

# STATE OF NEW YORK PUBLIC SERVICE COMMISSION

## ANNUAL REPORT OF TELEPHONE CORPORATIONS For the period ending DECEMBER 31, 2017

### Instructions for this Tab:

- 1 Fill in your name and address below so that this information will carry to other parts of the spreadsheet.
- 2 If the respondent's name is long, the "Year ended December 31, 19\_\_" may over pass the print range. This can be corrected by one of two methods: selecting a smaller font size on the specific sheet, or to delete some spaces on the combined string below.

Please fill in the following:

Respondent's exact legal name : VERIZON NEW YORK INC.  
Address line 1: 140 WEST STREET  
Address line 2: NEW YORK, N.Y. 10007

For the period starting: JANUARY 1, 2017  
For the period ending: DECEMBER 31, 2017  
Date due: May 31, 2018

Example  
January 1, 1995  
December 31, 1995  
March 31, 1995

For the period starting JANUARY 1, 2017  
For the period ending DECEMBER 31, 2017  
Year Ended DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

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Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

Please fill in the requested information on Rows 42, 43 and 44.

COMPANY CODE:

TELEPHONE CORPORATIONS

# ANNUAL REPORT

OF

VERIZON NEW YORK INC.

Exact legal name of reporting telephone corporation  
(If name was changed during year, show also the previous name and date change)

140 WEST STREET

NEW YORK, N.Y. 10007

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2017

TO THE

STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Name, title, address and telephone number (including area code), of the person to be contacted concerning this report:

Emily Sharpe, Sr. Manager Accounting

140 West St. 6th Fl Rm 6232

212 519-4751

223-92



**1. GENERAL INSTRUCTIONS**

1. The completed original of this report shall be filed with the Public Service Commission, Albany, NY, on or before the 31st of March next following the end of the year to which the report applies. At least one additional copy shall be retained in the files of the reporting telephone corporation.
2. If the respondent considers any information requested on a schedule to be of a proprietary nature, as defined in 16 NYCRR, Chapter 1, Section 6-1.3 of Chapter 1 of the Rules of Procedure, the schedule as included in the report forms should be filed as directed by the Commission. However, the respondent is required to file one complete copy of each schedule deemed proprietary, including all detail requested, accompanied by a request for proprietary treatment, with the Records Access Officer, in accordance with the Rules of Procedure of Title 16, NYCRR, Chapter I, Section 6-1.3(b). However, the company must still file such additional "Public" copy as required (one conformed copy) with the proprietary information blocked out and accompanied by a letter stating that this was done.
3. All telephone corporations upon which this report form is served are required by statute to complete and to file the report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given reasonable time within to make the necessary amendments or corrections. All data comprising this report shall be submitted in permanent form, i.e., washable ink or washable reproductions should not be used.
4. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by this Commission as set forth in 16 NYCRR, Subchapter E, Article 1 (Case 8579). The Uniform System of Accounts defines Class A companies as those with annual revenues from regulated telecommunications operations of \$100 million or more. Class B are defined as those with annual revenues from regulated telecommunications operations of less than \$100 million. Whenever the term respondent is used, it shall be understood to mean the reporting telephone corporation.
5. Standard accounting procedures will apply in determining the nature of any entry (e.g. Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a "credit"). Entries of a reverse or contrary character shall be indicated by parentheses around the number.
6. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
7. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answer shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report, Where information called for herein is not given, state fully the reason for its omission.
8. The report should not be permanently bound. Extra copies of any page of the report will be furnished on request. If necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
9. If the telephone corporation conducts operations both within and outside the State of New York, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within this state.
10. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
11. Throughout the report money items shall be shown in units of dollars adjusted to accord footings. Omitting cents does not apply, however, to items in which cents are of significance as, for instance in averages and in unit costs.
12. In the space provided on the upper outside margin of each page there should be inserted (by rubber stamp, if desired), the name of the respondent and the year to which the report relates.

## Comment Sheet

Please use this sheet to record any changes you made to this file. If you altered this file in anyway, except by entering data, you must record those changes here. You may also use this sheet to make any comments about this file or the joint cost file.

<u>Item Number</u>	<u>Description</u>	<u>Schedule Number</u>	<u>Page Number</u>
1	Schedules with additional pages added	4 54 55 59	6A - 6K 66A, 67A 68A 76A

complete

**2. GENERAL INFORMATION**

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.  
Tracy Krause  
One Verizon Way  
Basking Ridge, NJ 07920
  
2. Name of state in which incorporated, date of incorporation, and designation of law under which incorporated. If not incorporated, show type of organization, date organized and the identity of the parties in interest together with the extent of their respective interests.  
Respondent was incorporated in New York State on June 18, 1896 under the Transportation Corporation Law
  
3. If at any time during the year the property of the company was held by a receiver or trustee, give (a) the name of the receiver or trustee, (b) the date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was vested, and (d) the date when possession by receiver or trustee ceased.  
  
Property was not held by a receiver or trustee
  
4. State the name of each other state or federal body exercising regulatory jurisdiction over respondent (excepting taxing authorities); and if such jurisdiction is limited, the extent of limitation should be set forth. If such jurisdiction terminated prior to the end of the year, state that fact with reasons for such termination and the effective date thereof.  
  
The respondent is subject to regulations of the Federal Communications Commission (FCC) with respect to interstate rates, lines and services and other matters. The respondent's operations in the State of Connecticut, which are relatively minor in extent, are subject to regulation by the Public Utilities Regulatory Authority of the State of CT.

**2. GENERAL INFORMATION (Continued)**

5. Name all classes of service furnished by respondent.

The Company is engaged in providing two types of telecommunications services, exchange telecommunications and exchange access services, in New York State and a small portion of Connecticut (Greenwich and Byram only). These telecommunications services include public and private voice and data transmission of radio and television signals and teletypewriter services.

- 6.

Attach herein (following this page) the respondent's latest annual report to stockholders. If such a report is not prepared, but if audited annual financial statements on which a certified public accountant expresses an opinion are regularly prepared and distributed to bondholders, banking institutions or security analysts, submit that.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a calendar year basis, the major financial statements contained therein, i.e., Balance Sheet, Income and Retained Earnings Statement and Statement of Cash Flows, shall be reconciled with the corresponding statements in this annual report. The reconciliation shall contain an explanation of all differences in reporting.

If the respondent's annual report to stockholders or audited annual financial statements are prepared on a fiscal year basis, then a statement shall be included stating that, except as noted, the major financial statements are prepared on the same basis as in this annual report to the Commission and are in conformity with this Commission's applicable Uniform system of Accounts.

If reports to stockholders or audited annual financial statements are not prepared, so state below:

Reports to stockholders or audited financial statements for Verizon New York Inc. are not prepared.

**3. OFFICERS AND DIRECTORS (including Compensation)**

1. Furnish the indicated data with respect to each executive officer and director, whether or not they received any compensation from the respondent.
2. Executive officers include a company's president, secretary, treasurer and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
3. Indicate with an asterisk (\*) in column (a) those directors who were members of the executive committee, if any, and by a double asterisk (\*\*) the chairman, if any, of that committee, at the end of the year.

Line No.	Name of Person (a)	Title and Department Over Which Jurisdiction Is Exercised (b)	Term Expired or Current Term Will Expire (c)	Salary	
				Rate at Year End (d)	Paid During Year (e)
1	Keefe B. Clemons	Vice President, General Counsel and Secretary / Director	2018 Mtg	Confidential	Confidential
2	Kenneth Dixon	Chief Executive Officer and President / Director	2018 Mtg	Confidential	Confidential
3	Sara A. Orr	Senior Vice President and Chief Financial Officer / Director	2018 Mtg	Confidential	Confidential
4	Joseph E. Beasley	Region President - Consumer & Mass Business Markets	2018 Mtg	Confidential	Confidential
5	Tracey A. Edwards	Region President - Consumer & Mass Business Markets	5/31/2017	Confidential	Confidential
6	Leecia Eve	Vice President	2018 Mtg	Confidential	Confidential
7	Tracy Krause	Controller	2018 Mtg	Confidential	Confidential
8	Kevin M. Service	Senior Vice President of Operations - Consumer & Mass Business Markets	2018 Mtg	Confidential	Confidential
9	Abdulaziz Shroff	Vice President and Assistant Treasurer	2018 Mtg	Confidential	Confidential
10	Kee Chan Sin	Vice President and Treasurer	2018 Mtg	Confidential	Confidential
11	Steven Tugentman	Vice President	2018 Mtg	Confidential	Confidential
12	William P. Van Sadlers	Vice President - Taxes	2018 Mtg	Confidential	Confidential
13					
14					
15					
16					
17					
18					

## NOTES:

Please complete the information on this schedule for all copies (paper and electronic version) of the report.



**3. OFFICERS AND DIRECTORS (including Compensation - Continued)**

4. If any person reported in this schedule received remuneration directly or indirectly other than salary shown in column (e) list the amounts in columns (f) through (k) with the footnotes necessary to explain the essentials of the plan, the basis of determining the ultimate benefits receivable and the payments or provisions made during the year to each person reported herein. If the word "none" correctly states the facts in regard to entries for columns (f) through (k), so state.
5. If any person reported hereunder received compensation from more than one affiliated company or was carried on the payroll of an affiliated company, details shall be given in a note.

Deferred Compensation (f)	Incentive Pay (Bonuses, etc.) (g)	Savings Plans (h)	Stock Options (i)	Life Insurance Premiums (j)	Other (Explain Below) (k)	Total (e thru k) (l)	Line No.
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	1
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	2
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	3
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	4
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	5
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	6
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	7
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	8
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	9
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	10
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	11
Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	12
							13
							14
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							25

NOTES:

#### 4. CONTROL OVER RESPONDENT

If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by trustee(s), state name of trustee(s), name of beneficiaries for

whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.

The common stock of the respondent is wholly owned by NYNEX LLC which is wholly owned by Verizon Communications Inc. This list displays companies in which Verizon Communications Inc. has interest of 5% or more:

210 Pine Street Condominium Association

AirTouch Cellular

Allentown SMSA Limited Partnership

Alltel Communications of Arkansas RSA #12 Cellular Limited Partn

Alltel Communications of LaCrosse Limited Partnership

Alltel Communications of Mississippi RSA #2, Inc.

Alltel Communications of Nebraska LLC

ALLTEL Communications of North Carolina Limited Partnership

ALLTEL Communications Southwest Holdings, Inc.

Alltel Communications Wireless of Louisiana, Inc.

Alltel Communications Wireless, Inc.

Alltel Communications, LLC

Alltel Corporation

Alltel Edge LLC

Alltel Information (India) Private Limited

Alltel Information (Mauritius) Inc.

Alltel International Holding, Inc.

Alltel NC Edge LLC

Alltel Wireless of Wisconsin RSA #1, LLC

Anderson CellTelCo

Athens Cellular, Inc.

Australian-Japan Cable (Holding) Limited  
Badlands Cellular of North Dakota Limited Partnership  
BAM Rochester Edge LLC  
BATCL - 1987 - II, Inc.  
BATCL - 1987 - III, Inc.  
Bell Atlantic Advertising (China) Company  
Bell Atlantic Cellular Consulting Group, Inc.  
Bell Atlantic Mobile of Asheville, Inc.  
Bell Atlantic Mobile Systems LLC  
Bell Atlantic Mobile Systems of Allentown, Inc.  
Bell Atlantic TriCon Leasing Corporation  
Bismarck MSA Limited Partnership  
California RSA No. 4 Limited Partnership  
Cellco Edge LLC  
Cellco Partnership (d/b/a Verizon Wireless)  
Cellular 29 Ltd.  
Cellular Network Edge LLC  
Central Dakota Cellular of North Dakota Limited Partnership  
Charleston-North Charleston MSA Limited Partnership  
Chicago Edge LLC  
Chicago SMSA Limited Partnership  
CM Partners, LLC  
Colorado 7-Saguache Limited Partnership  
CommNet Cellular Inc.  
Complex Media, Inc.  
Conagro Telecommunications, S.A.  
Connect2Field Holdings Pty Limited  
Connect2Field Licensing Pty Limited  
Contel Federal Systems, Inc.  
Continental Telecommunications Company (Nigeria)  
CQRCert LLC  
Cybertrust Holding International, A.V.V.  
Dallas MTA, L.P.  
Dickerson OLI LLC  
Empire City Subway Company (Limited)  
Eutecus Europe Kft.  
Exchange Indemnity Company  
Exchange Indemnity Company New Jersey  
Exchange Indemnity Company New York  
Fleetmatics (France) SAS  
Fleetmatics (UK) Limited

Fleetmatics Australia Pty Ltd  
Fleetmatics de Mexico, Sociedad de Responsabilidad Limitada de Capital  
Variable (S. de R.L. de C.V.)  
Fleetmatics Group Holdings Limited  
Fleetmatics Group Limited  
Fleetmatics Insurance Services, LLC  
Fleetmatics Ireland Limited  
Fleetmatics Italia S.r.l.  
Fleetmatics Netherlands B.V.  
Fleetmatics Patents Limited  
Fleetmatics Pty Ltd  
Fleetmatics USA Holdings, Inc.  
Fleetmatics USA, LLC  
Fox Court Nominees Limited  
Fresno Edge LLC  
Fresno MSA Limited Partnership  
Gadsden CellTelCo Partnership  
Gila River Cellular General Partnership  
Gold Creek Cellular of Montana Limited Partnership  
Gold Creek Cellular, Inc.  
Gold Creek MT Edge LLC  
GTE Communication Systems Corporation  
GTE Life Insurance Company Limited  
GTE LLC  
GTE Mobilnet of California Limited Partnership  
GTE Mobilnet of Florence, Alabama Incorporated  
GTE Mobilnet of Fort Wayne Limited Partnership  
GTE Mobilnet of Indiana Limited Partnership  
GTE Mobilnet of Indiana RSA #3 Limited Partnership  
GTE Mobilnet of Indiana RSA #6 Limited Partnership  
GTE Mobilnet of South Texas Limited Partnership  
GTE Mobilnet of Terre Haute Limited Partnership  
GTE Mobilnet of Texas RSA #17 Limited Partnership  
GTE Operations Support Incorporated  
GTE Overseas Corporation  
GTE Products of Connecticut Corporation  
GTE Venezuela S.à r.l.  
GTE Wireless LLC  
GTE Wireless of the Midwest Incorporated  
GTEM CA Edge LLC  
GTEM IN Edge LLC  
GTEM South TX Edge LLC

Hughes Oriental Telematics Holding (China) Company Limited  
Idaho 6-Clark Limited Partnership  
Illinois RSA 6 and 7 Limited Partnership  
Illinois SMSA Limited Partnership  
Illinois Valley Cellular RSA 2-II Partnership  
Indiana RSA #1 Limited Partnership  
Indiana RSA 2 Limited Partnership  
INOGPS S.A.  
Inosat Consultoria Informatica S.A.  
Inosat Global Limited  
Inosat Holding Limited  
Inosat Solucoes E Servicos Em Mobilidades Ltda  
Iowa 8-Monona Limited Partnership  
Iowa RSA 2 Limited Partnership  
Iowa RSA 5 Limited Partnership  
Iowa RSA No. 4 Limited Partnership  
Jackson Cellular Telephone Co., Inc.  
JVL Ventures, LLC  
Kentucky RSA No. 1 Partnership  
KKT S.r.l.  
Lafayette Cellular Telephone Company  
Laycon Telecommunications, S.A.  
Los Angeles Edge LLC  
Los Angeles SMSA Limited Partnership, a California Limited Partnership  
MapQuest, Inc.  
MBI Oversight LLC  
MCI Broadband Solutions, Inc.  
MCI Communications Corporation  
MCI Communications Services, Inc.  
MCI International Services, Inc.  
MCI International Telecommunications Corporation  
MCI International, Inc.  
MCI WorldCom Asia Pacific Limited  
MCImetro Access Transmission Services Corp.  
MCImetrol Access Transmission Services of Virginia, Inc.  
Metropolitan Fiber Systems of New York, Inc.  
MFS CableCo U.S., Inc.  
MFS Globenet, Inc.  
Missouri RSA 2 Limited Partnership  
Missouri RSA 4 Limited Partnership  
MK International Limited

Modoc RSA Limited Partnership  
Morgantown OL1 LLC  
Morgantown OL2 LLC  
MovARoo, LLC  
Mtel Latin America, Inc.  
Mtel Uruguay S.A.  
Muskegon Cellular Partnership  
NCC Braeburn Company  
NCC Charlie Company  
NCC Delta Company  
NCC Echo Company  
NCC Farnborough Company  
NCC Farnborough Investments Limited  
NCC Farnborough Trustee Limited  
NCC FSC V, Inc.  
NCC FSC XII, Inc.  
NCC Golf Company  
NCC Hampshire Investments Ltd.  
NCC Indigo Company  
NCC Key Company  
NCC Mianus Corporation  
NCC Micron Company  
NCC Republic Company  
NCC Sierra Company  
NCC Solar Company  
NCC Stamford Corporation  
NCC Yearling Company  
NCC Zee Company  
Networkfleet, Inc.  
New Mexico RSA 6-I Partnership  
New Mexico RSA No. 5 Limited Partnership  
New Par  
New York Edge LLC  
New York RSA 2 Cellular Partnership  
New York SMSA Limited Partnership  
NIDDEL CORP.  
North Central RSA 2 of North Dakota Limited Partnership  
North Central RSA 2, Inc.  
North Dakota 5-Kidder Limited Partnership  
North Dakota RSA No. 3 Limited Partnership

Northeast Pennsylvania SMSA Limited Partnership  
Northern New Mexico Limited Partnership  
Northwest Dakota Cellular of North Dakota Limited Partnership  
Northwest Dakota Cellular Inc.  
Northwest Missouri Cellular Limited Partnership  
Northwest New Mexico Cellular of New Mexico Limited Partnership  
NV Verizon Belgium Luxembourg SA  
NV Verizon Belgium Luxembourg (succursale due Luxembourg)  
NY-SMSA Sale Site Subsidiary LLC  
NYNEX Bell IP Holding Corporation  
NYNEX LLC  
Oath Holdings Inc.  
Oath Inc.  
Ocean Technology, Inc.  
Omaha Cellular Telephone Company  
Omaha Edge LLC  
Orange County-Poughkeepsie Limited Partnership  
Pacific Carriage Holdings Limited  
Pascagoula Cellular Partnership  
Pascagoula Cellular Services, Inc.  
Pennsylvania RSA 1 Limited Partnership  
Pennsylvania RSA No. 6 (I) Limited Partnership  
Pennsylvania RSA No. 6 (II) Limited Partnership  
Petersburg Cellular Partnership  
Pinnacles Cellular, Inc.  
Pittsburgh Edge LLC  
Pittsburgh SMSA Limited Partnership  
Pittsburgh Cellular Telephone Company  
Poltrack Sp. Z.o.o.  
PT Communications Verizon Indonesia  
Purco Holding LLC  
Red River Cellular of North Dakota Limited Partnership  
Redding MSA Limited Partnership  
Rihab Dijlah for General Trading LLC  
RJM Lease Partners I  
RSA 1 Limited Partnership  
RSA 7 Limited Partnership  
Rural Cellular Corporation  
Sacramento Valley Edge LLC  
Sacramento-Valley Limited Partnership  
San Antonio MTA, L.P.  
San Isabel Cellular of Colorado Limited Partnership

Sand Dunes Cellular of Colorado Limited Partnership  
Seattle Edge LLC  
Seattle SMSA Limited Partnership  
SEMA OP1 LLC  
SEMA OP2 LLC  
SEMA OP3 LLC  
Sensity Systems Inc.  
Shanghai Bell Atlantic Yellow Pages Advertising Co. Ltd.  
Sherkate Sahami Khass Telephone Sazi Iran  
Sioux City MSA Limited Partnership  
Skyward IO, Inc.  
Southern Cross Cable Holdings Limited  
Southwestco Edge LLC  
Southwestco Wireless, Inc.  
Springfield Cellular Telephone Company  
St. Joseph CellTelCo  
St. Lawrence Seaway RSA Cellular Partnership  
Steam Heat LLC  
Steamed Crab Partners, L.P.  
Telesector Resources Group, Inc. (d/b/a Verizon Services Group)  
Telogis Australia PTY LTD  
Telogis Canada Inc.  
Telogis do Brasil Servico de Software Ltda.  
Telogis Limited  
Telogis UK Ltd  
Telogis, Inc.  
Terremark del Caribe, Inc.  
Terremark do Brasil Ltda.  
Terremark Federal Group LLC  
Terremark Latin America S.A.  
Terremark Latin America, Inc.  
Terremark North America LLC  
Terremark Technology Contractors, Inc.  
Terremark Trademark Holdings, Inc.  
Terremark Worldwide, Inc.  
Teton Cellular of Idaho Limited Partnership  
Teton Cellular, Inc.  
Texas RSA #11B Limited Partnership  
Topeka Cellular Telephone Company, Inc.  
TrackEasy GmbH



TrackEasy Oy  
TradeMore Services LLC  
Tuscaloosa Cellular Partnership  
Tyler/Longview/Marshall MSA Limited Partnership  
UAB Verizon Lietuva  
Upstate Cellular Edge LLC  
UUNET Holdings Australia Pty Limited  
VEBA GP LLC  
Ventures XXV Inc.  
Verizon (Thailand) Limited  
Verizon ABS II LLC  
Verizon ABS LLC  
Verizon Albania ShPk  
Verizon Americas Finance 1 Inc.  
Verizon Americas Inc.  
Verizon Argentina S.R.L.  
Verizon Asia Pacific Holdings Pte. Ltd.  
Verizon Australia Holdings LLC  
Verizon Australia Pty Limited  
Verizon Austria GmbH  
Verizon Benefits Administration Inc.  
Verizon Bolivia S.R.L.  
Verizon BR Operating LLC  
Verizon Bulgaria EOOD  
Verizon Business Global LLC  
Verizon Business International Holdings B.V.  
Verizon Business Network Services Inc.  
Verizon Business Purchasing LLC  
Verizon Business Security Solutions Luxembourg SA  
Verizon Canada Ltd.  
Verizon Capital Corp.  
Verizon Chile S.A.  
Verizon Colombia S.A.  
Verizon Communications (Cyprus) Limited  
Verizon Communications Egypt LLC  
Verizon Communications Guatemala Limitada  
Verizon Communications India Private Limited  
Verizon Communications Malaysia Sdn. Bhd.  
Verizon Communications Philippines Inc.  
Verizon Communications Singapore Pte. Ltd.  
Verizon Communications Slovakia s.r.o  
Verizon Communications South Africa (Pty) Limited

Verizon Communications Technology (Beijing) Co., Limited  
Verizon Connected Solutions Inc.  
Verizon Corporate Resources Group LLC  
Verizon Corporate Services Group Inc.  
Verizon Costa Rica S.R.L.  
Verizon Credit Inc.  
Verizon Croatia Ltd.  
Verizon Czech s.r.o.  
Verizon Data Services India Private Limited  
Verizon Data Services LLC  
Verizon Delaware Holdings II Inc.  
Verizon Delaware Holdings Inc.  
Verizon Delaware LLC  
Verizon Denmark A/S  
Verizon Deutschland GmbH  
Verizon Digital Media Services, Inc.  
Verizon Digital Media Services UK Limited  
Verizon Dominican Republic S.R.L.  
Verizon DPPA Master Trust  
Verizon DPPA True-up Trust  
Verizon Ecuador Cia. Ltda  
Verizon ELPI Holding Corp.  
Verizon Enterprise Holdings B.V.  
Verizon Estonia OÜ  
Verizon European Holdings Limited  
Verizon Federal Inc.  
Verizon Financial Services LLC  
Verizon Financing  
Verizon Finland Oy  
Verizon Foundation  
Verizon France SAS  
Verizon FZ-LLC  
Verizon Global Enterprise B.V.  
Verizon Hawaii International Inc.  
Verizon Hearst Media Partners, LLC  
Verizon Hellas Telecommunications, Single Member Limited Liability Company  
Verizon Holding Austria GmbH  
Verizon Holding do Brasil Ltda.  
Verizon Holding France EURL  
Verizon Holding Netherlands B.V.  
Verizon Hong Kong Limited  
Verizon Hungary Telecommunications Limited Liability Company

Verizon Iceland ehf  
Verizon India Private Limited  
Verizon Information Services-Costa Rica, LLC  
Verizon Information Technologies LLC  
Verizon Innovation LLC  
Verizon International Business Ventures Inc.  
Verizon International Holdings Inc.  
Verizon International Inc.  
Verizon International Limited  
Verizon Investment Management Corp.  
Verizon Ireland Limited  
Verizon Israel Telecommunications Limited  
Verizon Italia S.p.A.  
Verizon Japan Ltd  
Verizon Komunifacije d.o.o., Beograd  
Verizon Korea Limited  
Verizon Latvia SIA  
Verizon Licensing Company  
Verizon Ljubljana trgovina in storitve, d.o.o.  
Verizon Long Distance LLC  
Verizon Malta Limited  
Verizon Maryland LLC  
Verizon Media LLC  
Verizon Morocco Sarl  
Verizon Nederland BV  
Verizon Network Integration Corp.  
Verizon New England Inc.  
Verizon New Jersey Inc.  
Verizon New York Inc.  
Verizon New Zealand Limited  
Verizon North LLC  
Verizon Norway AS  
Verizon Online LLC  
Verizon Owner Trust 2016-1  
Verizon Owner Trust 2016-2  
Verizon Owner Trust 2017-1  
Verizon Owner Trust 2017-3  
Verizon Pakistan (Private) Limited  
Verizon Panama S.A.  
Verizon Paraguay S.R.L.  
Verizon Patent and Licensing Inc.

Verizon Pennsylvania LLC  
Verizon Peru S.R.L.  
Verizon Polska Sp. Z o.o.  
Verizon Portugal - Sociedade Unipessoal, Lda.  
Verizon Puerto Rico LLC  
Verizon Realty Corp.  
Verizon Romania SRL  
Verizon Rus LLC  
Verizon Saudi Arabia LLC  
Verizon Select Services Inc.  
Verizon Select Services of Virginia Inc.  
Verizon Services Corp.  
Verizon Services Ireland Limited  
Verizon Services Organization Inc.  
Verizon Services Singapore Pte. Ltd  
Verizon Servicios Empresariales Mexico, S. de R.L. de C.V.  
Verizon Smart Communities HU Kft  
Verizon Sourcing LLC  
Verizon South Inc.  
Verizon Spain Holdings, S.L.  
Verizon Spain S.L.  
Verizon Sweden Aktiebolag  
Verizon Switzerland AG  
Verizon Taiwan Co. Limited  
Verizon Technology Licensing LLC  
Verizon Telecomunicacões do Brasil Ltda.  
Verizon Telematics (China) Co., Ltd.  
Verizon Telematics Inc.  
Verizon TeleProducts Corp.  
Verizon Terremark NV  
Verizon Trademark Services LLC  
Verizon Turnkey Services LLC  
Verizon UK Financing Limited  
Verizon UK Holding Limited  
Verizon UK Limited  
Verizon Ukraine LLC  
Verizon Uluslarasi Telekomünikasyon Ticaret Anonim Sirketi  
Verizon Uruguay S.R.L.  
Verizon Venezuela, S.A.

Verizon Ventures II LLC  
Verizon Ventures LLC

Verizon Virginia LLC  
Verizon Washington, DC Inc.  
Verizon Wireless (VAW) LLC  
Verizon Wireless Acquisition South LLC  
Verizon Wireless Canada Corp.  
Verizon Wireless Capital LLC  
Verizon Wireless Network Procurement LP  
Verizon Wireless of the East LP  
Verizon Wireless Personal Communications LP  
Verizon Wireless Services, LLC  
Verizon Wireless South Area LLC  
Verizon Wireless Tennessee Partnership  
Verizon Wireless Texas, LLC  
Virginia RSA 5 Limited Partnership  
Visible Service LLC  
Visirun S.p.A.  
Visirun Sp. Z.o.o.  
VZB OpCo Nigeria Limited  
VZOT 2017-1 True-up Trust  
VZW 2006B BP, LLC  
VZW Corp.  
VZW East Edge LLC  
Wasatch Utah RSA No. 2 Limited Partnership  
Western Iowa Cellular, Inc.  
Wisconsin RSA #1 Limited Partnership  
Wisconsin RSA #2 Partnership  
Wisconsin RSA #6 Partnership, LLP  
Wisconsin RSA No. 8 Limited Partnership  
WorldCom Global Networks Limited  
WorldCom International El Salvador, S.A. de C.V.  
WWC Texas RSA LLC  
Wyoming 1-Park Limited Partnership  
XO Asia Limited  
XO Communications Services, LLC  
XO International Holdings, LLC  
XO International, Inc.  
XO NS, Inc.  
XO Virginia, LLC  
Yahoo Holdings International B.V.  
Zentry LLC

**5. CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Name of Company Controlled  (a)	Kind of Business  (b)	Percent Voting Stock Owned (c)	Foot-note Ref. (d)
Empire City Subway (Limited)	Builds, maintains and operates underground subways, conduits and ducts in the boroughs of Bronx and Manhattan, City of New York in which it leases space primarily for companies in the telecommunications business	100%	
Telesector Resources Group, Inc.	As of April 2004, all TRG/VSG employees were transitioned to the Verizon Services Corp payroll. TRG/VSG will continue to own assets supporting VSC services. Telesector Res Grp Inc exists solely to provide these services to affiliates in the Verizon corporate family.	50%	#
Verizon Long Distance LLC	Provides long distance services	100%	

# - Telesector Research Group, Inc is jointly owned by the Company and VZ New England Inc.

**DEFINITIONS**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

**6. HOLDERS OF VOTING SECURITIES**

1. Report the requested information for each holder of record of five percent or more of the voting capital or, if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. For corporations listed hereunder as holders of voting securities, see the next succeeding schedule. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established under Section 621 of the Business Corporation Law and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Name and Address of Security Holder  (a)	Number of Votes as of		
		Common Stock (b)	Other (Specify)	
			(c)	(d)
1	NYNEX LLC (a wholly owned subsidiary of Verizon Communications Inc) 140 West Street New York, NY 10007	1	None	None
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### 7. VOTING POWERS AND ELECTIONS

1. Has each share of stock the right to one vote? \_\_\_Yes\_\_\_\_\_

2. Are voting rights attached only to stock? \_\_\_Yes\_\_\_\_\_

(if the answer to either query 1 or 2 is "No", give full particulars in a note.)

3. Is cumulative voting permitted? \_\_\_\_\_No\_\_\_\_\_

4. State the place and date of the latest general meeting held prior to the end of the year for the election of directors.

A Consent of Sole Stockholder in Lieu of Annual Meeting of Verizon New York Inc.

Pursuant to Section 615(a) of the New York Business Corporation Law for the Election of Directors was signed on March 19, 2013.

5. State the total number of votes cast at such general meeting \_\_\_\_\_1\_\_\_\_\_ and the total number cast by proxy \_\_\_0\_\_\_\_\_.

6. State the total number of voting security holders \_\_\_\_\_1\_\_\_\_\_ and the total of all voting securities \_\_\_\_\_1\_\_\_\_\_ as of such date.

7. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.



**8. IMPORTANT CHANGES DURING THE YEAR**

Report important changes of the types listed. Except as otherwise indicated, data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries, and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other source will be sufficient.

1. Changes in rights to furnish service, i.e. distribution franchises or similar consents: For each franchise surrendered show the name of the municipality, date of grant, and date of surrender. For each franchise acquired, show the grantor, the date, the specific territory covered, the party from whom acquired, and the consideration.
2. Consolidations, mergers and reorganizations: Give names of other companies involved, particulars of each such incident, date, and Commission authorization.
3. Purchase or sale of entire property, or a part of property when service territory is included: Give brief description of each transaction, name of the other party, date, consideration and Commission authorization.
4. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.
5. Securities issued during the year: Identify the securities, give purposes of issuance, date, consideration received and Commission authorization. As here used the term "securities" shall be taken to mean any capital stock or debt, the issuance of which requires prior authorization by this Commission.
6. Changes in rates: Show brief particulars of each intrastate rate change, the estimated increase or decrease in annual revenues by reason of such changes, the service classification, effective date, and date ordered or allowed by the Commission. Give the same information for interstate rate changes.
7. Changes in scales of wages: State the estimated annual effect and nature of any important wage scale changes during the year.
8. Changes in articles of incorporation: Give brief particulars of each change and date.
9. Changes in general officers between end of period covered by this report and date of filing thereof. Give brief particulars.
10. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.
11. Give information on any changes in accounting standards that have occurred during the year.

Inquiry 1, 2, 3, 4 & 5 - nothing to report

Inquiry 6: Intrastate Changes in Services and Rates

Description of Changes	Service Classification	Effective Date	Estimated Annual Effect on Revenues
Decrease State Universal Service Fund Surcharge	Local/Toll	1/1/2017	
Grandfathering of Certain Services and Features	Access	1/15/2017	
Revision to Demarcation Point Language	Local/Toll	4/10/2017	
Non-Published Service Increase	Local/Toll	5/20/2017	Confidential
Individual Case Billing Addendum	Local/Toll	4/20/2017	
Grandfathering of Channels for Program Transmission Service	Local/Toll	6/15/2017	
Individual Case Billing Addendum	Local/Toll	5/15/2017	
Intrastate Access Service Rate Reduction	Access	7/1/2017	
Concurrence of State Telephone Long Distance Company, Inc.	Local/Toll	7/1/2017	
Concurrence of DTC Cable, Inc.	Local/Toll	8/28/2017	
Grandfathering of Certain Services and Features	Access	9/15/2017	
Remove References to PULSENET Alert Transport Service	Local/Toll	9/1/2017	
Grandfathering of Certain Services and Features	Access	10/2/2017	
Increase Unlimited Local Usage for Business	Local/Toll	11/1/2017	Confidential
Increase State Universal Service Fund Surcharge	Local/Toll	11/1/2017	
Individual Case Billing Addendum	Local/Toll	10/27/2017	
Increase Business Individual Message and Trunk	Local/Toll	11/1/2017	
Tariff Corrections	Local/Toll	12/1/2017	

**8. IMPORTANT CHANGES DURING THE YEAR (Continued)**

Description of Changes	Service Classification	Effective Date	Estimated Annual Effect on Revenues
Addition of Reserved For Future Use Language	Local/Toll	12/1/2017	
Serving Wire Center Information Update	Access	12/15/2017	
Individual Case Billing Addendum	Local/Toll	12/29/2017	

**Inquiry 7:**

New Labor Agreements were reached May 29, 2016 and ratified June 17, 2016 to succeed the agreements that expired on August 1, 2015. Effective Sunday, June 18, 2017, there was a 2.5% wage increase applied to all steps of the wage schedule. Management salary increases were budgeted at 3.0%.

**Inquiry 8: Nothing to report**

**Inquiry 9- Changes in Officers:** There were no changes in officers or directors subsequent to December 31, 2017.

**Inquiry 10- Other Important Changes - None**

**Inquiry 11 - Change in Accounting Standards:** Verizon adopted the following accounting standards.

During the first quarter of 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." This standard update intends to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This standard update was effective as of the first quarter of 2017. The adoption of this standard update did not have a significant impact on our consolidated financial statements.

During the first quarter of 2017, the FASB issued ASU 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment." The amendments in this update eliminate the requirement to perform step two of the goodwill impairment test, which requires a hypothetical purchase price allocation when an impairment is determined to have occurred. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. This standard update is effective as of the first quarter of 2020; however, early adoption is permitted for any interim or annual impairment tests performed after January 1, 2017. Verizon early adopted this standard on January 1, 2017. The adoption of this standard update did not have a significant impact on our consolidated financial statements.

During the first quarter of 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business." The amendments in this update provide a framework - the "screen" - in which to evaluate whether a set of transferred assets and activities is a business. The screen requires that such set is not a business when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The standard also aligns the definition of outputs with how outputs are described in Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. This standard is effective as of the first quarter of 2018; however, early adoption is permitted. Verizon early adopted this standard, on a prospective basis, in the fourth quarter of 2017. The adoption of this standard update did not have a significant impact on our consolidated financial statements.

During the third quarter of 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities." The amendments in this update simplify the application of hedge accounting and increase the transparency of hedge results. The updated standard also amends the presentation and disclosure requirements and changes how companies can assess the effectiveness of their hedging relationships. Companies will now have until the end of the first quarter in which a hedge is entered into to perform an initial assessment of a hedge's effectiveness. After initial qualification, the new guidance permits a qualitative effectiveness assessment for certain hedges instead of a quantitative test if the company can reasonably support an expectation of high effectiveness throughout the term of the hedge. An initial quantitative test to establish that the hedge relationship is highly effective is still required. For cash flow hedges, if the hedge is highly effective, all changes in the fair value of the derivative hedging instrument will be recorded in Other comprehensive income (loss). These changes in fair value will be reclassified to earnings when the hedged item impacts earnings. The standard update is effective as of the first quarter of 2019; however, early adoption is permitted within an interim period. Verizon early adopted this standard in the fourth quarter of 2017. The adoption of this standard update did not have a significant impact on our consolidated financial statements.

**9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE**

- All columns must be filled in for those companies whose toll settlements are based on actual cost. Companies that receive toll settlements on the basis of average cost need to complete columns (b) through (e).
- The totals as reported on this schedule should conform with amounts reported on corresponding schedules.
- Include in column (g), Part 36 interstate amounts and any reconciliation of New York State amounts.
- Include on Line 27 any adjustments needed for items includable in Earnings Available for Rate of Return calculation purposes which are not includable in the lines above (e.g. tax imputation for imputed interest, etc.) Please identify and explain.

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
<b>Operating Revenues</b>							
1	Local Network Services	\$843,562,737			\$843,562,737	\$840,164,969	\$3,397,768
2	Network Access Services	2,296,968,594			\$2,296,968,594	30,085,430	\$2,266,883,164
3	Long Distance Network Serv.	60,432,008			\$60,432,008	56,683,027	\$3,748,981
4	Miscellaneous	265,347,000	0		\$265,347,000	168,343,712	\$97,003,288
5	Settlements	254,468			\$254,468	254,468	\$0
6	Nonregulated Revenues	1,547,573,946	1,547,573,946		0	0	0
7	Subtotal	5,014,138,753	1,547,573,946	0	3,466,564,807	1,095,531,607	2,371,033,201
8	Uncollectibles	28,068,330	1,539,127		\$26,529,203	17,569,773	\$8,959,430
9	Total Operating Revenues	4,986,070,423	1,546,034,819	0	3,440,035,604	1,077,961,833	2,362,073,771
<b>Operating Expenses</b>							
10	Plant Specific	2,444,033,098	1,067,055,636		1,376,977,462	917,810,103	\$459,167,359
11	Plant Non-specific	440,183,010	55,415,742		384,767,268	247,756,805	\$137,010,463
12	Marketing	321,094,164	51,658,380		269,435,784	172,875,774	\$96,560,010
13	Customer Operations Services	322,848,684	24,393,957		298,454,727	218,383,636	\$80,071,091
14	Access	97,594,181	0		97,594,181	46,831,934	\$50,762,247
15	Corporate Operations	2,917,904,192	297,290,586		2,620,613,606	1,768,187,616	852,425,990
16	Subtotal	6,543,657,329	1,495,814,301	0	5,047,843,028	3,371,845,868	1,675,997,160
17	Depreciation & Amortization	1,034,501,863	50,047,572		984,454,291	650,204,998	\$334,249,293
18	Total Operating Expenses	7,578,159,192	1,545,861,873	0	6,032,297,319	4,022,050,865	2,010,246,453
19	Net Operating Revenues	(2,592,088,769)	172,946	0	(2,592,261,715)	(2,944,089,032)	351,827,317
<b>Operating Taxes</b>							
20	Operating FIT	(1,079,769,833)	14,473,883		(1,094,243,716)	(1,079,847,501)	(\$14,396,215)
21	Deferred Operating FIT-Net	(307,582,732)	(8,642,148)		(298,940,584)	(306,127,973)	\$7,187,389
22	Operating Investment Tax Credit - Amort (Option 2)	(5,730,894)	(415,902)		(5,314,992)	(3,639,267)	(1,675,725)
23	Total Federal Income Taxes	(1,393,083,460)	5,415,833	0	(1,398,499,292)	(1,389,614,741)	(8,884,551)
24	Other Operating Taxes	444,680,180	18,991,228		425,688,952	275,162,215	150,526,737
25	Total Operating Taxes	(948,403,280)	24,407,060	0	(972,810,340)	(1,114,452,526)	141,642,185
26	Other Operating Income and Expenses	(1,863,825)	(115,075)	0	(1,748,750)	(1,183,911)	(564,838)
27	Net Operating Income*	(1,645,549,313)	(24,349,189)	0	(1,621,200,124)	(1,830,820,418)	209,620,293
28	Rate Case Adj, if applicable					205,253,983	
29	Net Operating Income after Rate Case Adj	(\$1,645,549,313)	(\$24,349,189)	\$0	(\$1,621,200,124)	(\$1,625,566,435)	\$209,620,293

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**9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE**

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subject to Separations (e)	New York State (f)	Other (g)
1	Telephone Plant in Service	\$29,207,669,299	\$1,129,774,496	\$0	\$28,077,894,803	\$18,066,959,025	\$10,010,935,778
2	Noninterest Bearing Telephone Plant under Construction	762,389,864	70,757,067	0	\$691,632,797	386,396,987	\$305,235,809
3	Telephone Plant Held for Future Use	0	0	0	0	0	0
4	Materials and Supplies	5,917,080	2,257,602	0	\$3,659,478	2,733,182	\$926,296
5	Prepayments	23,123,014	0	0	\$23,123,014	14,260,725	\$8,862,288
6	Cash Working Capital *	285,279,483	0	0	\$285,279,483	285,279,483	0
7	RTB Stock	0	0	0	0	0	0
8	Other Rate Base Adjustments, If Applicable	0	0	0	(\$1,058,991)	(1,058,991)	0
9	Unamortized Deferrals	0	0	0	0	0	0
10	Depreciation Reserve	19,272,766,539	414,561,362	0	\$18,858,205,177	12,618,439,163	\$6,239,766,013
11	Amortization Reserve	18,783,851	1,956,894	0	\$16,826,958	9,925,105	\$6,901,853
12	Accumulated Deferred Income Taxes	495,827,830	(256,342,749)	0	\$752,170,579	319,179,849	\$432,990,730
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)	0	0	0	0	0	0
14	Rate Base (Lines 1-9 minus lines 10-13)	\$10,497,000,519	\$1,042,613,657	\$0	\$9,453,327,870	\$5,807,026,294	\$3,646,301,576

All lines except line 6 are balances at end of year.

