



Public Service Commission

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

DATE: February 13, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM AP C*
 RE: Docket No. 970052-TX, Shands Teaching Hospital and Clinics, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *190*

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 audited financial statements of Shands Teaching Hospital and Clinics, Inc. (STHC) for the one year period ending 06/30/95. As the attached schedule shows, STHC does not utilize equity funding, but has adequate liquidity and is showing a significant net income.

In this matter, STHC 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 to provide and maintain the proposed telecommunications service by noting that it has sufficient capital to maintain local exchange service as a reseller. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAC _____
- LE _____
- LI _____
- OFC _____
- RCH _____ cc: Division of Legal Services
- SEC 1 Division of Records and Reporting
- WAS _____

DOCUMENT NUMBER - DATE

01949 FEB 20 97

FPSC-RECORDS/REPORTING

DOCKET NO. : 970052-TX
SHANDS TEACHING HOSPITAL AND CLINICS, INC.

TX TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

| | AS OF 06/30/95 |
|------------------------|----------------------|
| CURRENT ASSETS | \$125,311,782 |
| CURRENT LIABILITIES | 41,162,157 |
| CURRENT RATIO | 3.04 |
| CASH | 12,659,939 |
| COMMON EQUITY | (Fund Accounting) |
| TOTAL DEBT | 181,490,623 |
| TOTAL INVESTOR CAPITAL | 181,490,623 |
| COMMON EQUITY RATIO | 0% |
| NET INCOME | 21,196,972 |
| RETURN ON EQUITY | NMF |

NMF = No Meaningful Figure