



Public Service Commission

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

DATE: October 16, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 971175-TX, Quincy Telephone Company, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 Quincy Telephone Company (Quincy) for the year ending December 31, 1996. As the attached schedule shows, Quincy has adequate liquidity, ownership equity, and profitability.

In this matter, Quincy 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, TDS Telecom, is a diversified telecommunications company providing local exchange service, cellular service, paging, PCS, and Internet service. TDS Telecom has a BBB bond rating by S & P, and is traded on the American Stock Exchange. 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) ✓

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DOCKET NO. 971175-TX
QUINCY TELEPHONE COMPANY D/B/A TDS TELECOM/QUINCY TEL.
ALEC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM PSC ANNUAL REPORT, AUDITED

	YEAR ENDED DECEMBER 31, 1997
CURRENT ASSETS	2,671,285
CURRENT LIABILITIES	1,871,641
CURRENT RATIO	1.43
CASH	569,548
COMMON EQUITY	8,309,815
TOTAL DEBT	10,175,408
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	18,485,223
COMMON EQUITY RATIO	45%
NET INCOME	654,476
RETURN ON EQUITY	8%