



Public Service Commission

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

DATE: June 26, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL* *ALM*
 RE: Docket No. 970610-TX, ALLTEL Long Distance, Inc., 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 audited financial statements of ALLTEL Corporation, the parent company of ALLTEL Long Distance, Inc. (ALLTEL), for the 12-month period ending December 31, 1996. As the attached schedule shows, ALLTEL has adequate liquidity, ownership equity, and profitability.

- ACK _____
- AFA _____
- APP _____ In this matter, ALLTEL is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.
- CAF _____
- CMU _____
- CTR _____
- EAG _____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company is a Fortune 500 company and has an A+ bond rating from Standard and Poor's. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
- LEG _____
- LIN _____

cc: Division of Legal Services
 Division of Records and Reporting ✓

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 WFS
 BTJ

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 FPSC-RECORDS/REPORTING

DOCKET NO. 970610-TX
ALLTEL LONG DISTANCE, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM AUDITED FINANCIAL STATEMENTS OF
ALLTEL CORPORATION

IN THOUSANDS	12 MONTHS ENDING DECEMBER 31, 1996
CURRENT ASSETS	709,468
CURRENT LIABILITIES	552,898
CURRENT RATIO	1.28
CASH	13,874
COMMON EQUITY	2,087,909
TOTAL DEBT	2,027,836
PREFERRED STOCK	15,653
TOTAL INVESTOR CAPITAL	4,131,398
COMMON EQUITY RATIO	51%
NET INCOME	291,737
RETURN ON EQUITY	14%