\* Allowance based upon collection of revenues and operating expenses:

For Example:

	<u>Amount</u>	<u>Percentage</u>	<u>Lag Days</u>	<u>Weighted Days</u>
1. Advance Billings (Local Service, etc.)	\$40	40.0%	15	6
Arrears Billings (Toll, etc.)	\$60	<u>60.0%</u>	45	<u>27</u>
	<u>\$100</u>	<u>100.0%</u>		<u>33</u>

2. Weighted Days - 33 divided by 365 days equals 9.04%

3. Operating Expenses minus Depreciation multiplied by 9.04% equals Cash Working Capital

### 10. Instructions for Rate of Return and Return on Common Equity

#### RATE OF RETURN AND RETURN ON COMMON EQUITY COMPUTATIONS:

- Line 1: Income Available for Return and Calculation of Rate Base  
 Column (a): Page 12, Line 29, Column (e)  
 Column (b): Page 12, Line 29, Column (f)
- Line 2: Income Available for Return and Calculation of Rate Base  
 Column (a): Page 13, Line 14, Column (e)  
 Column (b): Page 13, Line 14, Column (f)
- Line 3: Rate of Return  
 Columns (a) and (b): Divide Line 1 by Line 2
- Line 4: Return on Common Equity  
 Column (a): Line 10, Column (c)  
 Column (b): Line 16, Column (c)

#### CAPITAL STRUCTURE:

- Column (a): The amount in Column (a) reflects the year end balance in the reporting year for Long-Term Debt (including current maturities), Notes Payable, Customer Deposits, Preferred Stock and Common Equity (Total Stockholder's Equity less Preferred Stock).
- Column (b): The structure column reflects the percentage of total capitalization that each component represents.
- Column (c): The cost rate column reflects the actual cost of debt, customer deposits and preferred stock preferred stock at the end of the reporting year. The cost rate is derived by dividing the interest expense and/or preferred stock dividends by the respective year end debt or preferred stock balance. The return on common equity is a calculated amount.
- Column (d): The weighted cost column represents the cost rate of the total capitalization and is equal to the respective rate of returns (Line 3, Column (a) by Column (b). Once the weighted cost of debt (Long-Term Debt, Notes Payable, Customer Deposits) and preferred stock are totaled and then subtracted from the respective rate of return, the fall out number is the weighted cost of common equity. The return on common equity (Column (c) ) is derived by dividing the weighted cost of common equity (Column (d) ) by the Common equity percentage of total capitalization (Column (b) ).

#### ALTERNATIVE CAPITAL STRUCTURE

For companies who are required to report their achieved returns to this Commission on a regular basis and companies that use alternative capital structures for ratemaking purposes, report the capital structure used for that purpose herein. Explain the basis for the capital structure used.

- Line 5: Required Additional Revenues:
- Column (a): Multiply the rate base (Line 2, Column (a) ) by the common equity percentage of total capitalization (Line 10, Column (b) ). Take this Product and multiply by 1% and then divide the result by 63.5%. The resulting product is the additional revenues.
- Column (b): Multiply the rate base (Line 2, Column (b) ) by the common equity percentage of total capitalization (Line 16, Column (b) ). Take this product and multiply by 1% and then divide the result by 63.5% The resulting product is the additional revenues.

**10. Rate of Return and Return on Common Equity**

Line No.	Item	Subject to Separation (a)	Intrastate (b)
1	Net Operating Income after Rate Case Adj	\$ <u>0</u>	\$ <u>(\$1,625,566,435)</u>
2	Rate Base	\$ <u>9,453,327,870</u>	\$ <u>\$5,807,026,294</u>
3	Rate of Return	<u>0</u>	<u>-27.99%</u>
4	Return on Common Equity	<u>0</u>	<u>89.16%</u>
5	Required Additional Revenues *	\$ <u>0%</u>	\$ <u>(40,070,488)</u>

\* (To provide an additional 1% Return on Common Equity)

**Capital Structure used for Subject to Separations \***

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
6	Long-Term Debt	\$ 159,478,078	5.99%		
7	Notes Payable		0.00%		
8	Customer Deposits		0.00%		
9	Preferred Stock		0.00%		
10	Common Equity	2,502,739,595			
11	Total	\$ 2,662,217,673	5.99%		

**Capital Structure used for Intrastate\***

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 6,475,141	138.82%	7.86%	10.91%
13	Notes Payable	233,225	5.00%	3.42%	0.17%
14	Customer Deposits	0	0.00%	0.00%	0.00%
15	Preferred Stock	0	0.00%	0.00%	0.00%
16	Common Equity	(2,043,857)	-43.82%	89.16%	-39.07%
	Total	\$ 4,664,509	100.00%		-27.99%

It should be noted that these calculated rates of return and common equity returns are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return reported here are not necessarily the same that would be computed in a formal rate proceeding. Differences may occur because the data in formal proceeding are analyzed in detail and some adjustments are usually made to booked amounts.

\* Use alternative capital structure if applicable.



**11. BALANCE SHEET**  
**Assets and Other Debits**

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
<b>CURRENT ASSETS</b>					
1	1130	--	\$0	\$0	\$0
2	1140	--	0	0	0
3	1150	--	0	0	0
4	1160	--	0	0	0
5	1180	--	542,406,227	567,180,794	(24,774,567)
6	1181	--	5,048,551	14,325,888	(9,277,337)
7	1190.1	--	340,003,114	461,528,160	(121,525,047)
8	1190.2	--	(9,554,189)	(22,060,388)	12,506,200
9	1191	--	7,305,486	8,164,624	(859,139)
10	1200.1	--	0	0	0
11	1200.2	--	0	0	0
12	1201	37	0	0	0
13	1210	--	0	(936,338)	936,338
14	1220	--	5,917,080	6,560,187	(643,107)
15	1290	--	0	0	0
16	1300	--	23,123,014	42,838,472	(19,715,458)
17	1310	--	0	0	0
18	1320	--	0	0	0
19	1330	--	\$0	\$846,433	(846,433)
20	1350	--	\$24,937,783	\$31,482,077	(6,544,293)
21	1360	38-39	0	\$0	0
22	Total Current Assets .....		914,478,991	1,064,948,884	(150,469,892)
<b>NONCURRENT ASSETS</b>					
23	1401.1	41-42	651,103,992	432,585,909	218,518,084
24	1401.2	43-44	0	0	0
25	1402	43-44	50,000	3,166,667	(3,116,667)
26	1406	45	0	0	0
27	1407	47-48	766,502	1,596,465	(829,963)
28	1408	--	0	0	0
29	1410	--	10,251,255	30,307,293	(20,056,038)
30	1438	--	0	0	0
31	1439	46	52,608,613	72,580,479	(19,971,866)
32	1500	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
33	1510	--	0	0	0
34	Total Noncurrent Assets .....		714,780,362	540,236,813	174,543,550
<b>REGULATED PLANT</b>					
35	2001	24-25	30,164,087,832	29,233,241,069	930,846,764
36	2002	24-25	0	-	0
37	2003	24-25	0	\$0	0
38	2004	24-25	762,389,864	699,165,641	63,224,223
39	2005	24-25	0	\$0	0
40	2006	24-25	151,877,033	(117,275)	151,994,308
41	2007	24-25	0	\$0	0
42	Total Telecommunications Plant		31,078,354,730	29,932,289,435	1,146,065,295
43	3100-3300	32-33	19,272,766,538	18,470,566,375	802,200,164
44	3410-3600	32-33	975,202,385	940,971,986	34,230,399
45	Net Telecommunications Plant		10,830,385,806	10,520,751,074	309,634,732
46	<b>TOTAL ASSETS AND OTHER DEBITS</b>		<b>\$12,459,645,160</b>	<b>\$12,125,936,771</b>	<b>\$333,708,391</b>

For Notes to Balance Sheet see Page 18.



### 11. BALANCE SHEET Liabilities and Other Credits

Provide total company amounts on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Accounts (a)	Sch. Page No. (b)	Balance at End of Year (c)	Balance at Beginning of Year (d)	Increase or (Decrease) (e)
<b>CURRENT LIABILITIES</b>					
1	4010.1	--	\$514,511,344	\$718,019,268	(\$203,507,924)
2	4010.2	--	85,035,734	104,521,132	(19,485,398)
3	4020.1	--	6,912,776,594	4,569,653,698	2,343,122,896
4	4020.2	--	0	0	0
5	4030	--	226,867,009	184,280,521	42,586,488
6	4040	--	852,042	694,735	157,307
7	4050	47-48	0	0	0
8	4060	--	685,261	622,077	63,184
9	4070	--	(137,843,531)	(93,102,461)	(44,741,070)
10	4080	--	18,546,511	19,657,532	(1,111,021)
11	4100	38-40	0	0	0
12	4110	38-40	0	0	0
13	4120	--	169,015,535	193,149,962	(24,134,427)
14	4130	--	338,031,813	101,507,575	236,524,238
15	Total Current Liabilities		8,128,478,311	5,799,004,040	2,329,474,272
<b>LONG-TERM DEBT</b>					
16	4210	47-48	158,865,000	315,180,000	(156,315,000)
17	4220	47-48	0	0	0
18	4230	47-48	(1,087,345)	(2,265,941)	1,178,596
19	4240	--	0	0	0
20	4250	--	1,700,423	2,405,159	(704,736)
21	4260	47-48	0	0	0
22	4270	47-48	0	0	0
23	Total Long-Term Debt		159,478,078	315,319,218	(155,841,140)
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>					
24	4310	49	6,091,877,210	7,165,166,242	(1,073,289,032)
25	4320	38-40	0	5,730,894	(5,730,894)
26	4330	38-40	0	0	0
27	4340	38-40	495,827,830	379,579,364	116,248,466
28	4350	38-40	(73,305,152)	(62,522,533)	(10,782,619)
29	4360	49	160,028,479	121,632,927	38,395,552
30	4370	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
31	Total Other Liabilities and Def. Credits		6,674,428,367	7,609,586,894	(935,158,527)
<b>STOCKHOLDERS' EQUITY</b>					
32	4510.1	36	1,000,010	1,000,010	0
33	4510.2	36	0	0	0
34	4520	36	9,096,695,393	9,075,939,829	20,755,564
35	4530	36	0	0	0
36	4540	--	0	0	0
37	4550.1	20-21	0	0	0
38	4550.2	20-21	587,159,892	368,583,625	218,576,267
39	4550.3	20-21	(12,187,594,890)	(11,043,496,847)	(1,144,098,043)
40	Total Stockholders' Equity		(2,502,739,595)	(1,597,973,383)	(904,766,212)
41	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>\$12,459,645,160</b>	<b>\$12,125,936,771</b>	<b>\$333,708,391</b>

For Notes to Balance Sheet see Page 18.

**11. NOTES TO BALANCE SHEET**

1. The space below and on the page following is provided for important notes regarding the balance sheet or any account thereof.
2. Furnish particulars for material contingent assets or liabilities existing at the end of the year which are reasonably possible in accordance with Statement of Financial standards No.5. For any dividends in arrears at the end of the year on cumulative preferred stock, state the date of the last dividend, the average per share, and the total amount arrearage. List all discounted notes receivable outstanding at the end of the year, stating for each the name of maker, amount and term of note, interest rate, date discounted, and net proceeds realized.
3. Give a concise explanation of any retained earnings restriction and state the amount of retained earnings affected by such restriction.
4. If the notes to balance sheet appearing in the annual report to the stockholders are applicable, such notes (designated as such) may be used in lieu of answers for the foregoing.

NOTES:

1. The amount of pension funds held by outside trustees and irrevocably devoted to pension purposes at the end of the year was \$\_\_\_\_\_.
2. Cumulative dividends in arrears at the end of the year amounted to \$\_\_\_\_\_.

ADDITIONAL NOTES TO BALANCE SHEET

**12. INCOME AND RETAINED EARNINGS STATEMENT**

Provide total company amount on the basis of the New York Uniform System of Accounts. Any jurisdictional differences between the FCC and NY PSC should be distributed to each account.

Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
	<b>INCOME</b>			
	<b>TELEPHONE OPERATING INCOME</b>			
1	Operating Revenues.....	51	\$4,986,070,423	\$5,240,782,258
2	Operating Expenses.....	53-55	7,578,159,191	6,320,388,945
3	Net Operating Revenues		(2,592,088,768)	(1,079,606,687)
	<b>OTHER OPERATING INCOME AND EXPENSE</b>			
4	7110 Income from Custom Work.....	--	462	12,337
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--	0	0
6	7140 Gains and Losses from Foreign Exchange.....	--	0	0
7	7151 Gains or Losses from Disposition of Land and Artworks.....	--	(1,888,796)	19,533,900
8	7160 Other Operating Gains and Losses.....	--	24,509	1,414
9	Total Other Operating Income and Expenses		(1,863,825)	19,547,651
	<b>OPERATING TAXES</b>			
10	7210 Operating Investment Tax Credits-Net.....	38-40	(5,730,894)	(1,662,221)
11	7220 Operating Federal Income Taxes.....	56-57	(1,079,769,833)	(630,802,787)
12	7230 Operating State and Local Income Taxes.....	56-57	(3,199,725)	(5,441,944)
13	7240 Operating Other Taxes.....	56-57	433,685,912	461,757,476
14	7250 Provision for Deferred Operating Income Taxes-Net.....	38-40	(293,388,741)	(20,430,561)
15	Total Operating Taxes		(948,403,281)	(196,580,037)
16	Net Operating Income		(1,645,549,312)	(863,478,999)
	<b>NONOPERATING INCOME AND EXPENSES</b>			
17	7310 Dividend Income.....	--	0	0
18	7320 Interest Income.....	--	141,699	884,521
19	7330 Income from Sinking and Other Funds.....	--	0	0
20	7340 Allowance for Funds Used During Construction.....	--	10,568,131	24,580,162
21	7350 Gains or Losses from the Disposition of Certain Property.....	--	0	0
22	7355 Equity in Earnings of Affiliated Companies.....	41-42	218,576,267	150,715,375
23	7360 Other Nonoperating Income.....	--	(114,448,384)	(107,321,211)
24	7370 Special Charges.....	--	8,087,551	6,437,378
25	Total Nonoperating Income Items and Expenses		106,750,162	62,421,469
	<b>NONOPERATING TAXES</b>			
26	7410 Nonoperating Investment Tax Credits-Net (-).....	38-40	0	0
27	7420 Nonoperating Federal Income Taxes.....	56-57	36,479,434	\$5,958,306
28	7430 Nonoperating State and Local Income Taxes.....	56-57	(80,780,224)	(47,665,450)
29	7440 Nonoperating Other Taxes.....	56-57	4,650,000	3,750,000
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	38-40	(48,638,030)	(48,029,030)
31	Total Nonoperating Taxes		(88,288,819)	(85,986,174)
32	Total Nonoperating Income		195,038,981	148,407,643
33	Income Available for Fixed Charges		(1,450,510,331)	(715,071,356)
	<b>INTEREST AND RELATED ITEMS</b>			
34	7510 Interest on Funded Debt.....	47-48	19,805,362	28,084,633
35	7520 Interest Expense-Capital Leases.....	--	181,398	232,077
36	7530 Amortization of Debt Issuance Expense.....	47-48	306,041	73,566
37	7540 Other Interest Deductions.....	61	206,646,491	304,841,676
38	Total Interest and Related Items		226,939,292	333,231,952
39	Income Before Extraordinary Items		(1,677,449,623)	(1,048,303,308)

<b>12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)</b>				
Line No.	Item (a)	Sch. Page No. (b)	TOTAL	
			Current Year (c)	Last Year (d)
<b>EXTRAORDINARY ITEMS</b>				
40	7610 Extraordinary Income Credits.....	63	0	0
41	7620 Extraordinary Income Charges.....	63	0	0
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	63	0	0
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	63	0	0
44	Total Extraordinary Items		0	0
<b>JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS</b>				
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net...	--	xxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxx
46	7990 Nonregulated Net Income.....	--		
47	Total Jurisdictional Differences and Extraordinary Items		0	0
48	Net Income		(\$1,677,449,623)	(\$1,048,303,308)
<b>RETAINED EARNINGS</b>				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		(\$11,043,496,847)	(\$10,044,875,164)
50	4550.4 Balance Transferred from Income.....		(1,896,025,890)	(1,199,018,683)
51	4550.5 Appropriations of Retained Earnings.....			
52	4550.6 Dividends Declared-Preferred Stock.....	47-48	0	0
53	4550.7 Dividends Declared-Common Stock.....	47-48	0	0
54	4550.8 Adjustments to Retained Earnings.....	50	(751,927,847)	(200,397,000)
55	Net Change to Unappropriated Retained Earnings		(1,144,098,043)	(998,621,683)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		(12,187,594,890)	(11,043,496,847)
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		(\$12,187,594,890)	(\$11,043,496,847)
<b>UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS</b>				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		\$368,583,625	\$417,868,250
60	Equity in Earnings for Period.....	41-42	218,576,267	150,715,375
61	Dividends Received.....	41-42	0	200,000,000
62	Other Changes (explain).....	50	0	0
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$587,159,892	\$368,583,625
<b>NOTES TO INCOME AND RETAINED EARNINGS STATEMENT</b>				
<p>Note 1. Refunds to subscribers, in the event of an adverse decision in pending rate proceedings, would reduce the amount of "Operating Revenues" for the current year by approximately \$_____</p>				

<b>13. STATEMENT OF CASH FLOWS</b>			
Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	(\$1,677,449,623)	(\$1,048,303,308)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	998,305,019	1,002,869,137
3	Amortizations	36,196,843	36,726,579
4	Increase (Decrease) in deferred taxes and investment tax credits-net	(299,119,634)	(22,092,782)
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	108,725,670	12,570,953
7	Decrease (Increase) in inventory related to operations	643,107	(2,631,437)
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	(253,042,311)	20,588,379
9	Unbilled revenues	(13,137,060)	(52,192,930)
10	Increase (Decrease) in current income taxes and other taxes payable	(45,852,091)	(39,394,185)
11	Increase (Decrease) in interest payable	5,914,561	(18,104,382)
12	Equity in loss(earnings) of affiliates	(218,576,267)	(150,715,375)
13	Dividends received from associated and subsidiary companies accounted for under the equity method	0	200,000,000
	Other Adjustments:		
14	Employee Benefit Obligations	1,956,120,503	726,571,203
15	Provision for losses for Accounts Receivables	28,068,330	31,151,667
16	Other	(2,374,172,288)	(373,376,230)
17	Total Adjustments	(69,925,618)	1,371,970,598
18	Net cash provided by (used in) operating activities	(1,747,375,241)	323,667,290
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(1,281,997,787)	(823,018,722)
20	Common plant		
21	Non-utility plant		
22	Other plant		
	Adjustments to gross additions:		
23	Increase (Decrease) in payables related to construction		
24	Decrease (Increase) in inventory related to construction		
25	Capital leases		
26	Equity AFUDC		
27	Other adjustments	78,789,133	(223,124,567)
28	Total cash outflows for construction	(1,203,208,654)	(1,046,143,289)
29	Acquisition of other non-current assets (5)(d)		
30	Payments for the acquisition of other debt and equity securities (5)(a)		
31	Investments in and advances to subsidiary and associated companies		
32	Repayments of advances by associated and subsidiary companies		
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment	4,109,592	13,734,302
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments		
36	Other non-current assets		
	Other:	(91,144)	(934,365)
37			
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(1,199,190,205)	(1,033,343,352)

**13. STATEMENT OF CASH FLOWS (Continued)**

Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from financing activities:		
	Proceeds from issuing:		
41	Common stock		
42	Preferred stock		
43	Long-term debt (5)(b)		
44	Net change in short-term debt (5)(c)	2,343,186,081	(3,666,005,951)
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases	(704,736)	(77,959)
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)	(156,315,000)	(284,820,000)
	Dividends paid on: (-)		
50	Common stock		
51	Preferred stock		
	Other:(5)(e)		
52	Purchase of Short Term Investments		
53	Sale of Short Term Investments		
54	Change in O/S Checks	0	0
55	Other	(303,836)	10,365,207
56	Loss on Debt Extinguishment	(12,284,307)	(56,077,452)
57	Equity infusion	0	4,700,000,000
58	Equity AOCI-EBO	772,987,245	
59	Net cash provided by (used in) financing activities	2,946,565,447	703,383,846
60	Net increase(decrease) in cash and cash equivalents	0	(6,292,215)
61	Cash & cash equivalents at the beginning of the year	0	6,292,215
62	Cash & cash equivalents at the end of the year	\$0	(\$0)

**INSTRUCTIONS**

- If the notes to the cash flow statement in the respondent's report to stockholders are applicable to this statement, such notes should be attached below. Information about non-cash investing and financing activities should be provided below. Also, provide below a reconciliation between "Cash and Cash Equivalents at End of Year" with related accounts on the balance sheet.
- "Other" in operating activities should include net changes in deferred debits and credits. In all activities companies should specify significant amounts and group others.
- Operating activities - other: Exclude gains and losses from investing and financing activities on lines 14 through 16. Include these gains or losses in the appropriate investing or financing activities section. Show below the amounts of interest paid (net of amounts capitalized) and income taxes paid.
- Investing activities - Include at "Other" line 37 the net cash flow to acquire other companies that are not associated or subsidiaries. Provide a reconciliation of assets acquired with liabilities assumed below.
- Codes used:
  - Net proceeds or payments.
  - Bonds, debentures and other long-term debt.
  - Include commercial paper.
  - Identify separately in space below such items as investments, fixed assets, intangibles, etc.
  - Show separately, by issue, financing expenses related to issuance and gains or losses resulting from redemptions.

**14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS**

1. Report in column (c) all amounts relating to purchases of plant accounted for in accordance with instruction 663.2 of the Uniform System of Accounts. Report in column (e) all amounts relating to sales of plant with traffic accounted for in accordance with instruction 663.5(e) of the Uniform System of Accounts.
2. Credits to accounts listed in this schedule relating to property retired and charged to Account 2006 'Nonoperating Plant', shall be included in column (f).
3. Items of a reverse or contrary character should be designated by appropriate symbols.
4. Each transfer or adjustment between accounts listed in this schedule, including account 2005, or between accounts listed in this schedule and other accounts, shall be included in column (g) and explained in a note, except the following which shall be included in the columns (c) through (f), as appropriate:
- transfers and adjustments amounting to less than \$5,000;
  - adjustments and corrections of additions and retirements for the current or preceding year;
  - transfers involving account 2003 and 2004, the plant accounts, and account 2002 made in connection with the closing of the records of construction work orders or authorizations;
  - routine entries relating to the acquisition, sale, retirement, or change in the use of plant, such as transfers among accounts 2111 to 2690, inclusive, 2002 and 2005.

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
<b>2001 Telecommunications Plant in Service</b>								
<b>General Support Assets</b>								
1	2111 Land	\$54,692,531		\$16,543		\$91,515	\$0	\$54,617,559
2	2112 Motor Vehicles	\$131,095,025		\$0		\$20,360,026	\$256,842	110,991,841
3	2113 Aircraft	\$0		\$0		\$0	\$0	0
4	2114 Special Purpose Vehicles	\$151,498,768		\$22,441,811		\$2,482,353	\$0	171,458,226
5	2115 Garage Work Equipment	\$0		\$0		\$0	\$0	0
6	2116 Other Work Equipment	\$0		\$0		\$0	\$0	0
7	2121 Buildings	\$2,922,211,188		\$121,729,580		\$12,384,655	(\$922,720)	3,030,633,394
8	2122 Furniture	\$5,274,626		\$10,734		\$0	\$0	5,285,361
9	2123 Office Equipment	\$0		\$0		\$0	\$0	0
10	.1 Office Support Equipment	\$3,553,070		\$0		\$0	\$0	3,553,070
11	.2 Company Communications Equipment	\$2,446,185		\$0		\$0	\$0	2,446,185
12	2124 General Purpose Computers	\$54,766,620		\$14,630		\$6,332,641	(\$231,985)	48,216,624
13	<b>Total General Support Assets</b>	\$3,325,538,013	\$0	\$144,213,299	\$0	\$41,651,189	(\$897,863)	\$3,427,202,260
<b>Central Office Assets</b>								
14	2211 Analog Electronic Switching	\$4,098		\$0		-	\$1,965	\$6,062
15	2212 Digital-Electronic Switching	\$3,103,850,324		\$57,725,361		45,416,752.65	\$4,319,950	3,120,478,882
16	2215 Electro-Mechanical Switching	\$0		\$0		-	\$0	0
17	.1 Step-by-Step Switching	\$0		\$0		-	\$0	0
18	.2 Crossbar Switching	\$0		\$0		-	\$0	0
19	.3 Other Electro-Mechanical Switching	\$0		\$0		-	\$0	0
20	2220 Operator Systems	\$19,061,447		\$105,443		37,554.18	(\$611,638)	18,517,698
21	2231 Radio Systems	\$0		\$0		-	\$0	0
22	.1 Satellite & Earth Station Facilities	\$0		\$0		-	\$0	0
23	.2 Other Radio Facilities	\$1,543,326		\$0		-	(\$904)	1,542,422
24	2232 Circuit Equipment	\$7,271,638,469		\$473,755,896		88,912,937.72	(\$161,619,495)	7,494,861,932
25	<b>Total Central Office Assets</b>	\$10,396,097,663	\$0	\$531,586,700	\$0	\$134,367,245	(\$157,910,122)	\$10,635,406,996

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## 14. ANALYSIS OF TELECOMMUNICATIONS PLANT ACCOUNTS (Continued)

Line No.	Account (a)	Balance at Beginning of the Year (b)	Charges During the Year		Credits During The Year		Transfers and Adjustments Charges (Credits) (g)	Balance at End of the Year (h)
			Other Plant Added from Predecessor (c)	Other Plant Added or Transferred (d)	Plant Sold With Traffic (e)	Other Plt. Ret. or Transferred (f)		
<b>Information Org./Term. Assets</b>								
26	2311 Station Apparatus	\$0		\$0		\$0	\$0	\$0
27	2321 Customer Premises Wiring	\$0		\$0		\$0	\$0	0
28	2341 Large Private Branch Exchanges	\$0		\$0		\$0	\$0	0
29	2351 Public Terminal Equipment	\$10,880,767		\$0		\$0	\$0	10,880,767
30	2362 Other Terminal Equipment	\$182,763,564		\$1,347,347		\$728,743	(\$306,412)	183,075,756
31	<b>Total Information Org./Term. Assets</b>	\$193,644,331	\$0	\$1,347,347	\$0	\$728,743	(\$306,412)	\$193,956,523
<b>Cable and Wire Facilities</b>								
32	2411 Poles	\$841,070,249		28,912,069		5,033,576	\$0	\$864,948,742
33	2421 Aerial Cable	\$6,177,195,753		196,141,308		11,192,937	\$8,041,996	6,370,186,120
34	2422 Underground Cable	\$2,644,989,016		78,169,420		7,282,824	\$0	2,715,875,613
35	2423 Buried Cable	\$1,269,182,230		53,628,152		610,222	\$0	1,322,200,160
36	2424 Submarine Cable	\$5,020,231		7		-	\$0	5,020,239
37	2425 Deep Sea Cable	\$0		-		-	\$0	0
38	2426 Intrabuilding Network Cable	\$1,225,490,088		179,128,189		828,128	\$0	1,403,790,149
39	2431 Aerial Wire	\$0		-		-	\$0	0
40	2441 Conduit	\$2,089,312,277		43,776,227		227	\$0	2,133,088,277
41	<b>Total Cable and Wire Facilities</b>	\$14,252,259,846	\$0	\$579,755,372	\$0	\$24,947,915	\$8,041,996	\$14,815,109,299
<b>Amortizable Assets</b>								
42	2681 Capital Leases	\$25,313,786		-		\$0	(\$3,788,203)	\$21,525,583
43	2682 Leasehold Improvements	\$194,260,878		16,967,175		\$2,170,941	\$3,998,390	213,055,502
44	2690 Intangibles	\$846,126,553		8,127,894		\$0	\$3,577,223	857,831,669
45	<b>Total Amortizable Assets</b>	\$1,065,701,216	\$0	\$25,095,069	\$0	\$2,170,941	\$3,787,409	\$1,092,412,754
46	<b>Total Telecommunications Plant in Service</b>	\$29,233,241,069	\$0	\$1,281,997,787	\$0	\$203,866,032	(\$147,284,992)	\$30,164,087,832
47	2002 Property Held for Future Telecom. Use	\$0		\$0		\$0	\$0	\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	\$0		\$0		\$0	\$0	0
49	2004 Telecom. Plt. Under Constr.-Long Term	\$699,165,641		(\$84,914,722)		\$0	\$148,138,946	762,389,864
50	2005 Telecom. Plt. Acquisition Adjustment	\$0		\$0		\$0	\$0	0
51	.1 Tel.. Plant Acquisition Adjustment	\$0		\$0		\$0	\$0	0
52	.2 Other Plant Adjustments	\$0		\$0		\$0	\$0	0
53	2006 Nonoperating Plant	(\$117,275)		\$0		\$0	\$151,994,308	151,877,033
54	2007 Goodwill	\$0		\$0		\$0	\$0	0
55	<b>Total Telecommunications Plant</b>	\$29,932,289,435	\$0	\$1,197,083,065	\$0	\$203,866,032	\$152,848,262	\$31,078,354,730



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**18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES**

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.
2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1	NY Sold to MA	211201	27,973	27,973			-					-
2	NY Sold to NY	212101	58,586	3,897			54,689					54,689
3	NY Sold to NY	268201	15,658	1,864			13,794					13,794
4	NY Sold to VA	268201	15,658	1,864			13,794					13,794
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6												
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29												
30												
	NY tagged Assets to Affiliates		117,875	35,598			82,277					82,277

Notes:

## 18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.

2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1	CT Sold to MA	221201	47,924	47,036			889					889
2	CT Sold to MA	223202	1,011	842			170					170
3	CT Sold to NJ	223209	976	601			376					376
4	CT Sold to PA	223202	16,852	281			16,571					16,571
5	CT Sold to PA	223209	2,581	1,546			1,034					1,034
6	CT Sold to VA	223209	289	197			92					92
7	NY Sold to DC	221201	134,394	134,376			18					18
8	NY Sold to DC	221202	31,468	10,103			21,365					21,365
9	NY Sold to DC	223201	3,796	3,656			140					140
10	NY Sold to DC	223202	326,475	203,302			123,174					123,174
11	NY Sold to DC	223209	71,555	34,318			37,237					37,237
12	NY Sold to DE	221201	175,653	173,801			1,852					1,852
13	NY Sold to DE	223201	3,070	3,061			9					9
14	NY Sold to DE	223202	131,837	102,622			29,215					29,215
15	NY Sold to DE	223208	43,324	30,852			12,472					12,472
16	NY Sold to DE	223209	286,191	153,540			132,652					132,652
17	NY Sold to FL	223208	12,265	6,648			5,617					5,617
18	NY Sold to MA	221201	1,353,901	1,231,229			122,672					122,672
19	NY Sold to MA	221202	218,810	82,089			136,722					136,722
20	NY Sold to MA	223201	1,816	1,493			323					323
21	NY Sold to MA	223202	3,877,641	2,290,027			1,587,614					1,587,614
22	NY Sold to MA	223208	439,947	289,238			150,710					150,710
23	NY Sold to MA	223209	430,138	210,507			219,630					219,630
24	NY Sold to MA	236201	16,167	9,593			6,574					6,574
25	NY Sold to MA	223203	1,649	1,276			373					373
26	NY Sold to MD	221201	577,098	561,165			15,932					15,932
27	NY Sold to MD	221202	132,459	50,773			81,686					81,686
28	NY Sold to MD	223201	7,978	5,537			2,441					2,441
29	NY Sold to MD	223202	629,976	406,407			223,569					223,569
30	NY Sold to MD	223208	93,604	70,485			23,119					23,119
31	NY Sold to MD	223209	721,925	351,097			370,828					370,828
32	NY Sold to MD	236201	4,244	1,885			2,359					2,359
33	NY Sold to NJ	221201	490,142	453,910			36,232					36,232
34	NY Sold to NJ	221202	47,177	39,890			7,287					7,287
35	NY Sold to NJ	223201	4,581	4,536			46					46
36	NY Sold to NJ	223202	1,929,450	1,186,417			743,033					743,033
37	NY Sold to NJ	223208	98,631	67,667			30,965					30,965
38	NY Sold to NJ	223209	2,203,855	991,501			1,212,354					1,212,354
39	NY Sold to NJ	236201	1,853	154			1,699					1,699

Notes:

**18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES**

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.
2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).
3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1	NY Sold to PA	221201	811,017	786,831			24,187					24,187
2	NY Sold to PA	221202	26,297	11,446			14,851					14,851
3	NY Sold to PA	223201	36,622	36,622			-					-
4	NY Sold to PA	223202	1,810,829	1,093,292			717,537					717,537
5	NY Sold to PA	223208	125,703	84,622			41,082					41,082
6	NY Sold to PA	223209	1,687,954	735,231			952,723					952,723
7	NY Sold to PA	236201	56,859	36,889			19,970					19,970
8	NY Sold to RI	221201	170,531	161,530			9,001					9,001
9	NY Sold to RI	221202	65,087	23,629			41,458					41,458
10	NY Sold to RI	223201	1	1			0					0
11	NY Sold to RI	223202	548,006	321,851			226,154					226,154
12	NY Sold to RI	223208	54,297	36,543			17,754					17,754
13	NY Sold to RI	223209	111,487	61,291			50,196					50,196
14	NY Sold to RI	236201	9,640	9,640			-					-
15	NY Sold to VA	221201	801,610	748,970			52,640					52,640
16	NY Sold to VA	221202	83,032	44,304			38,729					38,729
17	NY Sold to VA	223201	6,877	6,877			0					0
18	NY Sold to VA	223202	1,139,274	824,919			314,355					314,355
19	NY Sold to VA	223208	108,541	71,976			36,566					36,566
20	NY Sold to VA	223209	694,894	348,553			346,342					346,342
21	NY Sold to VA	236201	5,661	2,192			3,469					3,469
22	NY Sold to IL	223202	79	61			18					18
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38												
39	NY COE Sales to Affiliates		22,927,003	14,660,923			8,266,081					8,266,081
Notes:												

## 18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.

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3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1				Amount		Amount	Amount		Account No.	Amount	Account No.	Amount
2	CT Purchased from DE	223209	457	304			153					153
3	CT Purchased from MA	221201	13,856	8,700			5,156					5,156
4	CT Purchased from MA	223202	11,674	7,026			4,648					4,648
5	CT Purchased from MA	223209	1,946	1,264			682					682
6	CT Purchased from MD	221201	2,139	2,139			-					-
7	CT Purchased from MD	223202	15,850	7,579			8,271					8,271
8	CT Purchased from MD	223209	2,322	1,625			697					697
9	CT Purchased from NJ	221201	2,864	458			2,405					2,405
10	CT Purchased from NJ	223202	47,538	1,491			46,048					46,048
11	CT Purchased from NJ	223208	3,761	3,596			165					165
12	CT Purchased from NJ	223209	3,790	2,130			1,659					1,659
13	CT Purchased from PA	221201	1,630	700			930					930
14	CT Purchased from PA	223202	11,741	11,282			460					460
15	CT Purchased from PA	223209	3,921	2,191			1,730					1,730
16	CT Purchased from VA	221201	10,415	10,415			-					-
17	CT Purchased from VA	223202	808	544			264					264
18	CT Purchased from VA	223209	5,646	5,510			136					136
19	NY Purchased from DC	223202	48,330	14,639			33,691					33,691
20	NY Purchased from DC	223208	753	6			747					747
21	NY Purchased from DC	223209	27,063	13,664			13,399					13,399
22	NY Purchased from DE	223202	131,226	8,029			123,196					123,196
23	NY Purchased from DE	223208	12,993	12,993			-					-
24	NY Purchased from DE	223209	85,881	50,691			35,190					35,190
25	NY Purchased from IL	223208	105	43			62					62
26	NY Purchased from MA	221201	1,912,353	1,750,632			161,721					161,721
27	NY Purchased from MA	221202	141,829	84,993			56,836					56,836
28	NY Purchased from MA	223201	22,845	22,711			134					134
29	NY Purchased from MA	223202	3,932,522	2,575,348			1,357,173					1,357,173
30	NY Purchased from MA	223203	30,319	27,622			2,697					2,697
31	NY Purchased from MA	223208	241,458	186,647			54,812					54,812

Notes:

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**18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES**

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.

2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1	NY Purchased from MA	223209	795,896	552,400			243,496					243,496
2	NY Purchased from MA	236201	17,722	5,182			12,540					12,540
3	NY Purchased from MA	222001	201	201			-					-
4	NY Purchased from MD	221201	405,914	352,357			53,557					53,557
5	NY Purchased from MD	221202	75,811	53,876			21,935					21,935
6	NY Purchased from MD	223201	4,587	4,567			21					21
7	NY Purchased from MD	223202	1,048,779	657,077			391,701					391,701
8	NY Purchased from MD	223208	18,983	11,946			7,036					7,036
9	NY Purchased from MD	223209	618,635	403,446			215,189					215,189
10	NY Purchased from MD	236201	13,530	3,170			10,360					10,360
11	NY Purchased from NJ	221201	537,482	484,528			52,954					52,954
12	NY Purchased from NJ	221202	126,002	107,378			18,624					18,624
13	NY Purchased from NJ	223201	6,218	6,212			6					6
14	NY Purchased from NJ	223202	2,805,583	1,043,776			1,761,807					1,761,807
15	NY Purchased from NJ	223203	6,862	5,831			1,031					1,031
16	NY Purchased from NJ	223208	87,350	76,904			10,446					10,446
17	NY Purchased from NJ	223209	1,063,953	619,368			444,585					444,585
18	NY Purchased from NJ	236201	159	96			64					64
19	NY Purchased from NJ	222001	35	9			26					26
20	NY Purchased from PA	221201	748,742	677,081			71,661					71,661
21	NY Purchased from PA	221202	27,284	19,163			8,120					8,120
22	NY Purchased from PA	223201	5,729	5,722			6					6
23	NY Purchased from PA	223202	2,615,625	1,359,384			1,256,241					1,256,241
24	NY Purchased from PA	223208	145,318	107,647			37,672					37,672
25	NY Purchased from PA	223209	783,148	445,243			337,905					337,905
26	NY Purchased from PA	236201	16,481	13,336			3,145					3,145
27	NY Purchased from RI	221201	6	0			6					6
28	NY Purchased from RI	223202	91,004	25,862			65,142					65,142
29	NY Purchased from RI	223208	14,116	6,059			8,057					8,057
30	NY Purchased from RI	223209	116,573	66,970			49,604					49,604
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**18. ANALYSIS OF ASSETS PURCHASED OR SOLD TO AFFILIATES**

1. Report separately, for each affiliate by account, sales and/or purchases of assets at any time during the year.
2. The net book value in column (f) shall equal the gross investment less accumulated depreciation and other applicable valuation reserves in column (e).

3. In column (g), report the fair market value which determined the sale or purchase price. Indicate in footnote the source of fair market value. If sale price was determined instead by tariffed rate, report this value. Indicate fair market value with an (F) and tariffed rate with (T) next to the amount in column (g).

Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tariffed Rate (g)	Purchased Price (h)		Sale Price (i)	
					Account No.	Amount			Account No.	Amount	Account No.	Amount
1				Amount			Amount					Amount
2	NY Purchased from RI	236201	18,980	18,980			-					-
3	NY Purchased from VA	221201	899,984	789,155			110,829					110,829
4	NY Purchased from VA	221202	56,231	45,185			11,046					11,046
5	NY Purchased from VA	223201	1,324	1,324			-					-
6	NY Purchased from VA	223202	1,473,927	837,309			636,618					636,618
7	NY Purchased from VA	223208	163,593	142,654			20,938					20,938
8	NY Purchased from VA	223209	872,378	560,596			311,782					311,782
9	NY Purchased from VA	236201	1,194	750			444					444
10	CT Purchased from RI	223209	411	168			243					243
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40	NY COE Purchases from Affiliates		22,413,786	14,325,887			8,087,899					8,087,899

**19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION**

- For the total of accrual reflected in column (c), show in a note the amounts concurrently charged to Accounts 6561, 6562 and to other accounts (specify).
- Include in columns (d), (f), (g) and (h) the amounts on open retirement work orders carried in sub-account 3100.01, Retirement Work in Progress.
- With respect to items in columns (e) and (i), include in a note the contra accounts charged or credited together with an explanation of the entries.

