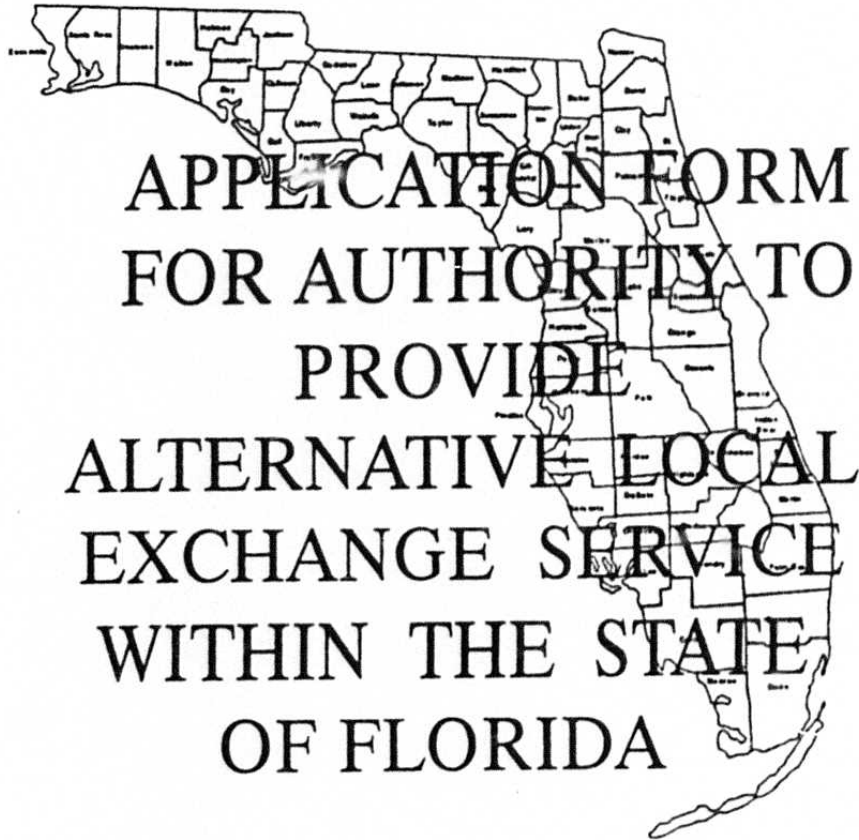


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FRSC RECORDS REPORTING

**FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850**

**APPLICATION FORM
for**

**AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA**

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
 2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
 3. Use a separate sheet for each answer which will not fit the allotted space.
 4. If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Communications, Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866
(904) 413-6600**
 5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.
-

1. This is an application for (check one):
- (x) **Original authority** (new company)

 - () **Approval of transfer** (to another certificated company)
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

 - () **Approval of assignment of existing certificate** (to a noncertificated company)
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

 - () **Approval for transfer of control** (to another certificated company)
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant: GULF LONG DISTANCE, INC.

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

Gulf Long Distance, Inc.
116 N. Alston St.
Foley, Al 36536

- B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

^{334 952-5585}
Gulf Long Distance, Inc.
Suite A-103, 774 E. Burgess Rd.
Pensacola, Florida 32504
850 484-4722

- C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.

Not in service at this time.

4. Structure of organization:

- | | |
|----------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Individual | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Other, Please explain _____ |

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: F 93000003437

6. Name under which the applicant will do business (d/b/a):
Gulf Long Distance, Inc.

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: Not Applicable

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Not applicable

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No officer, director, or ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any crime.

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Pat Burns, Manager 334 952-5585, Fax 334 952-5566
116 N. Alston St. , Foley, Alabama 36535

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

Alabama and Mississippi

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

14. Please indicate how a customer can file a service complaint with your company.

Notify: General Manager
800 487-4853
334 952-7587

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability. See Attachment 1

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should attest that the financial statements are true and correct.

B. Managerial capability. See Attachment 2

C. Technical capability. See Attachment 3

Gulf Coast Services, Inc.

Consolidated Financial Statements
and Other Financial Information

*Years ended December 31, 1996 and 1995
with Report of Independent Auditors*

Gulf Coast Services, Inc.

Consolidated Balance Sheets

	December 31,	
	1996	1995
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,776,164	\$ 2,961,470
Accounts receivable, net of allowance of \$490,460 and \$546,717 for 1996 and 1995, respectively	2,977,932	2,572,552
Inventories	1,434,685	1,619,773
Refundable income taxes	765,465	-
Prepaid expenses	368,998	294,787
Total current assets	<u>7,323,244</u>	<u>7,448,582</u>
Noncurrent assets:		
Notes receivable from officers and directors	157,032	-
Note receivable from partnership	1,400,000	-
Investments	12,123,718	3,234,381
Other assets	2,066,380	1,444,507
	<u>15,747,130</u>	<u>4,678,888</u>
Property, plant and equipment:		
Land	1,605,336	1,855,762
Buildings	12,022,513	12,646,174
Plant equipment and fixtures	104,583,186	95,647,172
	<u>118,211,035</u>	<u>110,149,108</u>
Less allowance for depreciation	(44,477,790)	(38,847,091)
	<u>73,733,245</u>	<u>71,302,017</u>
Total assets	<u>\$ 96,803,619</u>	<u>\$ 83,429,487</u>

	December 31,	
	1996	1995
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,477,077	\$ 2,019,027
Customer deposits	444,673	454,828
Income taxes payable	-	424,784
Accrued expenses	1,273,470	1,482,872
Current portion of long-term debt and capital lease obligations	2,740,024	2,870,553
Total current liabilities	<u>6,935,244</u>	<u>7,252,064</u>
Long-term debt and capital lease obligations less current portion	44,241,316	37,286,388
Other liabilities and deferred credits:		
Postretirement benefit obligation	2,207,135	1,238,274
Deferred federal and state income taxes	10,383,365	8,594,426
Deferred investment tax credits	855,969	995,859
Deferred compensation payable	1,033,666	922,200
	<u>14,480,135</u>	<u>11,750,759</u>
Stockholders' equity:		
Common stock, \$1 par value:		
Authorized shares - 100,000		
Issued and outstanding shares - 92,112	92,112	92,112
Additional paid-in capital	360,409	68,637
Unallocated stock of ESOP	(1,667,928)	(2,000,000)
Retained earnings	32,362,331	28,979,527
Total stockholders' equity	<u>31,146,924</u>	<u>27,140,276</u>
Total liabilities and stockholders' equity	<u>\$ 96,803,619</u>	<u>\$ 83,429,487</u>

See accompanying notes.

Gulf Coast Services, Inc.

Consolidated Statements of Income

	Year ended December 31,	
	1996	1995
Revenues:		
Operating	\$ 39,678,074	\$ 35,026,242
Other	10,312,350	2,198,850
	<u>49,990,424</u>	<u>37,225,092</u>
Costs and expenses:		
Operating expenses	29,803,142	24,049,260
Depreciation	7,592,998	7,130,912
Interest	2,897,998	2,735,763
Impairment loss	2,450,916	-
Equity in loss in investment	1,176,156	-
	<u>43,921,210</u>	<u>33,915,935</u>
Income before income taxes	6,069,214	3,309,157
Provision for income taxes:		
Current	275,531	1,153,092
Deferred	1,988,795	246,272
Investment tax credits	(139,890)	(149,830)
	<u>2,124,436</u>	<u>1,249,534</u>
Income before extraordinary item	3,944,778	2,059,623
Extraordinary loss on early extinguishment of debt, net of tax benefit of \$265,387	(561,974)	-
Net income	<u>\$ 3,382,804</u>	<u>\$ 2,059,623</u>

See accompanying notes.



GULF LONG DISTANCE INC.

MANAGERIAL CAPABILITIES

- I. General Manager - Harold Sligh is a 25+ year veteran of the Telecommunications Business. Mr. Sligh started his career with South Central Bell and has retired from AT&T. He worked as the General Manager of an Independent Telephone Company prior to his assignment as General Manager of Gulf Long Distance.

- II. Controller - Randall Fant is a 10+ year veteran of the Telecommunications Business. Mr. Fant spent 7 years as the Controller of Southland Systems (a Toll Resale Company); He was the head accountant for Gulf Telephone Company for 3 years; and the former General Manager of Gulf Long Distance, Inc. For 2 years.



GULF LONG DISTANCE INC.

TECHNICAL CAPABILITIES

Gulf Coast Services, Inc. (GCSI) the parent Company of Gulf Long Distance, Inc. Has been in the Telecommunications business since 1929.

GCSI's other subsidiary is Gulf Telephone Company (GTC). GTC is a certified Local Exchange Company providing service to southern Baldwin County, Alabama. GTC has been providing local telephone service to this community since 1929. The expertise and employees of GTC are available to Gulf Long Distance, Inc. upon demand.

Gulf Long Distance, Inc. (GLD) has been providing long distance call origination, termination, rating and billing since 1991. GLD has been certified as an IXC in Florida since 1993.

LOCAL EXCHANGE SERVICE
GULF LONG DISTANCE, INC.

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

NOTES REGARDING THIS ILLUSTRATIVE TARIFF
OF GULF LONG DISTANCE, INC.
("Gulf Long Distance, Inc.")

1. This tariff is for illustrative purposes only and is subject to change.
2. Rates and comprehensive service descriptions are subject to change until Gulf Long Distance, Inc. Has completed its interconnection negotiations with the incumbent local exchange carriers.
3. Unless otherwise noted in Gulf Long Distance, Inc.'s, application for its local service authority, the services contained herein shall be offered, on the terms and conditions stated herein, to consumers throughout the state.

ISSUE DATE:

AUG 1 1997

EFFECTIVE DATE:

Harold Sligh, General Manager
Gulf Long Distance, Inc.
120 So. McKenzie
Foley, Al 36535

CHECK SHEET

ISSUE DATE:

AUG 1st 1997

EFFECTIVE DATE:

Harold Sligh, General Manager
Gulf Long Distance, Inc.
120 So. McKenzie
Foley, Al 36535

LOCAL EXCHANGE SERVICE

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ISSUE DATE:

AUG 1 - 1997

EFFECTIVE DATE:

Harold Sligh, General Manager
Gulf Long Distance, Inc.
120 So. McKenzie
Foley, Al 36535

LOCAL EXCHANGE SERVICE

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ISSUE DATE:

EFFECTIVE DATE:

AUG 1 1997

Harold Sligh, General Manager
Gulf Long Distance, Inc.
120 So. McKenzie
Foley, Al 36535

LOCAL EXCHANGE SERVICE

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ISSUE DATE:

AUG 1 1977

EFFECTIVE DATE:

Harold Sligh, General Manager
Gulf Long Distance, Inc.
120 So. McKenzie
Foley, Al 36535