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Public Service Commission

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

DATE: September 16, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
 RE: Docket No. 971171-TX, Advance Cellular Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*

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 Advance Cellular Corporation (ACC) for the one month period ending July 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ACC has adequate liquidity, sufficient common equity and reported positive net income.

In this matter, ACC is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the Company will maintain capital from internally generated funds. 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 (2)

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FPSC-RECORDS/REPORTING

DOCKET NO. : 971171
ADVANCE CELLULAR CORPORATION

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/97
CURRENT ASSETS	\$28,416
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	10,027
COMMON EQUITY	28,416
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	28,416
COMMON EQUITY RATIO	100%
NET INCOME	18,483
RETURN ON EQUITY	65%

NMF = No Meaningful Figure