STEEL
HECTOR
& DAVIS

Steel Hector & Davis LLP
215 South Monroe Suite 601
Tallahassee, Florida 32301-1804
904.222.2300
904.222.8410 Fax

ORIGINAL

November 18, 1997

Charles A. Guyton
904.222.3423

Ms Blanca Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Via Hand Delivery

971521-TX

Re: ALEC Application of GTC, Inc. d/b/a GT Com

Dear Ms Bayó:

Enclosed for filing with the Commission on behalf of GTC, Inc. d/b/a GT Com are the original and six copies of its Application to Provide Alternative Local Exchange Service. A check in the amount of $250.00 is also enclosed as the application fee. Please stamp as filed and return to our runner the additional copy of this letter and the application which are also enclosed.

If you or your staff have any questions regarding this transmittal, please contact me at 222-2300.

Respectfully yours,

Charles A. Guyton

Charles A. Guyton
Attorney for
GTC, Inc. d/b/a GT Com

Check received with filing and
forwarded to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

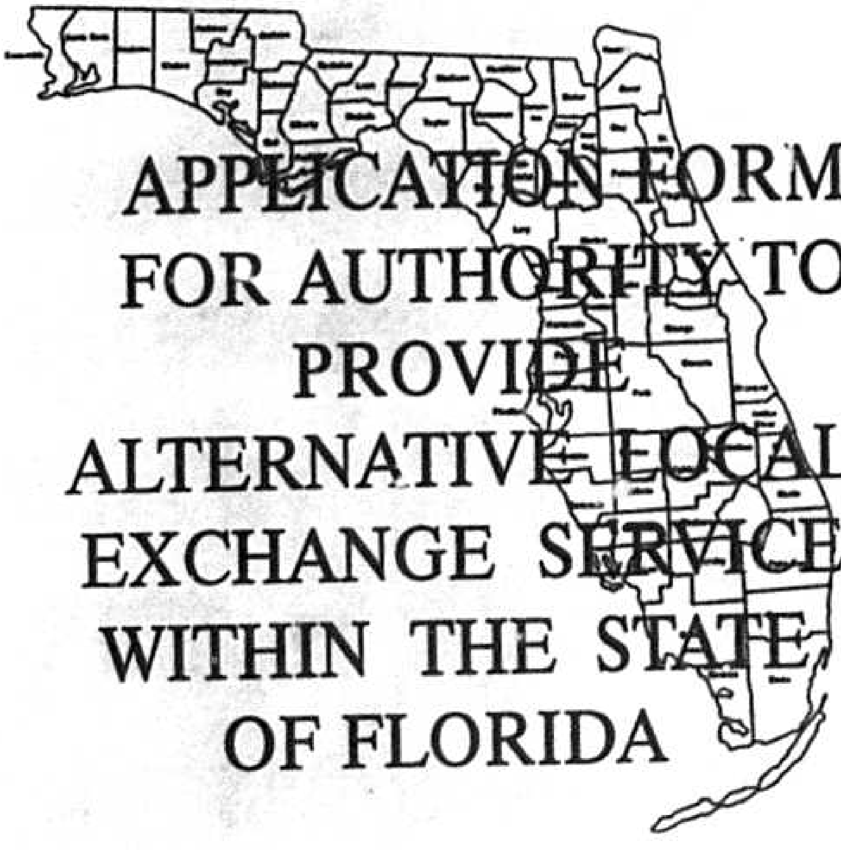
Initials of person who forwarded check:
A.J.

enc.

TAL/22872-1

RECEIVED & FILED

DOCUMENT NUMBER-DATE
11820 NOV 18 97
FPSC-RECORDS/REPORTING



APPLICATION FORM FOR AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

1. This is an application for (check one):

(x) **Original authority** (new company)

( ) **Approval of transfer** (to another certificated company)
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

( ) **Approval of assignment of existing certificate** (to a noncertificated company)
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

( ) **Approval for transfer of control** (to another certificated company)
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. **Name of applicant:**

GTC, Inc.

3. **Name under which the applicant will do business (d/b/a):**

GT Com

4. **If applicable, please provide proof of fictitious name (d/b/a) registration.**

Fictitious name registration number: G97267000111

5. **A. National mailing address including street name, number, post office box, city , state, zip code, and phone number.**

GTC, Inc.
502 Fifth Street
Post Office Box 220
Port St. Joe, Florida 32457
Telephone Number: 850/229-7222

B. Florida mailing address including street name, number, post office box, city , state, zip code, and phone number.

GTC, Inc.
502 Fifth Street
Post Office Box 220
Port St. Joe, Florida 32457
Telephone Number: 850/229-7222

FORM PSC/CMU 8 (11/95)
Required by Chapter 364.337 F.S.

FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

APPLICATION FORM
for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.

2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.

3. Use a separate sheet for each answer which will not fit the allotted space.

4. If you have questions about completing the form, contact:

   Florida Public Service Commission
   Division of Communications, Certification & Compliance Section
   2540 Shumard Oak Boulevard
   Tallahassee, Florida 32399-0866
   (904) 413-6600

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of $250 made payable to the Florida Public Service Commission at the above address.

FORM PSC/CMU 8 (11/95)
Required by Chapter 364.337 F.S.

6. Structure of organization:

( ) Individual
( ) Foreign Corporation
( ) General Partnership
( ) Joint Venture
(x) Corporation
( ) Foreign Partnership
( ) Limited Partnership
( ) Other, Please explain_______________

7. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Not applicable. See question No. 6.

8. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

None

9. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: 013878

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Bill Thomas, Director-Products & Services
GTC, Inc.
Post Office Box 220
Port St. Joe, Florida 32457
Telephone: 850/229-7222; Fax: 850/227-7366

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

None

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

14. Please indicate how a customer can file a service complaint with your company.

The customer may write to our address or call 1-800-441-4406.

15. Please complete and file a price list in accordance with Commission Rule 25-24.825. Not applicable. GTC, Inc. has not negotiated any interconnection agreements at this time. Once interconnection agreements are in place, the company will file a price list with the Commission prior to offering service.

16. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

See Attachment.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.

3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should attest that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

(If you will be providing local intra-exchange switched telecommunications service, then state how you will provide access to 911 emergency service. If the nature of the emergency 911 service access and funding mechanism is not equivalent to that provided by the local exchange companies in the areas to be served, described in detail the difference.)

16. A. Financial capability.

St. Joe Communications, Inc. is the parent company of three local exchange companies, St. Joseph Telephone & Telegraph Company, Gulf Telephone Company, and The Florala Telephone Company, Inc., which have been merged and the name changed to GTC, Inc.

Funding for the alternative local exchange service will be provided by the parent company, St. Joe Communications, Inc., from internal funds. Should it be necessary, funds could be borrowed from outside sources through established lines of credit.

In 1994, St. Joe Communications, Inc. was owned by St. Joe Paper Company, and there was not a separate auditor report on the St. Joe Communications, Inc. operations. Sale of the company was consummated on April 11, 1996, and, therefore, the audit report for 1996 reflects the period from date of sale (April 11, 1996) to end of year.

Unaudited financial statements for 1994 are included, as well as audited financial statements for 1995 and 1996.

B. Managerial capability.

St. Joe Communications has a highly trained managerial staff with numerous years of experience in providing local telephone service. Our plans are to draw from this staff to supervise the provision of alternative local exchange service.

C. Technical capability.

St. Joe Communications has an experienced engineering and technical staff well versed in the provision of local telephone service and expects to use this staff as needed to provide alternative local exchange service.

Initially, St. Joe Communications expects to enter the market by reselling the incumbent local exchange companies' service and build facilities where the market warrants. We expect the emergency 911 service access to be equivalent to that provided by the local exchange company.

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

Official: John A. Vanda — Signature 11/13/97 — Date

Title: Vice President 850/229-7221 — Telephone Number

GTC, Inc.

Address: Post Office Box 220

Port St. Joe, FL 32457

FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

October 31, 1997

STEEL, HECTOR & DAVIS

TALLAHASSEE, FL

Re: Document Number 013878

The Articles of Amendment to the Articles of Incorporation for ST. JOSEPH TELEPHONE & TELEGRAPH COMPANY which changed its name to GTC, INC., a Florida corporation, were filed on October 31, 1997.

The certification requested is enclosed.

Should you have any question regarding this matter, please telephone (850) 487-6050, the Amendment Filing Section.

Annette Hogan
Corporate Specialist
Division of Corporations

Letter Number: 997A00052862

State of Florida

Department of State

I certify the attached is a true and correct copy of the Articles of Amendment, filed on October 31, 1997, to Articles of Incorporation for ST. JOSEPH TELEPHONE & TELEGRAPH COMPANY which changed its name to GTC, INC., a Florida corporation, as shown by the records of this office.

The document number of this corporation is 013878.

Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capitol, this the
Thirty-first day of October, 1997

GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST

Sandra B. Mortham
Secretary of State

CR2EO22 (2-95)

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATIO
OF
ST. JOSEPH TELEPHONE & TELEGRAPH

I.

The name of the corporation is St. Joseph Telephon "Corporation").

II.

Article I of the Articles of Incorporation of the Corporation i

ARTICLE I - NAME

The name of the Corporation is GTC, Inc. (hereinafter call

III.

This Amendment was adopted pursuant to Sections 607.0 Florida Business Corporation Act by resolution of the board of dire and by written consent of the sole shareholder of the Corporation number of votes cast for the amendment by the shareholder was s

IN WITNESS WHEREOF, St. Joseph Telephone & Telegra these Articles of Amendment to be executed as of the first day of

ST. JOSEPH
COMPANY

By:
Name: J
Title:

MIA9510/162072-1

MIA9510/162072-1

KPMG Peat Marwick LLP

Suite 2700, Independent Square
One Independent Drive
P.O. Box 190
Jacksonville, FL 32201-0190

Independent Auditors' Report

The Board of Directors and Stockholder
St. Joe Communications, Inc.:

We have audited the accompanying consolidated balance sheet of St. Joe Communications, Inc. and subsidiaries as of December 31, 1996, and the related consolidated statements of operations and accumulated deficit and cash flows for the period April 11, 1996 to December 31, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Joe Communications, Inc. and subsidiaries at December 31, 1996 and the results of their operations and their cash flows for the period April 11, 1996 to December 31, 1996, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG Peat Marwick LLP

April 28, 1997

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet

December 31, 1996

Assets

Current assets:	
Cash and cash equivalents	$ 5,150,902
Accounts receivable	4,720,455
Inventories	784,308
Prepaid expenses	95,749
Other current assets	11,073
Total current assets	10,762,487
Investments:	
Rural Telephone Bank Class C stock	7,822,210
Other	4,000
Goodwill	43,649,667
Deferred expenses	501,740
	51,977,617
Property, plant and equipment:	
Land and improvements	1,158,681
Buildings	4,572,173
Machinery and equipment	55,827,926
Vehicles	923,604
Construction in progress	556,652
	63,039,036
Accumulated depreciation	(3,597,174)
Net property, plant and equipment	59,441,862
Total assets	$ 122,181,966

(Continued)

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet, Continued

December 31, 1996

Liabilities

Current liabilities:		
Accounts payable	$	2,736,726
Interest payable		1,727,699
Other accrued liabilities		1,859,645
Long-term debt due within one year		4,775,224
Total current liabilities		11,099,294
Long-term debt due after one year		80,926,955
Post-employment benefits		377,274
Total liabilities		92,403,523
Stockholder's equity:		
Common stock, $1 par value; 1,000 shares authorized, issued and outstanding		1,000
Additional paid-in capital		29,884,504
Accumulated deficit		(107,061)
Total stockholder's equity		29,778,443
Total liabilities and stockholder's equity	$	122,181,966

See accompanying notes to consolidated financial statements.

