



# Public Service Commission

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

---

**DATE:** January 8, 2001  
**TO:** Nancy Pruitt, Division of Regulatory Oversight  
**FROM:** David J. Draper, Division of Economic Regulation  
**RE:** Docket No. 001751-TX, SCC Communications, Corp., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

---

ALM 1/8

DD

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 SCC Communications, Corp. (SCC) for the nine month period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SCC has adequate liquidity and sufficient common equity, but reports negative income.

In this matter, SCC 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 to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. 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

01152 JAN 25 01

FPSC-RECORDS/REPORTING

DOCKET NO. 001751-TX  
SCC Communications Corp.

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/2000 (,000)
CURRENT ASSETS	\$25,405
CURRENT LIABILITIES	9,166
CURRENT RATIO	2.77
CASH	4,665
COMMON EQUITY	41,234
TOTAL DEBT	1,717
TOTAL INVESTOR CAPITAL	42,951
COMMON EQUITY RATIO	96%
NET INCOME	(3,477)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure