



Public Service Commission

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

DATE: September 10, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALM*
RE: Docket No. **970954-TX**, Gulf Long Distance, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 unaudited financial statements of Gulf Coast Services, Inc. (Gulf), the parent company of Gulf Long Distance, Inc. (GLD) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Gulf has adequate liquidity, ownership equity, and profitability.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

In this matter, GLD 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company has both fixed and revolving credit arrangements with three banks. 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 (2)

DOCUMENT NUMBER-DATE

09320 SEP 12 6

FPSC-RECORDS/REPORTING



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FPSC-RECORDS/REPORTING

DOCKET NO. 970954-TX
GULF LONG DISTANCE, INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS
OF GULF COAST SERVICES, INC., THE PARENT
COMPANY OF GULF LONG DISTANCE, INC.

YEAR
ENDED
DECEMBER 31, 1996

CURRENT ASSETS	7,323,244
CURRENT LIABILITIES	4,195,220
CURRENT RATIO	1.75
CASH	1,776,164
COMMON EQUITY	31,146,924
TOTAL DEBT	46,981,340
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	78,128,264
COMMON EQUITY RATIO	40%
NET INCOME	3,382,804
RETURN ON EQUITY	11%

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYO
DIRECTOR
(850) 413-6770

Public Service Commission

July 29, 1997

Pat Burns, Manager
Gulf Long Distance
116 North Alston Street
Foley, Alabama 36535

Re: Docket No. 970954-TX

Dear Ms. Burns:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by Gulf Long Distance, Inc., which was filed in this office on July 28, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission