

ORIGINAL

State of Florida



Public Service Commission

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

DATE: June 9, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000507-TX, Speedy Reconnect, 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 Speedy Reconnect, Inc. (SPI) for the period ending March 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SPI has adequate liquidity, a low level of common equity, and reported a positive net income for the period.

In this matter, SPI is asking for a certificate to provide alternative local exchange telecommunications 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 been in business since July 1998 and has grown to have 8 retail locations and over 4000 customers. 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. 000507-TX
SPEEDY RECONNECT, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>03/31/00</u>
CURRENT ASSETS	\$181,923
CURRENT LIABILITIES	97,709
CURRENT RATIO	1.86
CASH	180,405
COMMON EQUITY	58,702
TOTAL DEBT	108,888
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	167,590
COMMON EQUITY RATIO	35%
NET INCOME	144,942 *
RETURN ON EQUITY	247%

* 3 MONTHS ENDED MARCH 31,2000