



Public Service Commission

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

DATE: August 25, 2000
TO: Nancy Pruitt, Division Regulatory Oversight *NP*
FROM: David J. Draper, Division Economic Regulation *ALM*
RE: Docket No. 000789-TI, Bond Waiver Request of Verizon Advanced Data, Inc. *CD*

Section 25-24.490 (2), Florida Administrative Code, requires the following:

An interexchange company may require a deposit as a condition of service and may collect advance payments for more than one month of service if it maintains on file with the Commission a bond covering its current balance of deposits and advance payments (for more than one month's service). A company may apply to the Commission for a waiver of the bond requirement by demonstrating that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long term.

Regarding the showing of financial capability, the Finance staff has analyzed the audited financial statements of Bell Atlantic Corporation (BA) parent company of Verizon Advanced Data, Inc. (VAD) (formally known as Bell Atlantic Network Data, Inc.) for the period ended December 31, 1999. Although BA has minimal liquidity, the attached schedule shows the BA has had sufficient common equity, positive net income and strong interest coverage for the three year period.

In this matter, VAD is requesting a waiver of the bond requirement as stated in Section 25-24.490 (2) of the Florida Administrative Code. VAD's parent company has provided a line of credit to the company and will guarantee customer deposits for as long as necessary. For purposes of granting a waiver based on the financial information provided, the applicant appears to meet the financial capability standard of Section 25-24.490 (2), Florida Administrative Code. Therefore, staff concludes that the request for a bond waiver be granted.

- cc: Division of Legal Services
 Division of Records and Reporting (2)
- APP _____
 - CAF _____
 - CMP _____
 - COM _____
 - CTR _____
 - ECR _____
 - LEG _____
 - OPC _____
 - PAI _____
 - RGO _____
 - SEC I
 - SER _____
 - OTH _____

DOCUMENT NUMBER-DATE
 10744 AUG 30 8
 FPSC-RECORDS/REPORTING

VERIZON ADVANCED DATA, INC.
 (f/n/a BELL ATLANTIC NETWORK DATA, INC.)
 REQUEST FOR BOND WAIVER
 FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

[Bell Atlantic Financial Statements]	1999	1998	1997
Current Assets	10,596	9,082	9,001
Current Liabilities	13,467	10,531	13,664
Working Capital	(\$2,871)	(\$1,449)	(\$4,663)
Current Ratio	0.79	0.86	0.66
Equity	\$15,880	\$13,025	\$12,789
Investor Capital	23,918	20,634	19,608
Total Capital	39,798	33,659	32,397
Equity Ratio	39.9%	38.7%	39.5%
Interest	1,263	1,335	1,230
Income Taxes	2,557	2,008	1,529
Net Income	4,202	2,965	2,455
EBIT	8,022	6,308	5,214
Interest Coverage	6.35	4.73	4.24
Net Income (loss)	\$4,202	\$2,965	\$2,455
ROE	26.46%	22.76%	19.20%

Source: The Bell Atlantic's Annual Report for 1999, 1998 & 1997
 NMF = No Meaningful Figure