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the period April 11, 1996 to December 31, 1996

Operating activities:		
Net loss	$	(106,684)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization		4,653,363
Loss on disposal of assets		3,501
Changes in operating assets and liabilities:		
Accounts receivable		(314,863)
Inventory		(34,228)
Prepaid expenses and other current assets		(24,893)
Accounts payable		1,663,930
Interest payable		1,727,699
Accrued liabilities		833,315
Post-employment benefits		377,274
Net cash provided by operating activities		8,778,414
Investing activities:		
Post-closing acquisition costs		(1,105,319)
Purchases of property, plant and equipment		(3,684,050)
Proceeds from sale of property, plant and equipment		131,989
Net cash used in investing activities		(4,657,380)
Financing activities:		
Principal payments on long-term debt		(1,781,779)
Dividends		(377)
Net cash used in financing activities		(1,782,156)
Net increase in cash and cash equivalents		2,338,878
Cash and cash equivalents at beginning of period		2,812,024
Cash and cash equivalents at end of period	$	5,150,902
Supplemental cash flow information:		
Cash paid for interest	$	3,011,505

See accompanying notes to consolidated financial statements.

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statement of Operations and Accumulated Deficit

For the period April 11 to December 31, 1996

Revenues:	
Wireline revenues	$ 20,305,524
Non-wireline revenues	3,085,897
Total revenues	23,391,421
Expenses:	
Wireline operating expenses	7,639,211
Non-wireline operating expenses	765,821
Customer service expenses	2,480,263
General and administrative expenses	3,727,794
Total expenses	14,613,089
Gross profit	8,778,332
Depreciation and amortization	4,653,363
Operating income	4,124,969
Dividend income	289,275
Interest income (expense), net	(4,520,928)
Income (loss) before income taxes	(106,684)
Provision for income taxes	-
Net income (loss)	$ (106,684)
Retained earnings, beginning of period	-
Dividends	(377)
Accumulated deficit, end of period	$ (107,061)

See accompanying notes to consolidated financial statements.

(1) Ownership

St. Joe Communications, Inc. (the Company) was acquired by TPGC Acquisition Corporation, a wholly-owned subsidiary of TPG Communications, Inc., on April 11, 1996 (the Acquisition). Concurrent with the Acquisition, TPGC Acquisition Corporation was merged into the Company leaving the Company a subsidiary of TPG Communications, Inc. This acquisition was recorded under the purchase method of accounting, and accordingly, the results of operations of the company are presented for the period from April 12 to December 31, 1996. The purchase price has been allocated to assets acquired and liabilities assumed based on fair market value at the acquisition date. This resulted in an excess of purchase price over net assets of approximately \$44 million. Through its subsidiary TPGC Finance Corporation, the Company incurred debt of approximately \$68 million in connection with the acquisition; exclusive of debt incurred by other subsidiaries to refinance their debt which was assumed in the acquisition. Through its subsidiaries, the Company provides equipment sales, maintenance and rentals and also has certain interexchange long-distance activities. Local telephone service is provided to customers located in northwest Florida, Southern Georgia and Alabama. The Company's telephone operations are regulated by the Federal Communications Commission (FCC) and the Alabama, Georgia and Florida Public Service Commissions.

(2) Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of St. Joe Communications, Inc., and the following subsidiaries: St. Joseph Telephone and Telegraph Company, Gulf Telephone Company, The Florala Telephone Company, Inc., and TPGC Finance Corporation. All material intercompany balances and transactions have been eliminated in consolidation. The consolidated cash flow statement reflects cash flow from operating activities and excludes cash flows associated with the acquisition.

(2) Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank demand accounts and repurchase agreements having original maturities of less than three months.

Inventories

Inventories consist of material and supplies (used for construction and maintenance of telephone plant) and are stated at the lower of weighted average cost or market.

Goodwill

Goodwill resulting from the Acquisition is being amortized on a straight-line basis over 40 years. On a periodic basis, the Company estimates its future undiscounted cash flows in order to ensure that the carrying value of goodwill has not been impaired.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is provided over the lives of various classes of depreciable assets using the straight-line method. The weighted average annual depreciation rate was approximately 6.38% for 1996.

In general, retirements of telecommunications plant and the cost of removal are charged to accumulated depreciation, which is also credited with the proceeds of sales or salvage value.

The Company reviews its property and equipment for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the net cash flows expected to be generated by the asset.

Investments

The Company's investment in Rural Telephone Bank Class C stock is stated at the appraised value based on the present value of the expected future cash flows. The stock is backed by the Rural Utilities Service and cannot be sold separate from the Company as a whole. In the event the Rural Telephone Bank ceases to exist, these 8,267 shares would be redeemed at a par value of $1,000 per share.

(2) Summary of Significant Accounting Policies, continued

Revenue Recognition

Wireline revenues are those revenues derived by access to, or use of, the Company's telecommunications network. These include local and long-distance service revenues as well as access revenues received from interexchange carriers for access to the Company's network. Billings for local service revenues are generally rendered monthly in advance and are recognized as revenues when earned. Long-distance service and access revenues are recognized monthly as the related service is provided. In providing interexchange carriers access to its network, the Company participates in a nationwide revenue-sharing mechanism ("pool"). Revenues are based on mutual cost reimbursement and sharing of income with the participants of the pool. These are estimated monthly by the pool administrator and is subject to finalization within a 24 month period. Interstate toll service revenues of approximately $7,500,000 are included in wireline revenues.

Non-wireline revenues are primarily equipment sales, rental and maintenance and are recognized as revenues at the time of sale or as the related service is provided. Non-wireline revenues also include billing and collecting revenues the related costs of which are recorded as customer service expenses.

Income Taxes

The Company's accounts will be included in the consolidated income tax returns filed by the parent company, TPG Communications, Inc. Income taxes are provided by the Company and each subsidiary on a separate return basis.

The Company follows the asset and liability method of Statement of Financial Accounting Standards, No. 109. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Long-Term Debt

Long-term debt as of December 31, 1996, consists of:

CoBank 8.08% fixed rate term notes with principal and interest due quarterly through 2011	$ 43,129,324
CoBank 7.67% fixed rate term notes with principal and interest due quarterly through 2011	42,572,855
Total long-term debt	85,702,179
Less portion due within one year	4,775,224
Long-term debt due after one year	$ 80,926,955

The aggregate amount of principal payments due in each of the years subsequent to December 31, 1996 is:

Year ending December 31	Amount
1997	$ 4,775,224
1998	5,994,885
1999	5,994,885
2000	5,994,885
2001	5,994,885
Thereafter	56,947,412
	$ 85,702,176

Substantially all of the assets of the Company have been pledged as security for the mortgage notes. Under the terms of the agreements, there are financial covenants relating to minimum financial and operating ratios. As of December 31, 1996 the Company was either in compliance with those ratios or obtained necessary waivers from the lender.

(4) Pension Plans

The Company has defined benefit pension and contribution plans covering substantially all employees. Pension benefits for salaried employees are based on certain average earnings and years of service. Pension benefits to other employees are based on fixed amounts for each year of service. The Company's funding policy for its defined pension plans is to contribute annually an amount equal to the minimum required by ERISA. The Company made contributions to the defined contribution plan of $90,159 during the period April 12, 1996 to December 31, 1996.

The Company's net periodic pension cost for both salaried and hourly plans is $320,154 for the period ending December 31, 1996. A summary of the plans' funded status at December 31, 1996 is as follows:

		Salaried Plan	Hourly Plan	Both Plans in Total
Accumulated benefit obligation				
Vested	$	(154,141)	(48,495)	(202,636)
Nonvested		(2,347)	(739)	(3,086)
Total		(156,488)	(49,234)	(205,722)
Unfunded projected benefit obligation		(286,215)	(49,234)	(335,449)
Unrecognized net (gain) loss		13,346	1,949	15,295
(Pension liability) prepaid pension cost	$	(272,869)	(47,285)	(320,154)

The discount rate for the plan was 8% for the period ended December 31, 1996. The expected long-term rate of return on assets was 8% in 1996.

(5) Income Taxes

The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities as of December 31, 1996 are presented below:

Deferred tax assets:		
Bad debt reserve	$	29,757
Vacation accrual		78,716
Net operating loss carryforward		977,612
Total gross deferred tax assets	$	1,086,085
Valuation allowance		38,979
		1,047,106
Deferred tax liabilities:		
Excess tax depreciation - property, plant and equipment	$	458,750
Excess tax amortization - goodwill		579,775
Other		8,581
Total deferred tax liabilities		1,047,106
Net deferred tax assets		-

There are no net income taxes provided for the period due to the recognition of the above valuation allowance. The Company expects to recognize the deferred tax assets as the deferred tax liabilities reverse in the future.

At December 31, 1996, the Company has a net operating loss carryforward for Federal tax purposes of approximately $2.5 million. The tax carryforward will expire through the year 2011, if not utilized.

(6) Post-Employment Benefits

Post-employment benefits relate to a voluntary employee separation plan introduced by the Company in 1996. These benefits will generally be paid in decreasing annual amounts over the next ten years. Total expenses incurred in the period April 11 to December 31, 1996 for the voluntary employee separation plan were approximately $950,000.

KPMG Peat Marwick LLP

Suite 2700, Independent Square
One Independent Drive
P.O. Box 190
Jacksonville, FL 32201-0190

Independent Auditors' Report

The Board of Directors and Stockholder
St. Joe Communications, Inc.:

We have audited the accompanying consolidated balance sheet of St. Joe Communications, Inc. and subsidiaries as of December 31, 1995, and the related consolidated statements of income and retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Joe Communications, Inc. and subsidiaries as of December 31, 1995, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG Peat Marwick LLP

February 7, 1996

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet

December 31, 1995

Assets

Current assets:	
Cash and cash equivalents	$ 10,393,623
Accounts receivable:	
Trade	2,078,506
Exchange carriers	3,525,348
Net receivables	5,603,854
Inventories	726,034
Prepaid expenses	68,036
Other current assets	14,925
Total current assets	16,806,472
Investments:	
Rural Telephone Bank Class B stock	1,179,661
Cellular partnerships	16,298,034
Other noncurrent assets	14,596
Total noncurrent assets	17,492,291
Property, plant and equipment:	
Land	385,282
Buildings	4,973,676
Machinery and equipment	94,222,363
Furniture and fixtures	68,583
Plant under construction	327,614
	99,977,518
Accumulated depreciation	(48,140,540)
Net property, plant and equipment	51,836,978
Total assets	$ 86,135,741

(Continued)

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheet, Continued

December 31, 1995

Liabilities and Stockholder's Equity

Current liabilities:	
Accounts payable	$ 1,401,927
Accrued liabilities	3,836,567
Due to affiliate	280,306
Long-term debt due within one year	859,518
Total current liabilities	6,378,318
Long-term debt due after one year	17,233,946
Deferred investment tax credits	1,138,866
Deferred income taxes	5,681,529
Regulatory liability	2,100,319
Minority interest in subsidiary	9,925
Total liabilities	32,542,903
Stockholder's equity:	
Common stock, $1 par value; 1,000 shares authorized, issued and outstanding	1,000
Additional paid-in capital	5,369,700
Retained earnings	48,222,138
Total stockholder's equity	53,592,838
Total liabilities and stockholder's equity	$ 86,135,741

See accompanying notes to financial statements.

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statement of Income and Retained Earnings

Year ended December 31, 1995

Operating revenues:	
Local network service	$ 6,838,870
Network access service	17,233,225
Long-distance network service	4,002,117
Miscellaneous revenues	1,778,500
Non-regulated revenues	2,973,270
Total operating revenues	32,825,982
Operating expenses:	
Plant specific operating expenses	9,277,215
Depreciation	5,094,565
Plant nonspecific operating expenses	2,592,695
Customer operations expenses	3,214,306
Corporate operations expenses	2,608,013
Taxes other than income	915,436
Non-regulated operating expenses	2,862,788
Total operating expenses	26,565,018
Operating income	6,260,964
Nonoperating income (expense):	
Interest income	994,888
Interest expense	(1,629,557)
Gain on sale of cellular partnership	712,910
Equity in income of cellular partnerships	3,972,220
Other, net	116,492
Total nonoperating income	4,166,953
Income before income taxes	10,427,917
Provision for income taxes:	
Current provision	3,972,669
Deferred provision	(268,706)
Total provision for income taxes	3,703,963
Net income	6,723,954
Retained earnings, beginning of year	42,094,581
Dividends	(596,397)
Retained earnings, end of year	$ 48,222,138

See accompanying notes to financial statements.

