



Public Service Commission

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

DATE: April 26, 2000
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 000382-TX, BD Webb Enterprise, Inc. d/b/a Quad City Communications, 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 BD Webb Enterprise, Inc. d/b/a Quad City Communications (QCC) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, QCC has adequate liquidity, sufficient common equity and reported positive net income for the period.

In this matter, QCC 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 QCC 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. 000382-TX
BD WEBB ENTERPRISE, INC. d/b/a QUAD CITY COMMUNICATIONS

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$10,764
CURRENT LIABILITIES	1,400
CURRENT RATIO	7.69
CASH	5,808
COMMON EQUITY	5,427
TOTAL DEBT	3,937
TOTAL INVESTOR CAPITAL	9,364
COMMON EQUITY RATIO	58%
NET INCOME	5,253
RETURN ON EQUITY	97%

NMF = No Meaningful Figure