Line No.	Plant Account (a)	Balance at Beginning of Year (b)	Credits During the Year		
			Depreciation Accruals (c)	Salvage Insurance, etc. (d)	Other Credits (e)
	Telecommunications Plant in Service				
	General Support Assets				
1	2112 Motor Vehicles	\$116,399,846	\$6,652,628		232,945
2	2113 Aircraft	\$0	\$0		
3	2114 Special Purpose Vehicles	\$105,946,834	\$8,214,022		
4	2115 Garage Work Equipment	\$0	\$0		
5	2116 Other Work Equipment	\$0	\$0		
6	2121 Buildings	\$1,529,044,365	\$144,028,984		49,785
7	2122 Furniture	\$2,970,272	\$341,835		
8	2123 Office Equipment	\$0	\$0		
9	.1 Office Support Equipment	\$3,443,274	\$49,326		
10	.2 Company Communications Equipment	\$2,308,311	\$1,641		
11	2124 General Purpose Computers	\$54,404,376	\$157,075		
12	Total General Support Assets	1,814,517,277	159,445,511	0	282,729
	Central Office Assets				
13	2211 Analog Electronic Switching	\$2,849	\$0		1,965
14	2212 Digital Electronic Switching	\$3,020,949,093	\$32,547,123		\$80,270
15	2215 Electro-Mechanical Switching	\$0	\$0		
16	.1 Step-by Step	\$0	\$0		
17	.2 Crossbar	\$0	\$0		
18	.3 Other Electro-Mechanical Switching	\$0	\$0		
19	2220 Operator Systems	\$18,683,366	\$141,529		
20	2231 Radio Systems		\$325		
21	.1 Satellite and Earth Station Facilities	\$0	\$0		
22	.2 Other Radio Facilities	\$1,545,974	\$0		
23	2232 Circuit Equipment	\$5,267,218,053	\$366,013,498		
24	Total Central Office Assets	8,308,399,334	398,702,476	0	82,234
	Information Orig/Termination Assets				
25	2311 Station Apparatus	\$0	\$0		
26	2321 Customer Premises Wiring	\$0	\$0		
27	2341 Large Private Branch Exchanges	\$0	\$0		
28	2351 Public Telephone Terminal Equip.	\$10,842,099	\$19,651		
28	2362 Other Terminal Equipment	\$168,650,362	\$5,865,424		
29	Total Information Orig/Termination Assets	179,492,461	5,885,075	0	0
	Cable and Wire Facilities Assets				
30	2411 Poles	\$541,336,577	\$21,246,598		
31	2421 Aerial Cable	\$3,552,256,339	\$194,592,197		
32	2422 Underground Cable	\$1,927,270,661	\$78,894,465		
33	2423 Buried Cable	\$699,639,316	\$46,313,877		
34	2424 Submarine Cable	\$5,035,092	\$3,575		
35	2425 Deep Sea Cable	\$0	\$0		
36	2426 Intrabuilding Network Cable	\$418,787,952	\$50,971,547		
36	2431 Aerial Wire	\$0	\$0		
37	2441 Conduit Systems	\$1,023,831,367	\$42,249,697		
38	Total Cable and Wire Facilities Assets	8,168,157,303	434,271,957	0	0
39	3100 Other - Explain	\$0	\$0		
40	3100 Other - Explain	\$0	\$0		
41	3100 Total Accumulated Depreciation - TPIS	18,470,566,375	998,305,019	0	364,964
42	3200 Held for Future Communications Use	\$0	\$0		
43	3300 Nonoperating	\$0	\$0		
44	Total Accumulated Depreciation	18,470,566,375	998,305,019	0	364,964
45	3410 Capital Leases	\$18,802,840	\$1,038,081		
46	3420 Leasehold Improvements	\$120,743,945	\$17,676,467		1,003,344
47	Accumulated Amortization - Tangible	139,546,785	18,714,547	0	1,003,344
48	3500 Accumulated Amortization - Intangible	\$801,425,201	\$17,482,296		
49	3600 Accumulated Amortization - Other	\$0	\$0		
50	Total Accumulated Amortization	940,971,986	36,196,843		1,003,344
51	Total Accumulated Depreciation & Amortization	\$19,411,538,361	\$1,034,501,863	\$0	\$1,368,308



19. ANALYSIS OF ENTRIES IN ACCUMULATED DEPRECIATION					
Line No.	Debits During the Year				Balance at End of the Year (j)
	Retirements with Traffic (f)	Retirements without Traffic (g)	Cost of Removal (h)	Other Charges (i)	
1	\$0	\$20,208,970			\$103,076,449
2	\$0	\$0			\$0
3	\$0	\$2,372,415			\$111,788,441
4	\$0	\$0			\$0
5	\$0	\$0			\$0
6	\$0	\$10,911,710			\$1,662,211,423
7	\$0	\$0			\$3,312,107
8	\$0	\$0			\$0
9	\$0	\$0			\$3,492,600
10	\$0	\$0			\$2,309,952
11	\$0	\$6,332,641		\$234,325	\$47,994,485
12	0	39,825,735		234,325	1,934,185,457
13	\$0	\$0			\$4,813
14	\$0	\$43,271,666			\$3,010,304,820
15	\$0	\$0			\$0
16	\$0	\$0			\$0
17	\$0	\$0			\$0
18	\$0	\$0			\$0
19	\$0	\$27,710		\$621,830	\$18,175,355
20	\$0	\$0		\$325	\$0
21	\$0	\$0			\$0
21	\$0	\$0		\$578	\$1,545,396
23	\$0	\$63,565,634		\$23,212,049	\$5,546,453,867
24	0	106,865,010		23,834,783	8,576,484,251
25	\$0	\$0			\$0
26	\$0	\$0			\$0
27	\$0	\$0			\$0
28	\$0	\$0			\$10,861,750
28	\$0	\$658,779		\$282,297	\$173,574,710
29	0	658,779	0	282,297	184,436,461
30	\$0	\$3,568,625		\$1,287,569	\$557,726,980
31	\$0	\$7,639,853		\$3,550,608	\$3,735,658,075
32	\$0	\$5,332,799		\$1,950,859	\$1,998,881,468
33	\$0	\$421,918		\$188,304	\$745,342,971
35	\$0	\$0			\$5,038,667
34	\$0	\$0			\$0
35	\$0	\$274,322		\$553,806	\$468,931,371
36	\$0	\$0			\$0
37	\$0	\$206		\$21	\$1,066,080,836
38	0	17,237,723	0	7,531,167	8,577,660,369
39	\$0	\$0			\$0
40	\$0	\$0			\$0
41	0	164,587,247	0	31,882,572	19,272,766,538
42	\$0	\$0			\$0
43	\$0	\$0			\$0
44	0	164,587,247	0	31,882,572	19,272,766,538
45	\$0	\$0		\$1,057,069	\$18,783,851
46	\$0	\$1,911,221			\$137,512,534
47	0	1,911,221	0	1,057,069	156,296,386
48	\$0	\$0		\$1,498	\$818,905,999
49	\$0	\$0			\$0
50	0	1,911,221		1,058,568	975,202,385
51	\$0	\$166,498,468	\$0	\$32,941,140	\$20,247,968,923

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**20. BASIS OF CHARGES FOR DEPRECIATION**

1. Each type of plant for which a separate depreciation rate is determined and applied in the accounts shall be considered as a subclass for the purpose of this schedule.
2. The estimated net salvage factors in columns (c) and (i) shall be shown as a percentage of original cost. Columns (b) and (c) shall be left blank only when two or more subclasses are indicated in Section II.
3. The rate to reported in column (d) with respect to an account for which subclasses are indicated in Section II is the composite rate productive of an amount equal to the sum of the estimated annual charges for the constituent subclasses, produced by applying (actually or in effect) the individual rates set forth in column (j), to the book cost of each subclass.

**Section I. Classes of Depreciable Plant**

Line No.	Plant Account (a)	Estimated Service Life in Years (b)	Estimated Net Salvage Factor (c)	Annual Composite Rate at End of the Year (d)	Ratio of Depreciation Charges to Ave Monthly Book Cost (e)
<b>General Support Assets</b>					
1	2112 Motor Vehicles	8 and 3	0.00%	58.85%	58.85%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles	12 and 3	0.00%	16.28%	16.28%
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment				
6	2121 Buildings	45, 22.5, 15 and 7	0.00%	10.45%	10.45%
7	2122 Furniture	10	0.00%	10.00%	17.06%
8	2123 Office Equipment	5			
9	.1 Office Support Equipment		0.00%	20.00%	200.00%
10	.2 Company Communications Equipment		0.00%	20.00%	45.90%
11	2124 General Purpose Computers	3	0.00%	0.00%	53.97%
<b>Central Office Assets</b>					
12	2211 Analog Electronic Switching	2	0.00%	50.00%	0.00%
13	2212 Digital Electronic Switching	11	0.00%	9.09%	26.32%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems	11	0.00%	9.09%	22.66%
19	2231 Radio Systems	5	0.00%	20.00%	0.00%
20	.1 Satellite and Earth Station Facilities				
21	.2 Other Radio Facilities				
22	2232 Circuit Equipment	10	0.00%	10.00%	20.50%
<b>Information Origination/Termination Assets</b>					
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				
26	2351 Public Telephone Terminal Equipment	5	0.00%	20.00%	0.00%
27	2362 Other Terminal Equipment	8	0.00%	12.50%	39.97%
<b>Cable and Wire Facilities Assets</b>					
28	2411 Poles	30	0.00%	3.33%	6.97%
29	2421 Aerial Cable	n/a	0.00%	8.80%	7.63%
30	2422 Underground Cable	n/a	0.00%	9.97%	10.08%
31	2423 Buried Cable	n/a	0.00%	7.91%	7.88%
32	2424 Submarine Cable	11	0.00%	9.09%	0.00%
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable	n/a	0.00%	5.05%	5.70%
35	2431 Aerial Wire				
36	2441 Conduit Systems	50	0.00%	2.00%	3.85%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	10.41%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	10.64%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	

**20. BASES OF CHARGES FOR DEPRECIATION (Continued)**

4. Report in column (e) the ratios of the depreciation charge actually included in the accounts to the average monthly book costs of the plant indicated. The average monthly book cost shall be determined by dividing by 12 the sum of the monthly book cost to which the depreciation rates were applied.
5. In column (f) indicate the number of the primary plant account in which the listed subclasses are included.
6. Amounts in columns (k) and (l) shall be reported only to the nearest dollar. Such amounts shall be totaled by primary classes and the appropriate composite rate shall be entered in column (j) opposite the respective totals in order to prove the correctness of the compositing (unless the compositing is by some other process, in which event the procedure used shall be described in a note).

Section II. Subclasses of Depreciable Plant

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
1	2421	Aerial Cable					
2		Aerial Cable Met.	15 and 7	0.00%	22.31%	379,471,374	84,662,730
3		Aerial Cable Nmet.	25	0.00%	5.86%	2,274,435,393	133,293,095
4		Total	n/a	n/a	8.21%	2,653,906,768	217,955,825
5	2422	Underground Cable					
6		U.G. Cable Met.	15 and 7	0.00%	23.65%	137,314,884	32,474,028
7		U.G. Cable Nmet.	25	0.00%	7.99%	578,695,243	46,247,783
8		Total	n/a	n/a	10.99%	716,010,126	78,721,811
9	2423	Buried Cable					
10		Buried Cable Met.	15 and 7	0.00%	21.53%	76,101,477	16,382,058
11		Buried Cable Nmet.	25	0.00%	6.01%	495,973,846	29,812,211
		Total	n/a	n/a	8.07%	572,075,322	46,194,270
12	2426	Intrabuilding Network Cable					
13		Intrabuilding Cable Met	15 and 7	0.00%	22.42%	28,673,022	6,427,418
14		Intrabuilding Cable Nmet	25	0.00%	5.29%	842,050,041	44,539,109
15		Total	n/a	n/a	5.85%	870,723,063	50,966,527
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
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31							
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33							
34							
35							
36							
37							
38							
39							
40							
41							

**24. NOTES RECEIVABLE AND NOTES RECEIVABLE ALLOWANCE**

List the information for each affiliate, and also the ten largest nonaffiliate debtors. Aggregate all other nonaffiliate notes receivable. If Total on Line 24 is less than 20% of Total Assets the Filing of this Schedule 24 is optional.

Line No.	Name of Debtor (a)	Description of Transaction (b)	Date of Issue (c)	Date of Maturity (d)	Amount at End of the Year (e)	Interest Rate Per Annum (f)	
1	<b>Account 1200.1 Notes Receivable from Affiliated Companies:</b>					%	
2							
3		This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports					
4							
5							
6							
7							
8							
9							
10							
11							
12		<b>Total</b>				\$0	xxx
	<b>Account 1200.2 Other Notes Receivable:</b>						
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23		Aggregate of all other items					xxx
24	<b>Total</b>				\$0	xxx	

Explain in a note the basis used to determine the accruals charged to Account 6790.

Line No.	Particulars (a)	Affiliates (b)	Nonaffiliates (c)
25	Balance at beginning of the year		
26	Accruals charged to account 6790		
27	Collection of amounts previously written off		
28	Other credits (explain in a note)		
29	Total credits	0	0
30	Uncollectibles written off during the year		
31	Other debits (explain in a note)		
32	Total debits	0	0
33	Balance at end of the year	\$0	\$0

**27. DEFERRED INCOME TAXES-Dr.**

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Property Related</b>						
1	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>						
2		\$0		\$0	\$0	\$0	\$0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						
10							\$0
11							0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
19	<b>Total Property Related Deferred Operating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
20	<b>Current Deferred Operating Income Taxes-Dr. (Account 1360)</b>						
21							\$0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0

27. DEFERRED INCOME TAXES-Dr. (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Nonproperty Related</b>						
	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						
29							\$0
30							0
31							0
32							0
33							0
34							0
35							0
36	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Property Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
38			7450				\$0
39							0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)</b>						
44			7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
50	<b>Total Property Related Deferred Nonoperating Income Taxes-Dr.</b>	\$0		\$0	\$0	\$0	\$0
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>						
51			7450				\$0
52							0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))</b>						
57			7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
62	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.</b>	\$0		\$0	\$0	\$0	\$0

**28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT**

1. Report the details of operating income tax expense related to current and noncurrent items which have been paid in advance but which are expected to be charged to income in a future period as a result of tax normalization accounting.
2. In column (f) respondents shall report the adjustments, debit or (credit), made to the items in column (a). The Adjustment should be explained in a note if the individual item amounts amounts to more than \$100,000 for Class A companies or \$10,000 for Class B companies.
3. State below the option selected for the investment tax credit, (1) reduction to rate base, or (2) reduction of cost of service for rate purposes in accordance with Section 46(e) of the Internal Revenue Code.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Property Related</b>						
	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						
10		\$2,987,738,861		\$296,913,909	\$1,407,197,779	(2,954,711)	\$1,874,500,280
11		0					0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$2,987,738,861	7250	\$296,913,909	\$1,407,197,779	(\$2,954,711)	\$1,874,500,280
19	<b>Total Property Related Deferred Operating Income Taxes-Cr.</b>	\$2,987,738,861		\$296,913,909	\$1,407,197,779	(\$2,954,711)	\$1,874,500,280
	<b>Nonproperty Related</b>						
	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						
20							\$0
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	<b>Total</b>	\$0	7250	\$0	\$0	\$0	\$0

28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)							
Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
29	<b>Nonproperty Related</b>						
	<b>Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)</b>						
29		(\$2,629,036,981)	7250	\$902,768,577	\$134,511,478	446,117,756	(\$1,414,662,126)
30	Reclass from Operating to Non Operating taxes	20,877,484				\$13,737,330	34,614,814
31							0
32							0
33	ASU 2013-11 State NOL UTB Reclass					1,374,862	1,374,862
34							0
35							0
36	<b>Total</b>	(\$2,608,159,497)	7250	\$902,768,577	\$134,511,478	\$461,229,948	(\$1,378,672,450)
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Cr.</b>	(\$2,608,159,497)		\$902,768,577	\$134,511,478	\$461,229,948	(\$1,378,672,450)
38	<b>Operating Investment Tax Credit (Account 4320)</b>						
38		5,730,894			\$5,730,894		\$0
39		0					0
40		0					0
41		0					0
42		0					0
43		0					0
44	<b>Total</b>	\$5,730,894	7210	\$0	\$5,730,894	\$0	\$0
45	<b>Property Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>						
45			7450				\$0
46							0
47							0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
52	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>						
52		\$12,289,752	7450			\$2,503,972	\$14,793,724
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	<b>Total</b>	\$12,289,752		\$0	\$0	\$2,503,972	\$14,793,724
59	<b>Total Property Related Deferred Nonoperating Income Taxes-Cr.</b>	\$12,289,752		\$0	\$0	\$2,503,972	\$14,793,724



**28. DEFERRED INCOME TAXES-Cr. AND INVESTMENT TAX CREDIT (Continued)**

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Contra Acct. (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance at End of Year (g)
	<b>Nonproperty Related</b>						
	<b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>						
60							\$0
61							0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
	<b>Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)</b>						
67		(74,812,285)	7450			(13,286,591)	\$0
68							(88,098,876)
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items	0	7640				0
73	<b>Total</b>	(\$74,812,285)		\$0	\$0	(\$13,286,591)	(\$88,098,876)
74	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.</b>	(\$74,812,285)		\$0	\$0	(\$13,286,591)	(\$88,098,876)
75	<b>Nonoperating Investment Tax Credit (Account 4330)</b>						
76		0					\$0
77		0					0
78		0					0
79		0					0
80		0					0
81	<b>Total</b>	\$0	7410	\$0	\$0	\$0	\$0







**30. Investments in Affiliated Companies**

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).  
This schedule is optional for filers if Line 26 is less than 5% of the Total Assets of the Company.
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (\*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be propriety, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Item (A)	Date of Acquisition (B)	Acquisition Cost (C)	Type Of Security (D)	Amount of Inv. Beg of Year (E)	Invests Retired During Year (F)	Gain or loss on disposition (G)
1	Account 1401, Investment in Affiliated Companies				\$0		
2							
3	Empire City Subway (Limited) - Common - 1234	June 1896	36,591,009	C	136,776,137		
4							
5	NYNEX Telesector Resources Group (Verizon Services Group)	Jan. 1985	19,245,036	C	221,644,485		
6							
7							
8							
9							
10	Empire City Subway (Limited) - Promissory Notes	*			0		
11							
12							
13	Verizon Long Distance LLC -1229	Dec. 2008			74,165,287		
14							
15	Verizon Enterprise Solutions LLC -1247	Dec. 2008			0		
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total	XXXXXXXX	\$55,836,045	XXXXXXXX	\$432,585,909	\$0	\$0

**30. Investments in Affiliated Companies**

1. List the investments by affiliate company in column (a), and the acquisition cost of the investment in column (c).  
This schedule is optional for filers if Line 26 is less than 5% of the Total Assets of the Company.
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (\*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be proprietary, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Percent of Ownership (H)	Equity Method			Cost Method			Amount of Investments End of Year (O)
		Equity in Earnings Of Affiliated Companies Account 7355 (I)	Dividends Declared (J)	Other Adjustments and Amortizations (K)	Dividend Income Account 7310 (L)	Decline in Value of Investments		
						Temporary Account 4540 (M)	Permanent (N)	
1								\$0
2								\$0
3	100.00%	5,030,988		(156,344)				\$141,650,781
4								\$0
5	67.67%	1,608,694						\$223,253,179
6								\$0
7								\$0
8								\$0
9								\$0
10								\$0
11								\$0
12								\$0
13	100.00%	211,936,586	0	98,161				\$286,200,033
14								\$0
15	100.00%			0				\$0
16								\$0
17								\$0
18								\$0
19								\$0
20								\$0
21								\$0
22								\$0
23								\$0
24								\$0
25								\$0
26	XXXXXXXX	\$218,576,267	\$0	(\$58,184)	\$0	\$0	\$0	\$651,103,992

223-88

\$651,103,993

(\$0)



### 31. INVESTMENTS

1. With respect to each account includible in this schedule in which there was reflected an investment at any time during the year, enter in column (b) the description of each security or other investment. The entries for accounts 1401.2 and 1402 should be identified by company, and separately listed by symbols to be indicated in column (a): A-1 Stocks of active telephone companies; A-2 Stocks of inactive telephone companies; A-3 Stocks of other companies; B Long-term securities owned; C Investment advances; D Other. Subtotals for each of the required classifications and totals for each account shall be shown. The aggregate of all deposits of cash amounting individually to less than \$100,000 each in the case of Class A companies, or \$10,000 in case of class B companies, may be shown as a balancing amount on the line immediately preceding the total of account 1402. (By an inactive company is meant one which has been practically absorbed in a controlling company, and which neither operates properly nor administers its financial affairs; if it maintains an organization, it does so only for the purpose of complying with legal requirements and maintaining title to property or franchises.)

Line No.	Class (a)	Description of Investment (Including nominal interest rate and term when appropriate) (b)	Book Cost of Investment at Beginning of the Year (c)	Book Cost of Investment Made During the Year (d)
1		<u>Account 1401.2, Advances to Affiliated Companies:</u>		
2				
3				
4		This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports		
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$0	\$0
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		Total Account 1402	\$0	\$0



**31. INVESTMENTS (Continued)**

- 2. In column (i), enter an appropriate symbol with respect to each investment that is pledged as security for an obligation of the respondent or is subject to any other restrictions as to disposition, and furnish particulars in a note.
- 3. If the consideration given or received for any investment reported in the schedule was other than cash, give particulars in a note.
- 4. The book cost of investments transferred from other accounts shall be reported in column(d). The book cost of investments transferred to other accounts or the amount by which investments are written down shall be reported in column (e). All such entries shall be explained in notes.
- 5. This schedule is optional for filers if the aggregate Year End Book Value of account 1401.2 and Account 1402 is less than 5% of the Total Assets of the Company.