ST. JOE COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year ended December 31, 1995

Operating activities:	
Net income	$ 6,723,954
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation	5,657,732
Gain on sale of cellular partnership	(712,910)
Deferred income tax provision	([illegible]58,706)
Undistributed income from partnerships	(3,972,220)
Changes in operating assets and liabilities:	
Accounts receivable	(742,704)
Inventory	93,178
Accounts payable	(673,470)
Accrued liabilities	1,789,028
Due to affiliate	216,581
Prepaid expenses and other current assets	27,139
Other assets	1,115
Net cash provided by operating activities	8,138,717
Investing activities:	
Proceeds from sale of cellular partnership interest	2,104,000
Contributions to cellular partnerships, net	(609,548)
Purchases of temporary investments	(491,337)
Maturities of temporary investments	1,489,836
Purchases of property, plant and equipment	(5,837,699)
Proceeds from sale of property, plant and equipment	151,204
Net cash used in investing activities	(3,193,544)
Financing activities:	
Payment of dividends	(596,397)
Principal payments on long-term debt	(931,305)
Decrease in minority interest	(125)
Net cash provided by used in financing activities	(1,527,827)
Net increase in cash and cash equivalents	3,417,346
Cash and cash equivalents at beginning of year	6,976,277
Cash and cash equivalents at end of year	$ 10,393,623

See accompanying notes to financial statements.

(1) Ownership

St. Joe Communications, Inc. (the Company) is a second-tier subsidiary of St. Joe Paper Company. Through its subsidiaries, the Company primarily operates traditional telephone services in Florida and Alabama. The Company also holds various cellular investments, provides equipment sales, maintenance, and rentals and has certain interexchange long-distance activities.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The Company's telephone operations are regulated, primarily for rate making purposes, by the Federal Communications Commission (FCC) and the Alabama and Florida Public Service Commissions (the Commissions). The Company maintains its accounts in conformity with the Uniform System and Classification of Accounts (USCA) as prescribed by the FCC and modified by the Commission. The Company meets the criteria and, accordingly, follows the reporting and accounting requirements of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation." Therefore, regulatory assets and liabilities established by the actions of a regulator are required to be recorded and accordingly reflected in the balance sheet subject to SFAS No. 71.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank demand accounts and repurchase agreements having original maturities of less than three months.

Fair Value of Financial Instruments

The carrying amount of the following financial instruments approximate fair value because of their short maturity: cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The fair value of other financial instruments differs from the carrying value as disclosed in note 3.

(2) Summary of Significant Accounting Policies, continued

Inventories

Inventories consist of material and supplies (used for construction and maintenance of telephone plant) and are stated at the lower of weighted average cost or market.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is provided over the lives of various classes of depreciable assets using the straight-line method and rates approved by the Florida Public Service Commission. The weighted average annual depreciation rate for 1995 was approximately 6.31%.

In general, retirements of telecommunications plant and the cost of removal are charged to accumulated depreciation, which is also credited with the proceeds of sales or salvage value.

Investments

The Company's investment in Rural Telephone Bank Class B stock is stated at cost. The investment in cellular partnerships is accounted for under the equity method.

Local Network Service Revenue

Billings for local network service are rendered monthly in advance. Advance billings are recorded as a receivable at the beginning of the month and subsequently earned throughout the month.

Long Distance Network Service Revenue

Long distance network service revenue is recognized monthly as the related service is provided.

Income Taxes

The Company follows the asset and liability method of SFAS No. 109. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Due to the reduction in corporate federal tax rates as a result of the Tax Reform Act of 1986, there exists excess deferred income taxes.

(2) Summary of Significant Accounting Policies, continued

Income Taxes, continued

Pursuant to SFAS No. 71, a regulatory liability and a corresponding reduction in deferred income taxes payable were recorded relative to the excess deferred income taxes and the regulatory impact thereof. The regulatory liability, net of the related tax impact, is being amortized as a reduction of federal income tax expense over the service lives of the related assets in accordance with rules prescribed by the Commissions. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized by recording offsetting adjustments to deferred income taxes and regulatory liabilities as discussed above.

Investment tax credits related to plant are deferred and amortized as a reduction of federal income tax expense over the estimated useful lives of the assets giving rise to the credits. In accordance with SFAS No. 109, unamortized deferred investment tax credits are treated as temporary differences. A related regulatory liability and corresponding deferred tax asset were therefore recorded in connection with the adoption of SFAS No. 109. Such amounts are amortized to correspond with the related deferred investment tax credit amortization.

(3) Long-Term Debt

Long-term debt at December 31, 1995 consists of:

Rural Utilities Service (RUS) 2% mortgage notes with principal and interest due quarterly through 2008	$ 2,684,588
Rural Telephone Bank (RTB) 6.5% to 10.25% mortgage notes with principal and interest due quarterly through 2016	14,933,456
Federal Financing Bank (FFB) notes at varying rates (weighted average 14.52%) guaranteed by the RUS	475,420
Total long-term debt	18,093,464
Less portion due within one year	859,518
Long-term debt due after one year	$ 17,233,946

(3) Long-Term Debt, continued

The aggregate amount of principal payments due in each of the years subsequent to December 31, 1995 is:

Year ending December 31	Amount
1996	$ 859,518
1997	900,307
1998	986,689
1999	1,025,055
2000	1,099,211
Thereafter	13,222,684
	$ 18,093,464

Substantially all the assets of the Company have been pledged as security for RUS and RTB mortgage notes. At December 31, 1995, $14,436,054 remained unadvanced under the RUS and RTB agreements. Under the terms of the agreements, approximately $7,430,364 of retained earnings at December 31, 1995 is unrestricted as to payment for dividends.

Terms of the RTB mortgage loan agreement require ownership of RTB stock. The Company owned shares are nontransferable and nonredeemable unless specifically approved by RTB. At December 31, 1995, there is no market value for the RTB Class B stock held by the Company.

Based on the borrowing rates currently available to the Company for bank loans with similar terms and maturities, the fair value of long-term debt at December 31, 1995 is $17,187,507.

(4) Pension Plans

The Company has defined benefit pension and contribution plans covering substantially all employees through participation in plans administered by St. Joe Paper Company. Benefits under the pension plan are based on the employees' years of service or years of service and compensation during the last five years of employment.

The Company's funding policy for the pension plan is to contribute annually the contribution required by ERISA, and allocated by St. Joe Paper Company. There was no pension expense or contribution required for 1995 and 1994. The Company made contributions to the defined contribution plan of $122,022 and $122,153 in 1995 and 1994, respectively.

(4) Pension Plans, continued

The actuarial value of accumulated plan benefits and net assets available for benefits under the pension plans administered by St. Joe Paper Company is not separately determined for the Company. At the latest actuarial valuation date, the total of the plan's net assets available for benefits exceeded the actuarially computed present value of accumulated plan benefits.

(5) Income Taxes

The Company's accounts are included in the consolidated income tax returns filed by St. Joe Paper Company. The provision for income taxes is determined on a separate return basis and differs from the statutory rate primarily due to state taxes and amortization of investment tax credits and excess deferred taxes.

The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 1995, are presented below:

Deferred tax assets:		
Bad debt reserve	$	38,174
Vacation accrual		76,713
Regulatory liability		564,115
Deferred investment tax credits		650,417
Accumulated goodwill amortization		200,902
Other		49,225
Total deferred tax assets	$	1,579,546
Deferred tax liabilities:		
Investment in cellular partnerships	$	985,132
Property, plant and equipment, principally due to differences in federal and state depreciation rates		6,241,554
Other		34,389
Total gross deferred tax liabilities		7,261,075
Net deferred tax liabilities	$	5,681,529

Based on the timing of reversal of future taxable amounts and the Company's history of reporting taxable income, the Company believes that the deferred tax assets will be realized and a valuation allowance is not considered necessary.

(6) Regulatory Liability

The following provides a summary of accounting for regulatory liabilities in 1995:

Balance at beginning of year	$ 2,489,510
Amortization	(389,191)
Balance at end of year	$ 2,100,319

(7) Commitments and Contingencies

Toll Service Revenues

In providing interstate toll service to its customers, the Company participates in a nationwide toll network ("pool"). Revenues are based on mutual cost reimbursement and sharing of income with the participants of the pool. The division of toll revenue between the Company and the other participants of the pool is estimated on a monthly basis by the pool administrator and is subject to finalization by each of the participants within the following twenty-four month period. Accordingly, determination of interstate toll revenue is subject to finalization with the interstate network. Interstate toll service revenues of $9,100,000 are included in network access service revenues. These amounts include positive prior year's pool adjustments of $138,079.

Regulatory and Other Adjustments

The Florida Public Service Commission (FPSC) has established an allowable rate of return on equity for the Company. Any amount in excess of the allowable return is considered over-earnings. The Company does not expect to have over-earnings in 1995, however, The Company's computations are subject to regulatory review and approval.

(8) Supplemental Cash Flow Information

Cash paid for certain expense items is:

	1995
Interest	$ 1,633,767
Income taxes	$ 2,023,363

Approximately $171,000 and $161,000 of telecommunications plant in service was transferred to material and supplies during 1995 and 1994, respectively.

(9) Change in Ownership and Related Events

In an agreement dated September 1, 1995, the Company's parent agreed to sell all issued and outstanding shares of the capital stock of St. Joe Communications, Inc. to TPG Communications, Inc. Closing is subject to the terms and conditions of this agreement and various regulatory approvals. Additionally, the Company expects to sell all cellular partnership interests in the near term. Management expects such sales to result in the recording of net investment gains.

ST. JOE COMMUNICATIONS, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1994

PRE-AUDIT STATEMENTS

February 2, 1995

We certify the attached report
to be correct to the best of
our knowledge and belief.

Accounting Manager

Vice President - Operations

ST. JOE COMMUNICATIONS, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1994

ASSETS		CURRENT MONTH	BEGINNING OF YEAR	SAME MONTH LAST YEAR
CURRENT ASSETS:				
Cash and Cash Equivalents		6,976,277	5,758,954 $	5,758,954
Temporary Cash Investments		998,499	2,007,609	2,007,609
Accounts Receivable - Trade		1,984,773	1,861,244	1,861,244
Accounts Receivable - Miscellaneous		2,876,376	2,316,404	2,316,404
Accounts Receivable(Payable) - Affiliates		(63,725)	(21,894)	(21,894)
Inventory		819,212	993,806	993,806
Prepaid Expenses		96,634	150,947	150,947
Other Current Assets		13,466	15,013	15,013
TOTAL CURRENT ASSETS		13,701,512	13,082,083	13,082,083
INVESTMENTS AND OTHER ASSETS:				
Cash Investments Maturing After One Year		26	26	26
Other Investments		1,179,661	1,179,661	1,179,661
Other Assets		13,123,041	8,177,017	8,177,017
TOTAL INVESTMENTS AND OTHER ASSETS		14,302,728	9,356,704	9,356,704
PROPERTY, PLANT AND EQUIPMENT:				
Plant and Related Equipment		96,938,086	94,873,581	94,873,581
Less: Accumulated Depreciation		(45,129,871)	(42,692,165)	(42,692,165)
NET PROPERTY, PLANT AND EQUIPMENT		51,808,215	52,181,416	52,181,416
TOTAL ASSETS	$	79,812,455 $	74,620,203 $	74,620,203
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES:				
Accounts Payable	$	2,075,397 $	1,509,545 $	1,509,545
Accrued Property Taxes				
Income Taxes Payable		983,673	961,218	961,218
Other Accrued Liabilities		1,063,866	1,152,237	1,152,237
Long-Term Debt Due Within One Year		9[illegible]2,861	913,857	913,857
TOTAL CURRENT LIABILITIES		5,075,797	4,536,857	4,536,857
Long-Term Debt Due After One Year		18,071,908	19,037,686	19,037,686
Deferred Income Taxes		7,927,805	6,576,968	6,576,968
Deferred Investment Tax Credits		1,261,614	1,389,909	1,389,909
Minority Interest in Consolidated Subsidiaries		10,050	10,050	10,050
Other Deferred Credits				
STOCKHOLDER'S EQUITY:				
Common Stock		1,000	1,000	1,000
Additional Paid-In Capital		5,369,700	5,369,700	5,369,700
Retained Earnings		42,094,581	37,698,033	37,698,033
TOTAL STOCKHOLDER'S EQUITY		47,465,281	43,068,733	43,068,733
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$	79,812,455 $	74,620,203 $	74,620,203

ST. JOE COMMUNICATIONS, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 1994

