



Public Service Commission

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

DATE: December 12, 1997
TO: Brenda Hawkins, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis ^{ALM}
RE: Docket No. 971521-TX, GTC Inc., d/b/a GT Com, Financial Analysis for Certificate ^{APC}
 Application for Alternative Local Exchange Telecommunications Service ^[Signature]

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 audited financial statements of St. Joe Communications, Inc., the parent company of GTC Inc., d/b/a GT Com, (GTC) for the period of April 11, 1996 through December 31, 1996. As the attached schedule shows, GTC has adequate liquidity but reports marginal common equity and negative net income.

In this matter, GTC is asking for a certificate to provide alternative local exchange telecommunications 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 marginal.

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cc: Division of Legal Services
 Division of Records and Reporting

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FPSC-RECORDS/REPORTING

DOCKET NO. 971521-TX
GTC, Inc. d/b/a GT Com
ALEC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS
of St. Joe Communications, Inc. and Subsidiaries (Parent)

FOR THE PERIOD
APRIL 11, 1996 through
DECEMBER 31, 1996

CURRENT ASSETS	\$10,762,487
CURRENT LIABILITIES	6,324,070
CURRENT RATIO	1.70
CASH	5,150,902
COMMON EQUITY	29,778,443
TOTAL DEBT	85,702,179
TOTAL INVESTOR CAPITAL	115,480,622
COMMON EQUITY RATIO	28%
NET INCOME	(106,684)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure