



# Public Service Commission

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

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**DATE:** January 18, 2001  
**TO:** Tommy Williams, Division of Regulatory Oversight  
**FROM:** David J. Draper, Division of Economic Regulation *DD*  
**RE:** Docket No. 001799-TX, Quality Telephone, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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*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 unaudited balance sheet of Quality Telephone, Inc. (QTI) for the period ending January 1, 2001. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, QTI has adequate liquidity and sufficient common equity. QTI is not in operations at this time, therefore, has no relevant income statement.

In this matter, QTI 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)

DOCUMENT NUMBER-DATE

01159 JAN 25 01

FPSC-RECORDS/REPORTING

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 01/01/2001
CURRENT ASSETS	\$72,221
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	72,221
COMMON EQUITY	95,798
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	95,798
COMMON EQUITY RATIO	100%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure