



# Public Service Commission

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

**DATE:** June 27, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis *DD ALM*  
**RE:** Docket No. **970761-TI**; Quintelco, Inc., 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 audited consolidated financial statements of Quintel Entertainment, Inc., parent corporation of Quintelco, Inc. (QTO) for the period ending December 31, 1996. As the attached schedule shows, QTO has adequate liquidity, sufficient common equity and produced a positive net income for the period.

In this matter, QTO 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 telecommunication s service by noting that the parent corporation will support it's subsidiary if additional capital is needed. 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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**06478 JUN 27 97**  
 FPSC-RECORDS/REPORTING

DOCKET NO. : 970761  
QUINTELCO, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF  
QUINTEL ENTERTAINMENT, INC

	AS OF 12/31/96
CURRENT ASSETS	\$56,718,056
CURRENT LIABILITIES	31,275,864
CURRENT RATIO	1.81
CASH	14,140,987
COMMON EQUITY	47,734,933
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	47,734,933
COMMON EQUITY RATIO	100%
NET INCOME	12,174,430
RETURN ON EQUITY	26%

NMF = No Meaningful Figure