



Public Service Commission

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

DATE: June 26, 2000
TO: Tommy Williams, Division of Regulatory Oversight
FROM: David J. Draper, Division of Economic Regulation
RE: Docket No. 000695-TX, Looking Glass Networks, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

ALM

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 balance sheet of Looking Glass Networks, Inc. (LGN) for the period ending April 15, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, LGN has adequate liquidity and sufficient common equity. The company is a start-up and does not have a current income statement.

In this matter, LGN 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 04/15/2000
CURRENT ASSETS	\$5,000,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	5,000,000
COMMON EQUITY	\$5,000,000
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	5,000,000
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure

APD
CAF
CMP
COM
CTR
EOK
LBO
OPC
PBI
PBO
SBO
SER
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