



Public Service Commission

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

DATE: August 31, 2000

TO: Brenda Hawkins, Division of Regulatory Oversight *DD* *ALM* *CB*

FROM: David J. Draper, Division of Economic Regulation

RE: Docket No. 000734-TX, Everest Connections Corporation, 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 Everest Connections Corporation (ECC) for the four month period ending April 30, 2000. An audit could change one's opinion of the company's financial condition. The applicant requested confidential treatment of its financial statements. Based on a review of the applicant's financial information, the company's financial capability appears adequate.

In this matter, ECC is asking for a certificate to provide alternative local exchange telecommunications service. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company will increase available capital from continuing operations. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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