



# 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 *ALM*

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 and NYLD has the financial wherew

*97-916  
107923*

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

cc: Division of Legal Services  
 Division of Records and Reporting

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- CMU \_\_\_\_\_
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DOCUMENT NUMBER-DATE

**13371 DEC 17 96**

FPSC-RECORDS/REPORTING



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*ALM*  
*12/3/96*

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Based on the financial analysis and NYLD has the financial wherewithal

to pay the bond, staff believes that the customer deposit bond.

*97-916*  
*107923*

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FPSC-RECORDS/REPORTING

DOCKET NO. 960697-T1  
· 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