



# Public Service Commission

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

**DATE:** May 6, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DS*  
**RE:** Docket No. 970470-TX, Quentel Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM APC MTS*

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 proforma financial statements of Quentel Communications, Inc. (QCI) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, QCI has projected a negative net income for 1997, but has sufficient common equity and adequate liquidity.

ACK \_\_\_\_\_ In this matter, QCI is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no  
 AFA \_\_\_\_\_ customer provided funds appear to be at risk. For purposes of granting a certificate based on  
 APP \_\_\_\_\_ the financial information provided, the financial capability appears adequate. The applicant  
 CAF \_\_\_\_\_ attests to its financial capability to provide and maintain the proposed telecommunications  
 CMU \_\_\_\_\_ service. In addition, QCI intends to raise the additional capital by selling stock to private  
 CTR \_\_\_\_\_ investors and by drawing on the companies established lines of credit. Based on this showing,  
 EAG \_\_\_\_\_ the applicant appears to meet the financial capability standard of Section 364.337, Florida  
 Statutes.

LEG \_\_\_\_\_  
 LIN cc: Division of Legal Services

OPC \_\_\_\_\_ ~~Division of Records Management~~

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DOCUMENT NUMBER-DATE

04762 MAY 13 97

FPSC-RECORDS/REPORTING

DOCKET NO. : 97047 X  
QUENTEL COMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED PROFORMA FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$301,308
CURRENT LIABILITIES	6,527
CURRENT RATIO	46.16
CASH	301,306
COMMON EQUITY	297,459
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	297,459
COMMON EQUITY RATIO	100%
NET INCOME	(144,467)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

**State of Florida**

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING



DIVISION OF RECORDS &  
REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(904) 413-6770

**Public Service Commission**

April 18, 1997

G. Peter Reed, Jr., President  
Quentell Communications, Inc.  
777 South Flagler Drive  
Phillips Point, Suite 800 West  
West Palm Beach, Florida 33401

Re: Docket No. 970470-TX

Dear Mr. Reed:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by Quentell Communications, Inc., which was filed in this office on April 17, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (904) 413-6078 or FAX (904) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting  
Florida Public Service Commission