



Public Service Commission

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

DATE: July 12, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *APC*
RE: Docket No. 960697-TI, NYNEX Long Distance Company, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications 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, consolidated financial statements of NYNEX Corporation and its subsidiaries for NYNEX Long Distance Company (NYNX) for the period ending December 31, 1995. As the attached schedule shows, NYNX has adequate liquidity and ownership equity but reports negative net income.

In this matter, NYNX is asking for a certificate to provide IXC 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 adequate.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER-DATE
07494 JUL 17 1996
FPSO-REC-REG/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