



# Public Service Commission

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

**DATE:** April 18, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL APC ALM*  
**RE:** Docket No. 970263-TI, Northeast Florida Long Distance Company, inc. Application for Intrastate Interexchange Telecommunications Service *WPH*

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 forecasted, financial statements of Northeast Florida Long Distance Company, Inc. (NFLD) for the forecasted period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NFLD forecasts adequate liquidity, ownership equity, and profitability.

ACK ~~In~~ this matter, NFLD is asking for a certificate to provide IXC service. Staff notes the limited  
AFA ~~nature~~ of the application. For purposes of granting a certificate based on the financial  
APP ~~information~~ provided, the financial capability appears adequate.

CAF ~~The~~ applicant attests to its financial capability to provide and maintain the proposed  
CMU ~~telecommunications~~ service by noting that it is a subsidiary of Northeast Florida Telephone  
CTR ~~Company, Inc.,~~ which will handle financial planning for NFLD. Based on this showing, the  
EAG ~~applicant~~ appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LEG ~~cc:~~ Division of Legal Services  
LIN ~~Division of~~ Records and Reporting

OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC I  
WAS \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

04208 APR 25 97

FPSC-RECORDS/REPORTING

DOCKET NO. 970263-TI  
NORTHEAST FLORIDA LONG DISTANCE COMPANY  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM FORECASTED FINANCIAL STATEMENTS

12 MONTHS ENDING  
DECEMBER 31, 1997

CURRENT ASSETS	85,139
CURRENT LIABILITIES	41,796
CURRENT RATIO	2.04
CASH	35,688
COMMON EQUITY	45,743
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	45,743
COMMON EQUITY RATIO	100%
NET INCOME	45,243
RETURN ON EQUITY	99%