



Public Service Commission ORIGINAL

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

DATE: January 13, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
 RE: Docket No. 981873-TX, Qwest Communications Corp., Financial Analysis for *APC* *ms*
 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 audited financial statements of Qwest Communications Corp. (Qwest) for the period ending December 31, 1997. As the attached schedule shows, Qwest has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
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 CMU _____
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 EAG _____
 LEG _____
 LIN _____

In this matter, Qwest is asking for a certificate to provide alternative local exchange telecommunications 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 by noting that the Company will maintain capital from internally generated funds. 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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FPSC-RECORDS/REPORTING

DOCKET NO. 98187 X
QWEST COMMUNICATIONS CORPORATION

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97 (,000)
CURRENT ASSETS	\$723,942
CURRENT LIABILITIES	315,422
CURRENT RATIO	2.30
CASH	379,784
COMMON EQUITY	381,744
TOTAL DEBT	630,463
TOTAL INVESTOR CAPITAL	1,012,207
COMMON EQUITY RATIO	38%
NET INCOME	14,523
RETURN ON EQUITY	4%

NMF = No Meaningful Figure