	CURRENT MONTH	LAST MONTH	YEAR TO DATE	LAST YEAR TO DATE
Cash flows from operating activities:				
Net income	$578,924	$183,027	$4,992,950	$4,083,360
Adjustments to reconcile net income to cash provided by operating activities -				
Depreciation and depletion	476,419	461,764	5,612,162	5,847,903
Deferred income taxes	1,480,048	(23,171)	1,222,546	(1,190,263)
Undistributed (income) loss from partnerships	(937,414)		(2,030,568)	(1,233,064)
Changes in noncash current assets and noncash current liabilities -				
(Increase) decrease in accounts receivable	(1,230,376)	198,306	(683,501)	(126,160)
(Increase) decrease in inventories	17,826	99,970	174,594	192,303
Increase (decrease) in accounts payable	(462,485)	(57,542)	565,848	(554,806)
Increase (decrease) in other accrued liabilities	176,919	(1,277,104)	(65,916)	415,170
(Increase) decrease in affiliate receivable	63,725		41,831	21,894
(Increase) decrease in other current assets	(6,210)	1,544	55,860	(40,462)
Net cash provided by operating activities	107,376	(413,206)	9,885,806	7,415,875
Cash flows from investing activities:				
Decrease in other investments				
(Inc) dec in cash investments maturing after one yr.				
Purchase of temporary cash investments			(2,996,922)	(4,997,188)
Sale of temporary cash investments			4,006,032	3,985,566
Additions to property, plant and equipment	(1,098,640)	(481,126)	(5,385,392)	(5,271,353)
Proceeds from sale of property, plant and equipment	1,506	5,783	146,431	97,382
(Increase) decrease in other assets	1,090	(395,660)	(2,915,456)	(1,568,718)
Net cash used for investing activities	(1,096,044)	(871,003)	(7,145,307)	(7,754,351)
Cash flows from financing activities:				
Payment of dividends	(402)		(596,402)	(596,862)
Principal payments on long-term debt	(93,989)	(204)	(926,774)	(896,852)
Decrease in minority interest				(450)
Net cash used for financing activities	(94,391)	(204)	(1,523,176)	(1,494,164)
Net increase (decrease) in cash and cash equivalents	(1,083,059)	(1,284,413)	1,217,323	(1,832,640)
Cash and cash equivalents, beginning of period	8,059,336	9,343,749	5,758,954	7,591,594
Cash and cash equivalents, end of period	$6,976,277	$8,059,335	$6,976,277	$5,758,954

ST. JOE COMMUNICATIONS, INC.
CONSOLIDATING STATEMENT OF INCOME
MONTH OF DECEMBER 31, 1994

	ST. JOSEPH TEL & TEL	FLORALA TELEPHONE	GULF TELEPHONE	ST. JOE COMMUNICATIONS	CONSOLIDATED
NET SALES AND OPERATING REVENUES	$ 2,031,655 $	507,335 $	479,709 $	224,173 $	3,242,872
COST OF SALES AND OPERATING REVENUES:					
MAINTENANCE	1,223,482	60,646	193,221		1,477,349
DEPRECIATION & AMORTIZATION	295,674	43,769	85,038	51,938	476,419
CUSTOMER SERVICE	347,372	50,159	107,580		505,111
COST OF EQUIPMENT SALES				114,889	114,889
TOTAL COST OF SALES & OPERATING REVENUES	1,866,528	154,574	385,839	166,827	2,5[illegible]3,768
GROSS MARGIN	165,127	352,761	93,870	57,346	669,104
SELLING, GENERAL & ADMIN. EXPENSE	123,359	21,242	50,357	68,753	263,711
OPERATING PROFIT	41,768	331,519	43,513	(11,407)	405,393
OTHER INCOME (EXPENSE):					
DIVIDENDS					
INTEREST INCOME	28,415	5,604	9,718	37,987	81,724
INTEREST EXPENSE	(105,443)	(5,173)	(30,769)		(141,385)
GAIN-LOSS DISPOSAL OF PP&E					
OTHER, NET	460	(109)	194	1,012,919	1,013,464
TOTAL OTHER INCOME (EXPENSE)	(76,568)	322	(20,857)	1,050,906	953,803
INCOME BEFORE TAXES	(34,800)	331,841	22,656	1,039,499	1,359,196
PROVISION FOR INCOME TAXES-CURRENT	(711,917)	39,620	8,089	(35,568)	(699,776)
-DEFERRED	885,970	84,200	(30,860)	540,738	1,[illegible]80,048
TOTAL PROVISION FOR INCOME TAXES	174,053	123,820	(22,771)	505,170	780,272
NET INCOME	$ (208,853)$	208,021 $	45,427 $	534,329 $	578,924

ST. JOE COMMUNICATIONS, INC.
CONSOLIDATING STATEMENT OF INCOME
12 MONTHS ENDED DECEMBER 31, 1994

	ST. JOSEPH TEL & TEL	FLORALA TELEPHONE	GULF TELEPHONE	ST. JOE COMMUNICATIONS	CONSOLIDATED
NET SALES AND OPERATING REVENUES	$20,091,211 $	2,652,808 $	4,963,731 $	2,930,326 $	30,638,076
COST OF SALES AND OPERATING REVENUES:					
MAINTENANCE	7,507,265	633,836	1,366,068		9,507,169
DEPRECIATION & AMORTIZATION	3,486,456	515,778	997,337	612,591	5,612,162
CUSTOMER SERVICE	2,348,453	235,255	596,571		3,180,279
COST OF EQUIPMENT SALES				1,471,341	1,471,341
TOTAL COST OF SALES & OPERATING REVENUES	13,342,174	1,384,869	2,959,976	2,083,932	19, 70,951
GROSS MARGIN	6,749,037	1,267,939	2,003,755	846,394	10,867,125
SELLING, GENERAL & ADMIN. EXPENSE	2,199,861	321,559	859,667	733,051	4,114,138
OPERATING PROFIT	4,549,176	946,380	1,144,088	113,343	6,752,987
OTHER INCOME (EXPENSE):					
DIVIDENDS					
INTEREST INCOME	203,995	37,366	69,452	446,581	757,394
INTEREST EXPENSE	(1,253,771)	(74,243)	(362,590)	(4)	(1,690,608)
GAIN-LOSS DISPOSAL OF PP&E				3,579	3,579
OTHER, NET	290	(2,944)	63	2,096,492	2,093,901
TOTAL OTHER INCOME (EXPENSE)	(1,049,486)	(39,821)	(293,075)	2,546,648	1,164,266
INCOME BEFORE TAXES	3,499,690	906,559	851,013	2,659,991	7,917,253
PROVISION FOR INCOME TAXES-CURRENT	651,556	253,139	327,627	469,435	1,701,757
-DEFERRED	698,970	70,560	(85,101)	538,117	1,222,546
TOTAL PROVISION FOR INCOME TAXES	1,350,526	323,699	242,526	1,007,552	2,924,303
NET INCOME	$ 2,149,164 $	582,860 $	608,487 $	1,652,439 $	4,992,950
PRIOR YEAR'S COMPARABLE NET INCOME	$ 1,663,843 $	502,722 $	418,091 $	1,498,704 $	4,083,360

