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Public Service Commission

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

DATE: July 10, 1996

TO: Tom Williams, Division of Communications

FROM: Sonja Jones, Division of Auditing and Financial Analysis ^{ALM}

RE: Docket No. 960584-TI, TelQuest Communications, Corp., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service ^{APC}

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 financial statements of TelQuest Communications, Corp. (TCC) for the five-month period ending May 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCC has adequate liquidity, ownership equity, and profitability.

In this matter, TCC is asking for a certificate to provide IXC 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.

cc: Division of Legal Services
Division of Records and Reporting

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DOCKET NO. 960584-TI
TELQUEST COMMUNICATIONS, CORP.
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE FIVE
MONTHS ENDING
5/31/96

CURRENT ASSETS	\$27,137
CURRENT LIABILITIES	887
CURRENT RATIO	30.59
CASH	24,758
COMMON EQUITY	58,146
TOTAL DEBT	721
TOTAL INVESTOR CAPITAL	58,868
COMMON EQUITY RATIO	99%
NET INCOME	35,958
RETURN ON EQUITY	62%