



Public Service Commission

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

DATE: August 25, 2000
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 000832-TX, Seven Bridges Communications, LLC, 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 financial statements of EFS, Inc., an affiliate of Seven Bridges Communications, LLC (Seven Bridges), for the period ending April 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Seven Bridges' affiliate has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Seven Bridges 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.

APP _____ The applicant attests to its financial capability to provide and maintain the proposed
CAF _____ telecommunications service by noting that its start-up operations will be guaranteed by EFS, Inc.,
CMP _____ which will also provide additional capital in the future if necessary. Based on this showing, the
COM _____ applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
CTR _____
ECR _____
LEG _____
OPC _____
PAI _____
RGO _____
SEC _____
SER _____
OTH _____

cc: Division of Legal Services
Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE

10741 AUG 30 8

FPSC-RECORDS/REPORTING

DOCKET NO. 000832-TX
SEVEN BRIDGES COMMUNICATIONS, LLC
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF EFS, INC., AN AFFILIATE

	AS OF <u>04/30/2000</u>
CURRENT ASSETS	\$5,381,869
CURRENT LIABILITIES	792,049
CURRENT RATIO	6.79
CASH	871,830
COMMON EQUITY	6,746,279
TOTAL DEBT	177,602
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	6,923,881
COMMON EQUITY RATIO	97%
NET INCOME	196,413
RETURN ON EQUITY	3%