



ORIGINAL
Public Service Commission

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

DATE: June 15, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL* *CL*
RE: Docket No. 000637-TI, TDS Long Distance Corporation, 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 audited financial statements of Telephone & Data Systems, Inc., the parent company of TDS Long Distance Corporation (TDS-LD) for the period ending December 31, 1999. As the attached schedule shows, TDS-LD's parent company has adequate liquidity, sufficient common equity, and reported a positive net income for the period.

In this matter, TDS-LD is asking for a certificate to provide IXC 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.

- APP _____
- CAF _____
- CMP _____
- COM _____
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- PAI _____
- RGO _____
- SEC 1 _____
- SER _____
- OTH _____

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company has a \$500 million line of credit and has a BBB bond rating. 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
07418 JUN 19 2000
FPSC-RECORDS/REPORTING

DOCKET NO. 000637-1
TDS LONG DISTANCE CORPORATION
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
OF TELEPHONE & DATA SYSTEMS, INC.,
THE PARENT COMPANY

IN THOUSANDS	AS OF <u>12/31/1999</u>
CURRENT ASSETS	\$508,008
CURRENT LIABILITIES	354,705
CURRENT RATIO	1.43
CASH	111,010
COMMON EQUITY	2,483,101
TOTAL DEBT	1,294,844
PREFERRED STOCK	309,005
TOTAL INVESTOR CAPITAL	4,086,950
COMMON EQUITY RATIO	61%
NET INCOME	229,961
RETURN ON EQUITY	9%

STATE OF FLORIDA

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER



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

Public Service Commission

May 26, 2000

TDS Telecom
Lorraine Murphy, Tariff Assistant
Post Office Box 5158
Madison, Wisconsin 53705-0158

Re: Docket No. 000637-TI

Dear Ms. Murphy:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by TDS Long Distance Corporation, which was filed in this office on May 25, 2000, 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) 413-6248 or FAX (850) 413-7180.

Please make notes 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