



Public Service Commission

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

DATE: January 3, 1997

TO: Tom Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*

ALM
[Signature]
19x

RE: Docket No. 961401-TI, US West Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 audited financial statements for the 12 months ended December 31, 1995 for US West Communications Group, the parent company of US West Long Distance, Inc. The company has adequate liquidity, ownership equity, and profitability. The company attests that it has the financial capability to provide IXC service.

Based on this representation, the application appears adequate for certification purposes.

cc: Division of Legal Services
Division of Records and Reporting

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 961401-TI
US WEST LONG DISTANCE, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS

PERIOD
ENDED
DECEMBER 31, 1995

DOLLARS IN MILLIONS

CURRENT ASSETS	2,909
CURRENT LIABILITIES	5,052
CURRENT RATIO	0.58
COMMON EQUITY	7,948
TOTAL DEBT	6,954
TOTAL INVESTOR CAPITAL	14,902
COMMON EQUITY RATIO	53%
NET INCOME	1,317
RETURN ON EQUITY	17%