



Public Service Commission

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

DATE: February 24, 1999
 TO: Tommy Williams, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED* *ALM*
 RE: Docket No. 990083-TI, CenturyTel Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 unaudited financial statements of Century Telephone Enterprises, Inc., parent of CenturyTel Long Distance, Inc. (CTLTD), for the period ending September 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CTLTD has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, CTLTD is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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 as a wholly owned subsidiary of Century Telephone Enterprises, Inc. has adequate financial support to fund its operations. 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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