960697-TI

URIGINAL FILE COPY



Public Service Commission

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

DATE: December 3, 1996

TO: Jonathan Audu, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis PL

RE: NYNEX Long Distance Company, Financial Analysis for Waiver of Surety Bond for

Customer Deposits

NYNEX Long Distance Company (NYLD) has requested that the Commission waive the customer deposit bond required by Rule 25-24.490(2), F.A.C. In the meantime, NYLD has filed a bond with the Commission. According to the rule, a company may apply for a waiver if it demonstrates that it has the financial resources to continue operation over the long term.

Regarding NYLD's financial capability, the Finance staff has analyzed the audited financial statements of NYNEX Corporation for the period ending December 31, 1995. This is the same financial analysis staff did for the certification of NYLD. As the attached schedule shows, NYNEX has adequate liquidity and ownership equity but reports negative net income. Standard and Poor's assigns a bond rating

iX.

Based on the financial analysis an NYLD has the financial wherew

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X Corporation, staff believes that of the customer deposit bond.

cc: Division of Legal Services
Division of Records and Reporting

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SEC	
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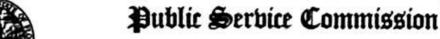
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FPSC-RECORDS/REPORTING

DOCKET NO. 960697-TI NYNEX LONG DISTANCE COMPANY IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF NYNEX AND ITS SUBSIDIARIES

AS OF 12/31/95

CURRENT ASSETS \$3,687,400,000

CURRENT LIABILITIES 3,485,900,000

CURRENT RATIO 1.06

CASH 93,200,000

COMMON EQUITY 6,079,200,000

TOTAL DEBT 9,843,500,000

TOTAL INVESTOR CAPITAL 15,922,700,000

COMMON EQUITY RATIO 38%

NET INCOME (LOSS) (1,849,900,000)

RETURN ON EQUITY NMF

NMF = No Meaningful Figure