



# Public Service Commission

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

**DATE:** September 11, 2000  
**TO:** Nancy Pruitt, Division of Regulatory Oversight  
**FROM:** Pete Lester, Division of Economic Regulation *PL*  
**RE:** Docket No. 000819-TX, Mainstream Communication, 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 Mainstream Communication, LLC (Mainstream) for the period ending May 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Mainstream has inadequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Mainstream 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 \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has the financial capability to provide telecommunications service and that it has bank references. 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)

DOCUMENT NUMBER-DATE

11338 SEP 12 00

FPSC-RECORDS/REPORTING

DOCKET NO. 000819-1  
MAINSTREAM COMMUNICATION, LLC  
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>05/31/00</u>
CURRENT ASSETS	(\$148,540)
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	4,199
COMMON EQUITY	1,907
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,907
COMMON EQUITY RATIO	100%
NET INCOME	5,702
RETURN ON EQUITY	299%

NMF=NO MEANINGFUL FIGURE