



Public Service Commission

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

DATE: February 6, 2001
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation
RE: Docket No. 001787-TI, Metstream Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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 Metstream Communications, Inc. (Metstream) for the period ending October 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Metstream has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Metstream is asking for a certificate to provide IXC 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.

Although an analysis of the financial statements reveals the applicant is in a adequate financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has lines of credit exceeding \$1.1 million. 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

DOCKET NO. 001786-TX  
DOCKET NO. 001787-TI  
METSTREAM COMMUNICATIONS, INC.  
IXC AND ALEC CERTIFICATES

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>10/31/2000</u>
CURRENT ASSETS	\$4,208,253
CURRENT LIABILITIES	262,334
CURRENT RATIO	16.04
CASH	4,194,987
COMMON EQUITY	4,244,889
TOTAL DEBT	152,349
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	4,397,238
COMMON EQUITY RATIO	97%
NET INCOME	(683,811)
RETURN ON EQUITY	NEGATIVE