreement with Lucent Technologies. 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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FPSC-RECORDS/REPORTING

DOCKET NO. 991766-
LIGHTNETWORKS, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM PROFORMA FINANCIAL STATEMENTS AS OF 12/31/99

CURRENT ASSETS	\$3,335,010
CURRENT LIABILITIES	22,000
CURRENT RATIO	151.59
CASH	3,335,010
COMMON EQUITY	3,356,010
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	3,356,010
COMMON EQUITY RATIO	100%
NET INCOME	(1,665,990)
RETURN ON EQUITY	NMF

NMF= Non-meaningful figure