ST. JOE COMMUNICATIONS, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1994

ASSETS	CURRENT MONTH	BEGINNING OF YEAR	SAME MONTH LAST YEAR
CURRENT ASSETS:			
Cash and Cash Equivalents	6,976,277	5,758,954 $	5,758,954
Temporary Cash Investments	998,499	2,007,609	2,007,609
Accounts Receivable - Trade	1,984,773	1,861,244	1,861,244
Accounts Receivable - Miscellaneous	2,876,376	2,316,404	2,316,404
Accounts Receivable(Payable) - Affiliates	(63,725)	(21,894)	(21,894)
Inventory	819,212	993,806	993,806
Prepaid Expenses	96,634	150,947	150,947
Other Current Assets	13,466	15,013	15,013
TOTAL CURRENT ASSETS	13,701,512	13,082,083	13,082,083
INVESTMENTS AND OTHER ASSETS:			
Cash Investments Maturing After One Year	26	26	26
Other Investments	1,179,661	1,179,661	1,179,661
Other Assets	13,123,041	8,177,017	8,177,017
TOTAL INVESTMENTS AND OTHER ASSETS	14,302,728	9,356,704	9,356,704
PROPERTY, PLANT AND EQUIPMENT:			
Plant and Related Equipment	96,938,086	94,873,581	94,873,581
Less: Accumulated Depreciation	(45,129,871)	(42,692,165)	(42,692,165)
NET PROPERTY, PLANT AND EQUIPMENT	51,808,215	52,181,416	52,181,416
TOTAL ASSETS	$ 79,812,455 $	74,620,203 $	74,620,203
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Accounts Payable	$ 2,075,397 $	1,509,545 $	1,509,545
Accrued Property Taxes			
Income Taxes Payable	983,673	961,218	961,218
Other Accrued Liabilities	1,063,866	1,152,237	1,152,237
Long-Term Debt Due Within One Year	952,861	913,857	913,857
TOTAL CURRENT LIABILITIES	5,075,797	4,536,857	4,536,857
Long-Term Debt Due After One Year	18,071,908	19,037,686	19,037,686
Deferred Income Taxes	7,927,805	6,576,968	6,576,968
Deferred Investment Tax Credits	1,261,614	1,389,909	1,389,909
Minority Interest in Consolidated Subsidiaries	10,050	10,050	10,050
Other Deferred Credits			
STOCKHOLDER'S EQUITY:			
Common Stock	1,000	1,000	1,000
Additional Paid-In Capital	5,369,700	5,369,700	5,369,700
Retained Earnings	42,094,581	37,698,033	37,698,033
TOTAL STOCKHOLDER'S EQUITY	47,465,281	43,068,733	43,068,733
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 79,812,455 $	74,620,203 $	74,620,203

HECTOR
DAVIS

DEPOSIT D657 -

DATE NOV 18 1997

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
904.222.2300
904.222.8410 Fax

ORIGINAL

November 18, 1997

Charles A. Guyton
904.222.3423

Via Hand Delivery

Ms Blanca Bayó
Director, Division of Records and Reporting
Florica Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

971521-

Re: ALEC Application of GTC, Inc. d/b/a GT Com

Dear Ms Bayó:

Enclosed for filing with the Commission on behalf of GTC, Inc. d/b/a GT Com are the original and six copies of its Application to Provide Alternative Local Exchange Service. A check in the amount of $250.00 is also enclosed as the application fee. Please stamp as filed and return to our runner the additional copy of this letter and the application which are also enclosed.

If you or your staff have any questions regarding this transmittal, please contact me at 222-2300.

Respectfully yours,

Charles A Guyton

97

STEEL, HECTOR, & DAVIS LLP
215 S. MONROE ST., STE. 601
TALLAHASSEE, FL 32301

SUNTRUST Sun Trust Bank, Tallahassee, N.A. Tallahassee, FL

001735

63-778/631

11/18 19 97

PAY Two Hundred Fifty and No/100---------------------- DOLLARS $ 250.00--

TO THE ORDER OF FLORIDA PUBLIC SERVICE COMMISSION

DOCUMENT NUMBER-DATE
11820 NOV 18 97
FPSC-RECORDS/REPORTING

Charles A Guyton

⑈001735⑈ ⑆063107788⑆078700057600⑈

HECTOR
& DAVIS

DEPOSIT
D657 -

DATE
NOV 18 1997

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
904.222.2300
904.222.8410 Fax

ORIGINAL

November 18, 1997

Charles A. Guyton
904.222.3423

Via Hand Delivery

Ms Blanca Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

971521-

Re: ALEC Application of GTC, Inc. d/b/a GT Com

Dear Ms Bayó:

Enclosed for filing with the Commission on behalf of GTC, Inc. d/b/a GT Com are the original and six copies of its Application to Provide Alternative Local Exchange Service. A check in the amount of $250.00 is also enclosed as the application fee. Please stamp as filed and return to our runner the additional copy of this letter and the application which are also enclosed.

If you or your staff have any questions regarding this transmittal, please contact me at 222-2300.

Respectfully yours,

Charles A. Guyton

Charles A. Guyton
Attorney for
GTC, Inc. d/b/a GT Com

97 NOV 18 PM 2:58

enc.

TAL/22872-1

RECEIVED & FILED

FPSC