



Public Service Commission

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

DATE: April 10, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DB APC ALM*
RE: Docket No. 970280-TX, Telquest Communication, Corp., 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 Telquest Communication, Corp. (TCC) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule presents, TCC has adequate liquidity, sufficient common equity and shows a positive net income.

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In this matter, TCC is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. In addition, the applicant attests to its financial capability by noting that it has sufficient internally generated capital to provide and maintain the proposed telecommunications service. 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

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 FPSC-RECORDS/REPORTING

DOCKET NO. : 97028
TELQUEST COMMUNICATION, CORP.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$8,865
CURRENT LIABILITIES	6,228
CURRENT RATIO	1.42
CASH	7,676
COMMON EQUITY	65,671
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	65,671
COMMON EQUITY RATIO	100%
NET INCOME	23,483
RETURN ON EQUITY	36%

NMF = No Meaningful Figure