



Public Service Commission

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

DATE: June 19, 1997
 TO: Tom Williams, Division of Communications
 FROM: David Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. **970707-TI**, Comcast Long Distance, Inc., Financial Analysis for Certificate Application for Intra-state Interexchange Telecommunications Service *ALM*

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 consolidated financial statements of Comcast Long Distance, Inc. (CLD) for the period ending December 31, 1996. As the attached schedule shows, CLD has a minimal equity ratio, and produced a negative net income for the period, but has adequate liquidity and sufficient common equity.

In this matter, CLD is asking for a certificate to provide IXC 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. In addition, Comcast Corporation will provide any additional financial or capital needs of CLD. 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

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OFFICE OF THE SECRETARY

DOCKET NO. : 970707-T1
COMCAST LONG DISTANCE, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	AS OF 12/31/96 (dollars in millions)
CURRENT ASSETS	\$1,406
CURRENT LIABILITIES	1,365
CURRENT RATIO	1.03
CASH	331
COMMON EQUITY	552
TOTAL DEBT	7,103
TOTAL INVESTOR CAPITAL	7,654
COMMON EQUITY RATIO	7%
NET INCOME	(54)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure