



Public Service Commission

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

DATE: November 2, 1999
TO: Cayce Hinton, Division of Telecommunications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED*
RE: Docket No. 990884-TP Requirement of Corporate Undertaking by Orlando Telephone Company *ALM*

Orlando Telephone Company (OTC) requests a corporate undertaking in the amount of \$116,311.18. The criteria for a corporate undertaking include sufficient liquidity, equity capitalization, interest coverage, and profitability to guarantee any potential refund. Staff has reviewed the unaudited financial statements of OTC for the twelve months ended December 31, 1998 and the eight months ended August 31, 1999. Although OTC's equity ratio is below 30%, the company's financials reflect adequate liquidity, sufficient profitability and a strong interest coverage ratio. Therefore, staff recommends that a corporate undertaking for the requested amount be approved.

The brief financial analysis is only appropriate for deciding if OTC can support a corporate undertaking in the amount proposed and should not be considered a finding regarding the staff's position on other issues.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
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cc: Division of Legal Services
 Division of Records and Reporting ✓
 Andrew L. Maurey

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