Line No.	Book Cost of Investments Disposed of During the Year (e)	INVESTMENTS AT END OF YEAR		% of Total Voting Rights in Affiliates (h)	Lien References (i)	Gain (G) or Loss (L) from Investments Disposed of (j)	Interest or Dividends Credited to Income During the Year Account 7310, 7320 (k)
		Book Cost (f)	Shares of Stock or Face Amount of Other Investments (g)				
1		\$0					
2		0					
3		0					
4		0					
5		0					
6		0					
7		0					
8		0					
9		0					
10		0					
11		0					
12		0					
13		0					
14		0					
15		0					
16		0					
17		0					
18	\$0	\$0				\$0	\$0
19		\$0					
20		0					
21		0					
22		0					
23		0					
24		0					
25		0					
26		0					
27		0					
28		0					
29		0					
30		0					
31		0					
32		0					
33		0					
34		0					
35		0					
36		0					
37	\$0	\$0				\$0	\$0

**32. NONREGULATED INVESTMENTS**

1. This account shall include the carrier's investment in nonregulated activities, accounted for as provided in Section 661.14 of the Uniform System of Accounts.
2. This schedule is optional for filers if the aggregate Year End Book Value of Account 1401.2 and Account 1402 is less than 5% of the Total Assets of the Company.

Line No.	Subaccount (a)	Balance Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
1	<b>Subaccount 1406.1 Permanent Investment</b>				\$0
2					0
3	<a href="#">This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports</a>				0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12	<b>Subaccount 1406.2 Receivable/Payable</b>				0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23	<b>Subaccount 1406.3 Current Net Income or Loss</b>				0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	<b>Total</b>	\$0	\$0	\$0	\$0

**33. OTHER DEFERRED CHARGES**

1. For any deferred charge being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, except for telephone plant acquired, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies. For telephone plant acquired, list only the aggregate amount.
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these charges, the designation "various" may be inserted in column (d) for accounts credited.
5. All transactions for telephone plant acquired included in this account, in accordance with Section 663.2, require analysis on Schedule 15, Analysis of Telephone Plant Acquired.

Line No.	Description of Item (a)	Balance at Beg. of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Credited (d)	Amount (e)	
1	ECS and Spec Proj Billing Accruals	6,074,462	1,247,461,290		1,252,476,184	1,059,567
2	Deferred Costs i/c/w Sale of Various Properties	5,285,562	3,961,159		9,257,083	(10,362)
3	Deferred Revenue	16,403,430	16,108,048		24,978,329	7,533,150
4	Labor and Indirect Labor Balancing accounts	314,486	1,768		281,272	34,981
5	Other Non-Current Deferred Charges	46,422	2,992,818		2,993,598	45,641
6	SAB 101	44,397,484	36,655,036		37,106,885	43,945,635
7	Other Interfacing Balances	58,634	51,265		109,899	-
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	Totals from Insert Pages					
27	Total	\$72,580,479	\$1,307,231,384		\$1,327,203,250	\$52,608,613

**36. Capitalization**

1. List by balance sheet account debt held in Accounts 4050, 4210, 4260, 4270. Provide the particulars regarding each obligation within those accounts.
2. Explain any interest charged other than to account 7510.1.
3. Explain any debits and credits other than amortizations debited to account 7530, account 7510.2, or credited to account 7510.3.

Line No.	Description of Obligation	Nominal Date of Issue	Date of Maturity	Face Amount Outstanding	Interest		Unamortized Balances			Amortizations		
					Stated Rate	Amount Acct. 7510.1	Debt Exp Acct. 1407	Premium Acct. 4220	Discount Acct. 4230	Debt Exp Acct. 7530	Discount Acct. 7510.2	Premium Acct. 7510.3
1	<b>Account 4050, Current Maturities - Debt</b>											
2												
3												
4												
5												
6												
7	<b>Total</b>			\$0								
8	<b>Account 4210, Funded Debt</b>											
9												
10												
11												
12	30 Year 6.50% Debenture	04/07/98	04/15/28	34,773,000	6.50%	4,243,589	57,070		(86,231)	8,230	19,435	
13	30 Year 7.37% Debenture	03/28/02	04/01/32	124,092,000	7.38%	15,455,905	709,432		(1,001,114)	297,811	86,433	
14												
15	<b>Total</b>			\$158,865,000								
16	<b>Account 4260, Advances from Affiliated Companies</b>											
17												
18												
19	<b>Total</b>			\$0								
20												
21	<b>Account 4270, Other Long-Term Debt</b>											
22												
23												
24												
25	<b>Total</b>			\$0								
26	<b>Grand Total Long Term Debt</b>			\$158,865,000		\$19,699,494	\$766,502	\$0	(\$1,087,345)	\$306,041	\$105,868	\$0

Line No.		OUTSTANDING PER BALANCE SHEET*				HELD BY RESPONDENT		DIVIDENDS DURING YEAR	
		Number of shares	Par or stated value per share	Amount	Additional Paid in Capital (Acct. 4520)	Shares	Cost (Account 4530)	Declared	Paid
27	<u>Account 4510.1 Capital Stock-Common</u>		1 no par						
28				1,000,010	9,096,695,393				
29									
30									
31	TOTALS (Account 4510.1)	0		1,000,010	9,096,695,393	0	\$0	\$0	\$0
32	<u>Account 4510.2 Capital Stock-Preferred</u>								
33									
34									
35									
36	TOTALS (Account 4510.2)	0		\$0	\$0	0	\$0	0	0
37	<b>Grand Total Capitalization</b>		(2,343,874,595)						

**38. Other Long-Term Liabilities**

**Other Long-Term Liabilities**

Show separately, by subsidiary record category, amounts accrued to provide for such items as unfunded pensions, death benefits, deferred compensation costs and other long-term liabilities not provided for elsewhere

Line No.	Account (or description of item)  (a)	Balance at Beginning of Year (b)	Credits During Year		Debits During Year		Balance at End of Year (g)
			Contra Acct. No. (c)	Amount (d)	Contra Acct. No. (e)	Amount (f)	
1	Pension - Associates	2,052,317,211		2,242,729,700		3,794,231,912	\$500,814,999
	Post Retirement Benefits Other Than						0
2	Pensions (SFAS #106)	4,968,177,422		2,485,269,574		2,208,637,082	\$5,244,809,914
3	Income Deferral Plan	1,294,426		12,641,606		5,544,096	\$8,391,936
4	Other Post-Employment Benefits -SFAS 112	129,236,722		108,418,853		103,495,658	\$134,159,917
5	Executive Deferral Plan	2,381,358		482,689		1,172,280	\$1,691,766
6	Accrued Operating Rents - Non affiliated	5,097,204		8,565,639		2,726,538	\$10,936,306
7	Recording of Franchise Fees	2,806,841		0		1,037,891	\$1,768,951
8	LT-Disability Liability	33,058,488		9,929,204		17,042,186	\$25,945,506
9	Pension - Management	(87,781,878)		2,462,356,515		2,347,368,637	\$27,206,000
10	Reserve for Tax Contingencies	56,292,938		49,335,198		60,210,056	45,418,080
11	Long Term Incentive	2,281,948		8,584,469		8,794,339	\$2,072,078
12	LT-Environmental Remediation	-		88,658,196		0	\$88,658,196
13	Aggregate of All Other	3,563		0		0	\$3,563
	<b>Totals</b>	\$7,165,166,241		\$7,476,971,643		\$8,550,260,675	\$6,091,877,210

**OTHER DEFERRED CREDITS**

1. For any deferred credit being amortized, show the period of amortization and the date of Commission authorization.
2. For all other items, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B Companies
3. Show the number and aggregate amount of all other items.
4. Where numerous accounts are affected in the disposition of these credits, the designation "various" may be inserted for accounts debited.

Line No.	Description of Item (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End at End of Year (f)
			Acct. Dr. (c)	Amount (d)		
14						
15	UR Tax Ben-Fed N-Current-Fin48	37,231,586		0	6,620,988	43,852,574
16	UR Tax Ben-Int N-Current-Fin48	968,851		175,970	1,162,727	1,955,608
17	UR Tax Ben-State N-Current-Fin48	1,239,019		2,788,466	1,634,369	84,922
18	SAB 101	44,397,484		50,632,070	50,180,222	43,945,635
19	Special Projects Billing Misc Charges	1,408,726		1,840,302	1,147,814	716,239
20	Special Projects Billing Loss of Use	2,066,492		1,456,554	1,452,680	2,062,618
21	Other Deferred -Misc. Revenue Settlements	34,320,768		110,962,582	144,052,696	67,410,883
22						
23						
24						
25	<b>Totals</b>	\$121,632,926		\$167,855,943	\$206,251,495	\$160,028,479

**41. ANALYSIS OF ENTRIES IN OTHER CAPITAL AND RETAINED EARNINGS ACCOUNTS**

1. Report separately by accounts particulars with respect to the major items entered in any of the following accounts during the year: Account 4520, Additional Paid-in Capital; Account 4530, Treasury Stock; Account 4540, Other Capital; and Account 4550.5, Appropriations of Retained Earnings, and Account 4550.8, Adjustments to Retained Earnings.
2. With respect to prior period adjustments included in Account 4550.8, Adjustments to Retained Earnings, show in column (a) a description of the item, the reason for the adjustment, and the amount applicable to each year. (See also Section 661.17, ' General Instructions of the Uniform System of Accounts).  
For all items in this account cite the date of Commission approval and authorization (e.g.. Case or Docket No.).
3. The aggregate of all other items in each account shall be reported on a separate line immediately preceding the total for the account.

Line No.	Particulars (a)	Account Included In (b)	Debits (c)	Credits (d)
1				
2				
3				
4				
5				
6		4550.8		
7				
8				
9				
10	Total		0	0
11				
12				
13				
14				
15	Beg Bal Adj	4550.1	21,059,399	
16	AOCI - EBO			772,987,245
17				
18	Total		21,059,399	772,987,245
19				
20				
21				
22	Beg Bal Adj	4520		21,182,617
23	Other		427,053	
24	Total		427,053	21,182,617
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
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44				
45				
45				
46				
47				
48				
49				
50				

<b>42. OPERATING REVENUES</b>			
Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
<b>LOCAL NETWORK SERVICES REVENUES</b>			
1	5001 Basic Area	535,735,322	636,228,807
2	5002 Optional Extended Area Service	(14,251)	0
3	5003 Cellular Mobile	12,679,924	20,166,437
4	5004 Other Mobile Services	0	0
5	5010 Public Telephone	0	0
6	5040 Local Private Line	42,813,874	44,149,315
7	5050 Customer Premises	0	0
8	5060 Other Local Exchange	252,347,868	246,173,152
9	5069 Other Local Exchange Settlements		
10	Total Local Network Services Revenues	843,562,737	946,717,712
<b>NETWORK ACCESS SERVICES REVENUES</b>			
11	5081 End User	243,351,319	268,513,142
12	5082 Switched Access	69,948,384	79,320,774
13	5083 Special Access	1,953,542,082	1,987,796,784
14	5084 State Access	30,126,809	33,466,301
15	Total Access Services Revenues	2,296,968,594	2,369,097,001
<b>LONG DISTANCE NETWORK SERVICES REVENUES</b>			
16	5100 Long Distance Message	37,340,785	44,205,630
17	5111 Long Distance Inward-Only	321,816	0
18	5112 Long Distance Outward-Only	38,502	385,091
19	5121 Subvoice Grade Long Distance Private Network	0	0
20	5122 Voice Grade Long Distance Private Network	114,742	160,139
21	5123 Audio Program Grade Long Distance Private Network	0	0
22	5124 Video Program Grade Long Distance Private Network	0	0
23	5125 Digital Transmission Long Distance Private Network	22,932,309	25,756,284
24	5126 Long Distance Private Network Switching	0	0
25	5128 Other Long Distance Private Network	0	0
26	5129 Other Long Distance Private Network Settlements	0	0
27	5160 Other Long Distance	(316,145)	243,224
28	5169 Other Long Distance Settlements	254,468	305,754
29	Total Long Distance Network Services Revenues	60,686,476	71,056,121
<b>MISCELLANEOUS REVENUES</b>			
30	5230 Directory	16,937,174	18,640,737
31	5240 Rent	152,062,589	191,776,918
32	5250 Corporate Operations	0	0
33	5261 Special Billing Arrangements	(57,993)	(4,470)
34	5262 Customer Operations	0	0
35	5263 Plant Operations	4,529	106,515
36	5264 Other Incidental Regulated	75,836,702	61,794,216
37	5269 Other Settlements	0	0
38	5270.1 Interstate Billing and Collection	17,013,418	51,550,247
39	5270.2 Intrastate Billing and Collection	3,550,581	6,523,232
40	5280 Nonregulated	1,547,573,946	1,554,675,695
41	Total Miscellaneous Revenues	1,812,920,946	1,885,063,091
<b>UNCOLLECTIBLE REVENUES</b>			
42	5301 Uncollectible-Telecommunications	6,784,430	14,892,115
43	5302 Uncollectible-Other	21,283,900	16,259,552
44	Total Uncollectible Revenues	28,068,330	31,151,667
45	<b>TOTAL OPERATING REVENUES</b>	<b>\$4,986,070,423</b>	<b>\$5,240,782,258</b>
46	<b>FOOTNOTE: USF Revenues \$.....</b>	XXXXXXXXXX	XXXXXXXXXX
47	<b>Recorded in Account: .....</b>	XXXXXXXXXX	XXXXXXXXXX



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## 44. OPERATING EXPENSES BY CATEGORY

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Other Expenses (d)	This Year Total (e)	Last Year Total (f)	Line No.
<b><u>Plant Specific Operations</u></b>							
<b><u>Network Support Expenses</u></b>							
1	6112 Motor Vehicle	0	0	45,997,264	45,997,264	40,542,930	1
2	Clearance	0	0	0	0	0	2
3	Net Balance	0	0	45,997,264	45,997,264	40,542,930	3
4	6113 Aircraft	0	0	2,301,484	2,301,484	2,116,642	4
5	Clearance	0	0	0	0	0	5
6	Net Balance	0	0	2,301,484	2,301,484	2,116,642	6
7	6114 Special Purpose Vehicles	0	0	72,619	72,619	(1,057,412)	7
8	Clearance	0	0	0	0	0	8
9	Net Balance	0	0	72,619	72,619	(1,057,412)	9
10	6115 Garage Work Equipment	0	0	0	0	0	10
11	6116 Other Work Equipment	0	0	0	0	0	11
12	Clearance	0	0	0	0	0	12
13	Net Balance	0	0	0	0	0	13
14	6110 Network Support Expenses	0	0	48,371,367	48,371,367	41,602,159	14
<b><u>General Support Expenses</u></b>							
15	6121 Land and Building	257,220	79,182	106,895,960	107,232,362	143,655,287	15
16	6122 Furniture and Artworks	28,695	7,870	12,848	49,413	1,501,398	16
17	6123 Office Equipment	460,633	177,980	49,739	688,353	2,634,657	17
18	6124 General Purpose Computers	26,441,391	8,083,494	40,841,674	75,366,560	70,830,267	18
19	6120 General Support Expenses	27,187,939	8,348,527	147,800,222	183,336,688	218,621,610	19
<b><u>Central Office Switching Expenses</u></b>							
20	6211 Analog Electronic	2,274,209	798,217	150,271	3,222,696	4,019,287	20
21	6212 Digital Electronic	65,993,048	24,045,570	(3,274,809)	86,763,809	82,520,501	21
22	6215 Electro-Mechanical	0	0	0	0	0	22
23	6210 Central Office Switching Expenses	68,267,257	24,843,787	(3,124,539)	89,986,506	86,539,789	23
24	6220 Operator Systems Expense	83,116	30,910	379	114,405	100,054	24
<b><u>Central Office Transmission Expenses</u></b>							
25	6231 Radio Systems	30,365	11,329	97	41,791	322,936	25
26	6232 Circuit Equipment	75,625,345	27,853,978	11,789,285	115,268,609	110,496,858	26
27	6230 Central Office Transmission Expenses	75,655,710	27,865,308	11,789,382	115,310,400	110,819,795	27
<b><u>Information Origination/Termination Expenses</u></b>							
28	6311 Station Apparatus	0	0	0	0	0	28
29	6321 Customer Premises Wiring	0	0	0	0	0	29
30	6341 Large Private Branch Exchange	0	0	0	0	0	30
31	6351 Public Telephone Terminal Equipment	590	229	2	820	0	31
32	6362 Other Terminal Equipment	307,857,185	113,822,638	1,002,544,669	1,424,224,492	1,331,218,529	32
33	6310 Information Origination/Termination Expenses	307,857,775	113,822,866	1,002,544,671	1,424,225,312	1,331,218,529	33

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Other Expenses (d)	This Year Total (e)	Last Year Total (f)	Line No.
	<b>Plant Specific Operations (cont.)</b>						
	<b><u>Cable and Wire Facilities Expenses</u></b>						
34	6411 Poles	27,021,704	10,087,063	9,987,927	47,096,694	29,064,507	34
35	6421 Aerial Cable	356,941,147	133,213,596	(267,232,692)	222,922,051	252,907,278	35
36	6422 Underground Cable	132,781,357	48,605,965	(68,017,468)	113,369,853	98,970,481	36
37	6423 Buried Cable	58,640,112	23,060,668	(44,827,991)	36,872,789	50,509,967	37
38	6424 Submarine Cable	31,411	11,670	3,158	46,239	10,762	38
39	6425 Deep Sea Cable	0	0	0	0	0	39
40	6426 Intrabuilding Network Cable	4,337,441	1,667,909	(85,513)	5,919,837	6,804,262	40
41	6431 Aerial Wire	0	0	0	0	0	41
42	6441 Conduit Systems	2,015,967	602,922	153,842,069	156,460,958	137,247,657	42
43	6410 Cable and Wire Facilities Expenses	581,769,140	217,249,792	(216,330,510)	582,688,422	575,514,915	43
44	Total Plant Specific Operations Expense	1,060,820,937	392,161,190	991,050,972	2,444,033,098	2,364,416,849	44
	<b><u>Plant Nonspecific Operations</u></b>						
	<b><u>Other Property, Plant &amp; Equipment Expenses</u></b>						
45	6511 Property Held for Future Telephone Use	0	0	0	0	0	45
46	6512 Provisioning	5,816,150	1,981,714	19,907,011	27,704,875	25,218,103	46
47	Clearance	0	0	0	0	0	47
48	Net Balance	5,816,150	1,981,714	19,907,011	27,704,875	25,218,103	48
49	6510 Total Other Property, Plant & Equipment Expenses	5,816,150	1,981,714	19,907,011	27,704,875	25,218,103	49
	<b><u>Network Operations Expenses</u></b>						
50	6531 Power	0	0	35,296,859	35,296,859	40,212,887	50
51	6532 Network Administration	275,725	72,161	11,981,511	12,329,397	13,049,712	51
52	6533 Testing	35,205,583	12,353,834	61,827	47,621,244	48,978,607	52
53	6534 Plant Operations Administration	136,411,128	(79,112,550)	191,901,992	249,200,570	684,907,784	53
54	Clearance	0	0	0	0	0	54
55	Net Balance	136,411,128	(79,112,550)	191,901,992	249,200,570	684,907,784	55
56	6535 Engineering	38,769,214	12,469,323	16,791,529	68,030,065	79,460,431	56
57	Clearance	0	0	0	0	0	57
58	Net Balance	38,769,214	12,469,323	16,791,529	68,030,065	79,460,431	58
59	6530 Network Operations Expense	210,661,650	(54,217,233)	256,033,718	412,478,135	866,609,421	59
60	6540 Access Expense	0	0	97,594,181	97,594,181	114,374,312	60
	<b><u>Depreciation &amp; Amortization Expenses</u></b>						
61	6561 Depreciation-TPIS			998,305,019	998,305,019	1,002,869,137	61
62	6562 Depreciation-Property Held for Future Tel.. Use			0	0	0	62
63	6563 Amortization-Tangible			18,714,547	18,714,547	16,613,311	63
64	6564 Amortization-Intangible			17,482,296	17,482,296	20,113,268	64
65	6565 Amortization-Other			0	0	0	65
66	6560 Depreciation & Amortization Expenses			1,034,501,863	1,034,501,863	1,039,595,716	66
67	Total Plant Nonspecific Operations Expense	216,477,800	(52,235,519)	1,408,036,773	1,572,279,054	2,045,797,551	67

**44. OPERATING EXPENSES BY CATEGORY (Continued)**

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Other Expenses (d)	This Year Total (e)	Last Year Total (f)	Line No.
	<b>Customer Operations</b>			\$	\$	\$	
	<u>Marketing</u>						
68	6611 Product Management	26,724,839	11,354,672	238,963,259	277,042,770	254,748,718	68
69	6612 Sales	0	0	0	0	0	69
70	6613 Product Advertising	0	0	44,051,394	44,051,394	53,285,869	70
71	6610 Marketing	26,724,839	11,354,672	283,014,653	321,094,164	308,034,588	71
	<u>Services</u>						
72	6621 Call Completion Services	0	0	42,753	42,753	445,923	72
73	6622.1 Number Services-Directory Assistance	8,148,370	4,247,125	7,835,296	20,230,791	19,084,466	73
74	6622.2 Number Services-Directory Publishing	0	0	0	0	0	74
75	6623.1 Customer Services-Order Processing & Instruction	160,053,099	75,619,580	(33,051,496)	202,621,183	248,674,436	75
76	6623.2 Customer Services-Billing and Collections	2,543,720	1,225,518	87,194,562	90,963,800	62,774,071	76
77	6623.3 Customer Services-Public Telephone Expenses	2,041,932	809,652	6,138,574	8,990,157	71,525,463	77
78	6620 Services	172,787,121	81,901,874	68,159,688	322,848,684	402,504,360	78
79	Total Customer Operations Expense	199,511,960	93,256,546	351,174,342	643,942,848	710,538,948	79
	<b>Corporate Operations Expense</b>						
	<u>Executive and Planning</u>						
80	6711 Executive	208,171	54,780	125,283,433	125,546,384	90,128,510	80
81	6712 Planning	673	254	1,902,446	1,903,373	1,692,120	81
82	6710 Executive and Planning	208,844	55,034	127,185,879	127,449,756	91,820,631	82
	<u>General &amp; Administrative</u>						
83	6721 Accounting & Finance	85,061	22,773	37,874,759	37,982,593	36,153,163	83
84	6722 External Relations	3,018	1,135	17,188,546	17,192,700	14,991,336	84
85	6723 Human Resources	907	347	36,043,489	36,044,743	35,169,420	85
86	6724 Information Management	130	48	2,032,513	2,032,691	4,930,465	86
87	6725 Legal	158	63	16,503,470	16,503,691	18,016,855	87
88	6726 Procurement	0	0	3,777,069	3,777,069	3,797,319	88
89	6727 Research and Development	0	0	0	0	(1,353)	89
90	6728 Other General & Administrative	3,221,660	1,959,633,643	714,065,647	2,676,920,949	994,757,762	90
91	6720 General & Administrative	3,310,933	1,959,658,010	827,485,492	2,790,454,435	1,107,814,966	91
92	6790 Provision for Uncollectible Notes Receivable				0		92
93	Total Corporate Operations Expenses	3,519,777	1,959,713,043	954,671,371	2,917,904,192	1,199,635,597	93
94	TOTAL OPERATING EXPENSES	\$1,480,330,474	\$2,392,895,260	\$3,704,933,457	\$7,578,159,191	\$6,320,388,945	94

**45. TAXES CHARGED DURING YEAR**

1. Show the account distribution of total taxes charged to operations and to other final accounts during the year. Taxes charged to Account 7240 must be separated into intrastate and interstate operations.
2. Do not include gasoline and other sales taxes which have been charged to accounts to which was charged the material on which the tax was levied.
3. For taxes charged to telecommunications plant, show only the number of the appropriate balance sheet plant account.

Line No.	Kind of Tax (a)	Total taxes charged during year (b)	Account 7220 (c)	Account 7420 (d)	Account 7630 (e)	Account 7240 Intrastate (f)	Account 7240 Interstate (g)
	<b>Federal Taxes:</b>						
1	Income	(1,043,290,399)	(1,079,769,833)	36,479,434			
2	FICA-Contribution						
3	Unemployment						
4	FCC Video Copyright Fees	6,762,000					6,762,000
5	FCC Regulatory Fees	16,341,007					16,341,007
6	Total	(\$1,020,187,392)	(\$1,079,769,833)	\$36,479,434	\$0	\$0	\$23,103,007
	<b>State Taxes:</b>						
7	Franchise-Gross Income-186a	88,353,913				51,042,060	32,661,853
8	Franch.-Gross Inc.-Access Charges						
9	Franchise-Gross Earnings-184	18,885,714				11,516,376	7,369,338
10	Franchise-Excess Div.-186						
11	Temporary Surcharges-						
12	Sec. 186a (Gross Income)						
13	Sec. 184 (Gross Earnings)						
14	Sec. 186 ( Excess Dividend)						
15	MTA Surcharge						
16	Unemployment Insurance						
17	Disability Insurance						
18	Sales and Use	(17,710,056)				(10,799,468)	(6,910,588)
19	Other	(88,525,361)				(2,771,761)	(1,773,652)
20	Total	\$1,004,210	\$0	\$0	\$0	\$48,987,207	\$31,346,951
	<b>Local Taxes:</b>						
22	Real Estate	222,856,903				135,896,579	86,960,324
23	Special Franchise	91,062,952				55,529,551	35,533,401
24	Municipal Gross Income	605,850				369,443	236,407
25	NYC-Spec. Franchise	15,723,042				9,587,801	6,135,241
26	Motor Vehicle					0	0
27	Other					0	0
28							
29	Total	\$330,248,747	\$0	\$0	\$0	\$201,383,374	\$128,865,373
30	Other (list):						
31							
32							
33	Totals	(\$688,934,435)	(\$1,079,769,833)	\$36,479,434	\$0	\$250,370,581	\$183,315,331

**45. TAXES CHARGED DURING YEAR (Continued)**

4. For any tax which it was necessary to apportion to more than one of the accounts shown, state hereunder the basis of apportioning such tax.
5. Taxes not includable in the accounts listed below should be itemized in column (l) along with the applicable account to be charged indicated in column (k).
6. Itemize significant amounts included under the "Other" caption in column (a). Class A companies must itemize individual charges greater than \$1,000,000, and Class B companies must itemize amounts greater than \$25,000.

Line No.	Kind of Tax (a)	Account 7440 (h)	Account 2003 2004 (i)	Account 2001 (j)	Other	
					Account Number (k)	Amount (l)
	Federal Taxes:					
1	Income					
2	FICA-Contribution					
3	Unemployment					
4	Other					
5						
6	Total	\$0	\$0	\$0	XXXXXXX	\$0
	State Taxes:					
7	Franchise-Gross Income-186a	4,650,000				
8	Franch.-Gross Inc.-Access Charges					
9	Franchise-Gross Earnings-184					
10	Franchise-Excess Div.-186					
11	Temporary Surcharges-					
12	Sec. 186a (Gross Income)					
13	Sec. 184 (Gross Earnings)					
14	Sec. 186 ( Excess Dividend)					
15	MTA Surcharge					
16	Unemployment Insurance					
17	Disability Insurance					
18	Sales and Use					
	Income tax				7230	(3,199,725)
19	Other				7430	(80,780,224)
20	Total	\$4,650,000	\$0	\$0	XXXXXXX	(\$83,979,948)
21	Local Taxes:					
22	Real Estate					
23	Special Franchise					
24	Municipal Gross Income					
25	NYC-Spec. Franchise					
26	Motor Vehicle					
27	Other					
28						
29	Total	\$0	\$0	\$0	XXXXXXX	\$0
30	Other (list):					
31						
32						
33	Totals	\$4,650,000	\$0	\$0	XXXXXXX	(\$83,979,948)

**46. MISCELLANEOUS TAX REFUNDS**

1. Report below particulars concerning all tax refunds received or used as a reduction of taxes payable during the year which are not more than \$1.5 million or do not exceed \$1,000 and 0.2% of the utility's operating revenues. This information is requested in compliance with Section 89.3, Notification Concerning Tax Refunds, of 16 NYCRR. This report shall be inapplicable to ordinary operating refunds that are not attributable to negotiation or to new legislation, adjudication, or rulemaking (such as refunds for overpayment of estimated taxes, and carrybacks of net operating losses and investment tax credits).
2. In determining whether a refund exceeds 0.2% of operating revenues for purposes of this report, the operating revenues of a telecommunication utility shall not include interstate revenues.
3. In determining whether a refund meets the criteria stated in Instruction 1 above, multiple refunds shall be treated as a single refund if they share a common cause such as a common act of negotiation, legislation, adjudication or rulemaking. In this report, the utility also shall either propose a method of distributing to its customers the entire amount refunded or show why it should not make such a distribution.

Line No.	Description of Item (a)	Amount (b)
1	<b>Date</b>	
2	<b>Category</b>	
3	<b>Tax Yr / Municipality</b>	
3	Jan-17 MISCELLANEOUS SETTLEMENT 2016/17 - NEW YORK CITY	11,354
4	Jan-17 MISCELLANEOUS SETTLEMENT 2016/17 - NEW YORK CITY	1,464
5	Jan-17 LITIGATION SETTLEMENT 2008/09 - COUNTY OF NASSAU	760
6	Jan-17 LITIGATION SETTLEMENT 2013/14-2015/16 - TOWN OF HUNTINGTON	32,050
7	Jan-17 LITIGATION SETTLEMENT 2013/14-2015/16 - TOWN OF HUNTINGTON	157,694
8	Mar-17 LITIGATION SETTLEMENT 2015/16 - TOWN OF NORTH CASTLE	27,387
9	Mar-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	50,544
10	Apr-17 LITIGATION SETTLEMENT VARIOUS - VILLAGE OF CROTON-ON-HUDSON	11,650
11	Apr-17 LITIGATION SETTLEMENT 2016/17 - CITY OF RYE	19,484
12	May-17 MISCELLANEOUS SETTLEMENT 2016 - CITY OF PEEKSKILL	270
13	May-17 MISCELLANEOUS SETTLEMENT 2016 - CITY OF SYRACUSE	799
14	Jul-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	397,435
15	Jul-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	79,589
16	Aug-17 MISCELLANEOUS SETTLEMENT 2016 - TOWN OF BROOKHAVEN	116,570
17	Aug-17 MISCELLANEOUS SETTLEMENT 2016 - CITY OF SYRACUSE	1,752
18	Aug-17 LITIGATION SETTLEMENT 2015/16-2016/17 - NEW YORK CITY	131,446
19	Aug-17 LITIGATION SETTLEMENT VARIOUS - CITY OF WHITE PLAINS	1,521,354
20	Aug-17 LITIGATION SETTLEMENT 2017/18 - NEW YORK CITY	1,590
21	Sep-17 LITIGATION SETTLEMENT 2017/18 - NEW YORK CITY	11,550
22	Oct-17 LITIGATION SETTLEMENT VARIOUS - TOWN OF CORTLANDT	23,155
23	Oct-17 MISCELLANEOUS SETTLEMENT 2017 - VILLAGE OF MILLPORT	71
24	Oct-17 MISCELLANEOUS SETTLEMENT 2017 - ULSTER COUNTY	2,250
25	Oct-17 MISCELLANEOUS SETTLEMENT 2012/13 - CARTHAGE CENTRAL SCHOOL DISTRICT	311
26	Oct-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	491,108
27	Nov-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	386,768
28	Nov-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	1,194,267
29	Dec-17 LITIGATION SETTLEMENT 2017/18 - NEW YORK CITY	10,880
30	Dec-17 LITIGATION SETTLEMENT 2017/18 - NEW YORK CITY	212,530
31	Dec-17 LITIGATION SETTLEMENT 2016/17 - NEW YORK CITY	69,572
32		
33	TOTAL	4,965,656
34		
35		

**47. RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
FOR FEDERAL INCOME TAXES**

1. Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal Income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
2. If the telecommunication company is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (a)	Amount (b)
1	Net Income for the Year per Income Statement (Schedule 12, line 48)	(\$1,677,449,623)
	Income Taxes Accrued:	
2		
3	7210	(5,730,894)
4	7220	(1,079,769,833)
5	7230	(3,199,725)
6	7250	(293,388,741)
7	7420	36,479,434
8	7430	(80,780,224)
9	7450	(48,638,030)
10	7630	0
11		
12		
13		
14	Other reconciling amounts (list first additional income and unallowable deductions, followed by additional deductions and nontaxable income):	xxxxxxxxxxxx
15	Additional Income & Unallowable Deductions:	xxxxxxxxxxxx
16	Depreciation Flow-Through	
17		
18	50% Meal Expenses not Deductible	158,464
19		
20	Fines	20,243,788
21		
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Equity in Subsidiary	218,576,267
26	Section 199	\$78,703,237
27	Excess Deferred Taxes	\$162,341
28		
29		
30		
31		
32		
33	Federal tax net income	(\$3,429,517,228)
	Computation of tax:	xxxxxxxxxxxx
34	Tax @ 35%	(\$1,200,331,030)
35	Deferred Tax on ITC	\$2,005,814
36	Amortization of Investment Tax Credit	(\$5,730,897)
37	2014 True-ups & Prior Year Audit	(\$203,851,653)
38	Federal Benefit on State Tax	\$27,086,664
39	Computed Federal Income Tax	(\$1,380,821,102)



### 48. SPECIAL CHARGES

Report below all expenditures incurred during the year for the purpose of lobbying (see paragraph (1) of account in USOA); contributions for charitable, social or community welfare purposes; penalties and fines paid on account of violations of statutes; and abandoned construction projects. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies. This schedule is optional for companies whose total for Line 45 is less than 10% of Operating Expenses Excluding Depreciation.

Line No.	Description of Item (a)	Amount (b)
1		
2		
3	This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports	
4		
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43		
44	Totals from Insert Pages	
45	Total	\$0

**49. OTHER INTEREST DEDUCTIONS**

1. From each affiliated company to which interest on debt was incurred during the year show the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, and (e) other debt, and total interest. Explain the nature of the other debt on which interest was incurred during the year.
2. Report the amount and interest rate for each class of debt on which other interest charges were incurred during the year.

Line No.	Description of Item (a)	Amount (b)
	<b>Account 7540.1 Other Interest Deductions-Affiliated Companies</b>	
1		
2	Other Interest Expense - Affiliates	7,695,476
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	<b>Total Other Interest Deductions-Affiliated Companies</b>	<b>\$7,695,476</b>
	<b>Account 7540.2 Other Interest Deductions</b>	
14	Other Interest Deduction - Treasury Cash Pool Interest	203,126,431
15	Loss on Debt Extinguishment	(4,175,416)
16		
17		
18		
19		
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22		
23		
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26		
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28		
29		
30		
31		
32		
33	<b>Total Other Interest Deductions</b>	<b>\$198,951,015</b>

**50. OTHER NONOPERATING INCOME**

Give the nature and source of each item recorded in this account, before taxes, and the amount thereof for the year. Amounts of less than \$25,000 may be grouped by subsidiary categories for each of the items for Class A companies and less than \$2,000 for Class B companies. This schedule is optional for companies whose total for Line 45 is less than 10% of Operating Expenses Excluding Depreciation.

Line No.	Description of Item (a)	Amount (b)	
1			
2	This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports		
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43			
44			
45		Total	\$0

**51. EXTRAORDINARY ITEMS**

1. Show in column (a), separately by accounts, a brief description of each item in accounts 7610, Extraordinary Income Credits, and 7620, Extraordinary Income Charges. Report the applicable income tax effect in column (d).
2. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Incl. in Accounts	
				7630 (d)	7640
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18	Totals	\$0	\$0	\$0	\$0

**51A. CONTINGENT LIABILITIES**

1. Describe in column (e) the details of all contingent liabilities.
2. In columns (f) through (i) report the accounts used to record the contingent liabilities and the amounts.
3. For each item, cite the date of Commission approval and authorization (e.g. Case or Docket No.). Also, see section 661.17 of the Uniform System of Accounts.

Line No.	Particulars (e)	Debits		Credits	
		Account (f)	Amount (g)	Account (h)	Amount (i)
19			\$0		\$0
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35	Total	X X X	\$ 0	X X X	\$ 0

**53. Employee Protective Plans**

Report a summary of each employee program in effect at any time during the year. This schedule is intended to cover pension, profit sharing, group life insurance, accident and sickness, medical, hospital, prescription drugs, guaranteed annual wage, severance pay, and any other plan maintained for employees (or retirees), but it is not intended to cover such a plan required by law, (e.g. social security).

For each plan report:

1. the identity thereof, and the employee group covered (e.g. management, non-management, executive officers, etc.)
2. whether the benefits are provided through an insurance carrier or directly by the company.
3. the total cost for the year.

Note: If any important change is made with respect to any such plan during the year, give brief particulars.

	NAME OF PLAN	BENEFITS PROVIDED	2017 YTD Incurred AMOUNT
MANAGEMENT	NON-MANAGEMENT		
The Plan for Group Insurance	Verizon Sickness & Accident Disability Benefit Plan for New York Associates	The Company	57,583,541
The Plan for Group Insurance	Verizon Long Term Disability Plan for New York and New England Associates	The Company	(3,675,878)
The Plan for Group Insurance	Verizon Group Life Insurance Plan for New York and New England Associates	Insurance Carrier	2,569,955
The Plan for Group Insurance	Verizon Dental Expense Plan for New York and New England Associates	Insurance Carrier	Cost Included with Medical
The Plan for Group Insurance	Verizon Medical Expense Plan for New York and New England Associates	Insurance Carrier	225,096,599
Verizon Management Pension Plan	Verizon Pension Plan for Associates	Trusteed Plan	(117,609,663)
Verizon Savings Plan for Management Employees	Verizon Savings and Security Plan for New York and New England Associates	Trusteed Plan	51,969,151

**54. ANALYSIS OF PENSION COST**

## Non-Management Pension Plan

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 thru 21 and lines 29 thru 32 the number of persons covered by the plan at the BEGINNING of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For the above plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on page 85. Use a separate insert sheet if more space is required.

**Change in Assumptions/Methods**

\*Discount rate changed from 4.60% in 2016 to 4.35% in 2017.

\*Disability rates were updated to standard tables for 2017

Projected Benefit Obligation	\$306,000,000
Unrecognized Gains / (Losses)	\$(306,000,000)
Interest Cost	\$16,000,000)
Actual Return on Plan Assets	\$0
Amortization of Gains or Losses	<u>\$306,000,000</u>
Total Pension Cost	\$322,000,000

**54. ANALYSIS OF PENSION COST**

## Management Pension Plan

1. On lines 1-21 report the terms of the Pension Plan for the holding company or parent company; on lines 22-32 report details for the reporting company. If the reporting company has more than one pension plan, report each using separate forms.
2. Report on line 1 the actuarial present value of benefits determined as of a specific date during the calendar year according to the terms of a pension plan and based on employees' compensation and service to that date (salary progression is not considered in making this computation).
3. Report on line 2 the actuarial present value of all benefits attributed to employee service up to a specific date, based on the terms of the plan including salary progression factor for final pay and career average pay plans.
4. Report on line 3 the amount the pension plan could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on line 8 the discount rate which was used to calculate the obligations reported on Lines 1 and 2.
6. Report on Line 9 the expected long-term return on plan assets.
7. Report on line 14 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on line 17.
8. Report on lines 19 thru 21 and lines 29 thru 32 the number of persons covered by the plan at the BEGINNING of the policy year.
9. Report on line lines 21 and 32 the numbers of persons having vested pension rights but who are no longer employed by the company and not yet drawing a pension allowance.
10. On line 22, the term "Minimum Required Contribution" shall mean the payment by the employer to its employees' pension fund necessary to meet the requirement set forth in the Employee Retirement Income Security Act of 1974.
11. On line 24, the term "Maximum Amount Deductible" shall mean the amount of pension expense that is allowable under Section 415 of the Internal Revenue Code.
12. Report on line 26 the dollar amount applicable to the reporting company which has been included in the amount on line 18.
13. Report on line 27 the dollar amount included on line 26 which has been capitalized.

For the above plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each such revision on each of the amounts reported on page 85. Use a separate insert sheet if more space is required.

[Change in Assumptions/Methods](#)

[\\*Discount rate changed from 4.08% in 2016 to 3.82% in 2017](#)

Projected Benefit Obligation	\$166,000,000
Unrecognized Gains / (Losses)	\$(166,000,000)
Service Cost	\$0
Interest Cost	\$6,000,000
Actual Return on Plan Assets	\$0
Amortization of Gains or Losses	<u>\$166,000,000</u>
Total Pension Cost	\$172,000,000

<b>54. ANALYSIS OF PENSION COST (Continued)</b>		
Non-Management Pension Plan		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 10,037,924,000
2	Projected Benefit Obligation	\$ 10,072,357,000
3	Fair Value of Plan Assets	\$ 7,227,235,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 646,911,000
6	Unrecognized Gains or (Losses)	\$ 0
7	Date of Valuation Reported on Lines 1 through 6	1/1/2017
8	Discount Rate	4.35% %
9	Expected Long-Term Rate of Return on Assets	7.65% %
10	Salary Progression Rate (if applicable)	N/A %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 163,224,000
12	Interest Cost	340,923,000
13	Actual Return on Plan Assets [(Gain) or Loss]	(1,182,259,000)
14	Deferral of Asset Gain or (Loss) <sup>1</sup>	543,357,000
15	Amortization of Transition Amount	-
16	Amortization of Unrecognized Prior Service Cost	21,939,000
17	Amortization of Gains or Losses <sup>1</sup>	133,997,000
18	Total Pension Cost	\$ 21,181,000
19	Number of Active Employees Covered by Plan	18,180
20	Number of Retired Employees Covered by Plan	50,683
21	Number of Previous Employees Vested but Not Retired	9,343
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution <sup>2</sup>	\$ 285,709,000
23	Actual Contribution <sup>2</sup>	\$ 1,363,395,000
24	Maximum Amount Deductible <sup>2</sup>	\$ 5,834,534,000
25	Benefit Payments <sup>3</sup>	\$ 0
26	Total Pension Cost	\$ 24,732,000
27	Pension Cost Capitalized	\$ (12,748,963)
28	Accumulated Pension (Asset)/Liability at Close of Year	\$ 500,815,000
29	Total Number of Company Employees at Beginning of Policy Year	45,002
30	Number of Active Employees Covered by Plan.	11,386
31	Number of Retired Employees Covered by Plan.	29,797
32	Number of Previous Employees Vested but Not Retired.	3,819

\* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).

<sup>1</sup>Gain/loss is recognized immediately under mark to market accounting, so unrecognized amount as of January 1 is \$0 as shown in item (6) and 2017 gain/loss recognized is shown in item (17), which includes item (14).

<sup>2</sup>2016 plan year minimum required and maximum deductible contributions are for plans in total. Actual contribution amounts are totals made during the 2017 calendar year.

<sup>3</sup>Annuity benefit payments are not available for plans that pay lump sum cashouts.



<b>54. ANALYSIS OF PENSION COST (Continued)</b>		
Management Pension Plan		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 4,512,375,000
2	Projected Benefit Obligation	\$ 4,512,816,000
3	Fair Value of Plan Assets	\$ 2,994,334,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 63,000
6	Unrecognized Gains or (Losses)	\$ 0
7	Date of Valuation Reported on Lines 1 through 6	1/1/2017
8	Discount Rate	3.82% %
9	Expected Long-Term Rate of Return on Assets	7.65% %
10	Salary Progression Rate (if applicable)	3.00% %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 298,000
12	Interest Cost	122,481,000
13	Actual Return on Plan Assets [(Gain) or Loss]	(491,766,000)
14	Deferral of Asset Gain or (Loss) <sup>1</sup>	235,251,000
15	Amortization of Transition Amount	-
16	Amortization of Unrecognized Prior Service Cost	36,000
17	Amortization of Gains or Losses <sup>1</sup>	31,196,000
18	Total Pension Cost	\$ (102,504,000)
19	Number of Active Employees Covered by Plan	16,878
20	Number of Retired Employees Covered by Plan	32,855
21	Number of Previous Employees Vested but Not Retired	25,057
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution <sup>2</sup>	\$ 246,009,000
23	Actual Contribution <sup>2</sup>	\$ 87,913,000
24	Maximum Amount Deductible <sup>2</sup>	\$ 2,621,367,000
25	Benefit Payments <sup>3</sup>	\$ N/A
26	Total Pension Cost	\$ (7,458,000)
27	Pension Cost Capitalized	\$ 300,152
28	Accumulated Pension (Asset)/Liability at Close of Year	\$ 35,589,499
29	Total Number of Company Employees at Beginning of Policy Year	8,317
30	Number of Active Employees Covered by Plan.	1,028
31	Number of Retired Employees Covered by Plan.	6,355
32	Number of Previous Employees Vested but Not Retired.	934
	<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p> <p><sup>1</sup>Gain/loss is recognized immediately under mark to market accounting, so unrecognized amount as of January 1 is \$0 as shown in item (6) and 2017 gain/loss recognized is shown in item (17), which includes item (14).</p> <p><sup>2</sup>2017 plan year minimum required and maximum deductible contributions are for plans in total. Actual contribution amounts are totals made during the 2017 calendar year.</p> <p><sup>3</sup>Annuity benefit payments are not available for plans that pay lump sum cashouts.</p>	

**55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS**

1. Report the amount of gains or losses arising from employee termination benefits or settlements, partial settlements, curtailments or suspensions of pensions or pension obligations during the year. If none have occurred, or they qualified as "small settlements" under SFAS-88 and the company elected not to recognize the gain or loss, state "none" on line 5 and complete the applicable sections on the bottom of the form. Use separate forms to report the effect of each event and, if the event affected more than one plan, use separate forms for each plan. These events include:
  - a. purchases of annuity contracts.
  - b. lump-sum cash payments to plan participants.
  - c. other irrevocable actions that relieved the company or the plan of primary responsibility for a pension obligation and eliminates significant risks related to the obligation and assets.
  - d. an event that significantly reduces the expected years of future service for present employees who are entitled to receive benefits from that plan or that eliminates the accrual of benefits for some or all of the future services of a significant number of those employees.

If this is the first year the company is subject to the reporting requirements of this schedule, complete separate forms for each reportable event having occurred since the company's adoption of SFAS-87 and include those forms in the current Annual Report.

2. In line 1-15 report activities for holding company or parent company; on line 16-18 report details for the reporting company.
3. Report on line 1 the amount of overfunding remaining (excess of plan assets, adjusted for accrued or prepaid pension costs, over the Pension Benefit Obligation), if any, from when the company first complied with SFAS-87. The amount should be adjusted by the year-to-date amortization.
4. Report on line 2 the actuarial gains and losses that occurred in prior fiscal years following compliance with SFAS-87 but have not yet been amortized. The amount should be adjusted by the year-to-date amortization.
5. Report on line 3 the actual return on plan assets (the sum of investment income and appreciation).
6. Report on line 4 the expected return on plan assets (a component of the current-year expense calculation, which should be prorated for the elapsed portion of the current year).
7. Report on line 6 the Pension Benefit Obligation (PBO) updated from the previous year-end figure to the settlement date. This amount should reflect the addition of a pro rata portion of the service cost and interest cost and the subtraction of benefit payments. It should also reflect any plan changes made during the year.
8. Convert the basis points and percentages reported on line 7 and 8 to their decimal equivalents before entering them in the formula on line 9.
9. Report on line 17 the applicable Federal income tax rate. Although no tax is currently payable on the gain and loss, it should be reflected because it represents a reduction of future pretax pension expense.

State separately below for each reportable event having occurred since the company's initial compliance with SFAS87, and for which amortization of deferred gains or losses was not completed by December 31 of last year, the (1) type of event, e.g. settlement or curtailment, (2) date of occurrence, (3) amount of gain or loss originally deferred, (4) period of amortization specified by beginning and ending dates, and (5) amount of the current year's amortization.

In Q4 2011, Verizon's Management pension plan lump sum pension distributions surpassed the settlement threshold equal to the sum of service cost and interest cost requiring settlement recognition per SFAS 88. In addition, in Q3, Verizon New York received a settlement charge of \$.9M.

In 4Q 2010 VZ Mgt. pension lump sum pension distributions surpassed the settlement threshold equal to the sum of service costs and interest costs requiring settlement recognition per SFAS88. In addition, in 3Q and 4Q, the NYNE associate plan received settlement allocations of \$348.4M and \$86.5M - in Q2 received \$80.7M and \$323.4M as Curtailment and termination benefit charges

In 2009, Verizon's Management Non-Parco pension plan lump sum pension distributions surpassed the settlement threshold equal to the sum of service cost and interest cost requiring settlement recognition per SFAS 88. In addition, (\$ 73.4M) and (\$ 6.0M) were allocated to Verizon New York in Q4 2009 as Curtailment and Special Termination Benefit charges and a settlement charge of (\$38.7M) was allocated in Q3 09.

SEE INSERT (PAGE 68-A)

## 55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS

In 2008, as a result of planned work force reductions, the Company incurred additional pension costs of \$27,000,000 for management employees comprised of a charge for special termination benefits of \$3,000,000, settlements of \$24,000,000 and a curtailment gain of \$0. There were no additional pension costs, charges for special termination benefits or curtailment gains associated with nonmanagement employees.

In 2007, the Company incurred no additional pension costs for management employees related to the special termination benefits, settlements or curtailments.

In 2006, as a result of planned work force reductions, the Company incurred additional pension costs of \$4,000,000 for management employees comprised of a charge for special termination benefits of \$2,000,000, settlements of \$2,000,000 and a curtailment gain of \$0. In 2006, as a result of planned work reductions, the Company incurred additional pension costs of \$0 for nonmanagement employees comprised of a charge for special termination benefits of \$0 and a curtailment gain of \$0.

In 2005, as a result of planned work force reductions, the Company incurred additional pension costs of \$66,990,000 for management employees comprised of a charge for special termination benefits of \$0, settlements of \$0, and a curtailment gain of \$(66,990,000). In 2005, as a result of planned work force reductions, the Company incurred additional pension costs of \$0 for associate employees comprised of a charge for special termination benefits of \$0, settlements of \$0, and a curtailment gain of \$0.

In 2004, as a result of planned work force reductions, the Company incurred additional pension costs of \$42,374,000 for management employees comprised of a charge for special termination benefits of \$0, settlements of \$42,374,000, and a curtailment gain of \$0. In 2004, as a result of planned work force reductions, the Company incurred additional pension costs of \$0 for associate employees comprised of a charge for special termination benefits of \$0, settlements of \$0, and a curtailment gain of \$0.

In 2003, as a result of planned work force reductions, the Company incurred additional pension costs of \$128,063,000 for management employees comprised of a charge for special termination benefits of \$118,239,000, settlements of \$0, and a curtailment gain of \$(9,824,000). In 2003, as a result of planned work force reductions, the Company incurred additional pension costs of \$230,589,000 for associate employees comprised of a charge for special termination benefits of \$230,589,000, settlements of \$0, and a curtailment gain of \$0.

In 2002, as a result of planned work force reductions, the Company incurred additional pension costs of \$ 235,000 for management employees comprised of a charge for special termination benefits of \$ 235,000, settlements of \$0, and a curtailment gain of \$ 0. In 2002, as a result of planned work force reductions, the Company incurred additional pension costs of \$ 322,207,000 for associate employees comprised of a charge for special termination benefits of \$ 189,520,000, settlements of \$89,894,000, and a curtailment gain of \$42,793,000

In 2001, as a result of planned work force reductions, the Company incurred additional pension costs of \$ 0 for management employees comprised of a charge for special termination benefits of \$ 0 and a curtailment gain of \$ 0. In 2001, as a result of planned work reductions, the Company incurred additional pension costs of \$ 354,000,000 for associate employees comprised of a charge for special termination benefits of \$ 354,000,000 and a curtailment gain of \$ 0. In accordance with the commission order effective August 12, 1999, in case 92-C-0665, the Company amortized \$ 185,103,912 of additional OPEB TBO.

In 2000, as a result of planned work force reductions, the Company incurred additional pension costs of \$0 for management employees comprised of a charge for special termination benefits of \$0 and a curtailment gain of \$0. In 2000, as a result of planned work reductions, the Company incurred additional pension costs of \$0 for nonmanagement employees comprised of a charge for special termination benefits of \$0 and a curtailment gain of \$0. In accordance with the Commission order effective August 12, 1999, in case 92-C-0665, the Company amortized \$245,778,084 of additional OPEB TBO.

In 1999, as a result of planned work force reductions, the Company incurred additional pension costs of \$0 for management employees comprised of a charge for special termination benefits of \$0 and a curtailment gain of \$0. In 1999, as a result of planned work reductions, the Company incurred additional pension costs of \$35,127,305 for nonmanagement employees comprised of a charge for special termination benefits of \$409,487,296 and a curtailment gain of \$(54,359,991). In accordance with the Commission order effective August 12, 1999, in case 92-C-0665, the Company amortized \$71,038,236 of additional OPEB TBO.

In 1998, as a result of planned work force reductions, the Company incurred additional pension costs of \$0 for management employees comprised of a charge for special termination benefits of \$0 and a curtailment gain of \$0. In 1998, as a result of planned work reductions, the Company incurred additional pension costs of \$262,437,113 for nonmanagement employees comprised of a charge for special termination benefits of \$303,541,367 and a curtailment gain of \$(41,104,254)

**55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS (Continued)**

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
<b>PLAN</b>			
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. _____ -
Year-to-date asset gain or (loss):			
3	Actual return	3. _____ -	
4	Expected return	4. _____ -	
5	Gain or (loss): (3)-(4)		5. _____ 0
Year-to-date liability gain or (loss):			
6	PBO at settlement date	6. _____ -	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. _____ 0	
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. _____ 0.00%	
9	Liability gain or (loss): {(6) x (7) x (8)} x 100 -- see instructions		9. _____ 0
Settlement gain or (loss):			
10	Accounting value of obligation which was settled	10. _____ -	
11	Settlement cost (e.g., price of purchased annuity contract)	11. _____ -	
12	Settlement gain or (loss): (10)-(11)		12. _____ 0
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. _____ 0
14	Settlement ratio: (10)/(6)		14. _____ 0.00%
15	Pretax gain recognizable in current income: (13) x (14)		15. _____ 0
<b>REPORTING COMPANY</b>			
16	Portion of amount on line 15 allocated to reporting company		16. _____ 0
Tax-affected gain:			
17	Tax rate	17. _____ 0.00% %	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. _____ 0

Explain the basis of allocation used to derive the amount reported on line 16 from that reported on line 15:

For the amount reported on line 16 specify:

- a. the amount recorded as income for the current year \_\_\_\_\_ 0
- b. the amount deferred on the balance sheet \_\_\_\_\_ 0
- c. amortization period for the deferred amount (specify beginning and ending dates). \_\_\_\_\_ 0

Briefly describe the event (e.g., settlement, curtailment or termination with short description of the change) and the date of its occurrence.

Lacking a curtailment/settlement event, schedule 55 is not applicable

If the event involves the purchase of an annuity contract(s), state whether they are participating or nonparticipating contracts. If they are participating, explain the terms and state the cost difference between the contract(s) purchased and identical contracts without the participating feature.

If the event qualified as a "small settlement" under SFAS 88, and the company elected not to recognize the gain or loss, state:

- a. number of employees affected \_\_\_\_\_
- b. the cost of the settlement \_\_\_\_\_
- c. the amount of PBO settled \_\_\_\_\_



**56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS**

1. Report on Pages 88 through 91, the requested data concerning Postretirement Benefits Other than Pensions (OPEB). For these schedules, the measurement date, calculation of the data requested, and separate reporting for different types of OPEB plans shall be consistent with the disclosure requirements specified in SFAS-106 (Paragraphs 72-89). If the reporting company's OPEB benefits are provided through a joint plan with its parent company or holding company, report under the columnar heading "Total Company" the data applicable to the total plan (i.e., that of the parent or holding company. The columnar heading "New York State Jurisdiction" refers to the New York State jurisdictional operations of the reporting company, exclusive of amounts applicable to subsidiary companies which are subject to the Commission's jurisdiction but are separately reported.
2. The quantification of amounts reported on Lines 1 - 12 shall be as of the date reported on Line 13.
3. Report on Lines 1 - 3 the actuarial present value of benefits attributed employees' service rendered to the date reported on Line 13.
4. Report on Line 4 the amount the OPEB plan(s) could expect to receive for investments in a sale between a willing buyer and a willing seller, other than in a forced or liquidation sale.
5. Report on Lines 5 and 6, the amounts applicable to OPEB that are recorded in internal reserves, net of their related deferred income tax effect. For New York State Jurisdictional Operations, creation of an internal reserve was required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and OPEB" ( issued September 7, 1993).
6. Report on Line 10 the amount of unrecognized net gain or loss (including plan asset gains and losses not yet reflected in the market-related value of the plan assets).
- 7 Report on Line 11 the amount of unrecognized net asset gain or loss not yet reflected in the market-related value of plan assets.
8. In certain instances, a portion of the New York State Jurisdiction OPEB internal reserve may not be subject to the accrual of interest (e.g. in the company's last rate case a portion of the reserve may have been used to reduce rate base). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
9. Report on Line 14 the discount rate which was used to calculate the obligations reported on Lines 1-3.
10. Report on Line 15 the expected long-term return on plan assets reported on Line 4.
11. Report on Line 21 the net asset gain or loss deferred during the reporting year for later recognition. Do not include in this amount amortization of previously deferred gains or losses as these amounts are to be reported on Line 24.
12. The amount reported on Line 24 is to include the amortization of gains and losses arising from changes in assumptions.

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page 71. Use a separate insert sheet if more space is necessary.

The discount rate decreased from 4.23% in May 2016 to 4.17% for YE 2016

There was no return on assets in 2017 compared to an expected rate in 2016 of 3.80%

The medical trend assumptions for (Pre-65/Post-65) are 6.50%/8.00% in 2017  
6.25%/7.50% in 2018, 6.00%/7.25% in 2019, 5.75%/6.75% in 2020, 5.50%/6.25% in 2021,  
and 5.25%/5.75% in 2022

The mortality base table is the RP2006 mortality table with fully generational projections using scale MP2016 with a blue collar adjustment for associates and the base table for management

These changes had the following effects on page 71:

Accumulated Postretirement Benefit Obligation (APBO)	\$	(242,397,000)
Unrecognized Gains/(Losses)		0
 Service Cost	 \$	 (3,247,000)
Interest Cost	\$	14,446,000
Expected Return on Assets (EROA)	\$	0
Amortization of (Gains)/Losses	\$	0
Total OPEB Cost	\$	11,199,000

**56A. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

Line No.	Item (a)	Total Company (b)
<b><u>ANALYSIS OF OPEB COSTS<sup>1</sup></u></b>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ 7,962,447,000
2	Other Fully Eligible Plan Participants	\$ 899,016,000
3	Other Active Plan Participants	\$ 1,687,565,000
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ 0
	Plan Assets Held in an Internal Reserve (net of tax):	
5	New York State Jurisdiction	\$
6	Other	\$
7	Other Plan Assets (Specify .....	\$
8	Unrecognized Transition Obligation	\$ 0
9	Unrecognized Prior Service Costs	\$ (2,945,389,000)
10	Unrecognized Gains or (Losses)	\$ 0
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$ 0
12	NYS Jurisdiction Internal Reserve Balance Subject to Accrual of Interest (net of tax)	\$
13	Date of Valuation for Amounts Reported on Lines 1 - 12.	1/1/2017
14	Discount Rate <sup>2</sup>	4.17%
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	N/A
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	
17	Salary Progression Rate (if applicable)	
	<b><u>NET PERIODIC OPEB COST<sup>3</sup></u></b>	
18	Service Cost	\$ 81,364,000
19	Interest Cost	356,047,000
20	Actual Return on Plan Assets [ (Gain) or Loss ]	0
21	Deferral of Asset Gain or (Loss)	0
22	Amortization of Transition Amount	0
23	Amortization of Unrecognized Prior Service Cost <sup>3</sup>	(521,323,000)
24	Recognition of (Gains) or Losses <sup>4</sup>	141,407,000
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	0
26	<b>Net Periodic OPEB Cost</b>	<b>\$ 57,495,000</b>
	<sup>1</sup> Note: This analysis includes the former Bell Atlantic South Management plan which merged with the North Management plan as of January 1, 1999. MCI results are also included in the Management Plan.	
	<sup>2</sup> Discount rate shown represents the weighted average discount rate for all OPEB plans using the December 31, 2016 AH Above-Median Yield Curve	
	<sup>3</sup> Reflects the new aPSC amounts established due to the implementation of the Rx design changes for East Management effective September 30, 2017.	
	<sup>4</sup> 2017 recognition reflects entire actuarial loss calculated as of December 31, 2017 under Mark-to-Market accounting.	
	Jurisdictional Breakdown of Net Periodic OPEB Cost:	
	Intrastate                      Interstate                      Other	
	<b>Service Cost</b>	14,764,297                      7,181,928                      5,305,158
	<b>Interest Cost</b>	34,741,562                      16,899,645                      12,483,457
	<b>Return On Assets</b>	-                      -                      -
	<b>Amortization of Prior Service Cost</b>	(79,360,966)                      (38,604,257)                      (28,516,254)
	<b>Amortization of Net (Gain) Loss</b>	78,284,772                      38,080,755                      28,129,553
	<b>Total</b>	<u>48,429,665                      23,558,071                      17,401,913</u>

**56B. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

1. Report on Line 3 items such as transfers of excess pension funds from the company's pension trust fund to an account set up under Section 401 (h) of the Internal Revenue Code.
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 89.

Line No.	Item (a)	Total Company (b)
<b>EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS</b>		
1	Fair Value of Plan Assets at Beginning of Period	0
	Contributions to the Fund:	0
2	Deposits of Company Funds	0
3	Transfers from Pension Related Funds	0
4	Other *	0
5	Income or (Loss) Earned on Fund Assets	0
6	Capital Appreciation or (Depreciation) of Fund Assets	0
7	Cost Benefits Paid from the Fund To or For Plan Participants	0
8	Other Expenses Paid By the Fund **	0
9	Fair Value of Plan Assets at End of the Period	0

\* Specify the source of any amount reported on Line 4.

\*\* Specify the type and amount of any expenses reported on Line 8.



**56C. ANALYSIS OF OPEB COSTS, FUNDING AND DEFERRALS (Continued)**

1. The data requested on Lines 1 through 12 are for the internal reserve, the establishment of which is required by the Commission's "Statement of Policy and Order Concerning the Accounting and Ratemaking Treatment for Pensions and Postretirement Benefits Other Than Pensions" (Case 91-M-0890, issued and effective September 7, 1993). The amounts reported below are to be consistent with the definitions and intent contained in that Statement.
2. The "rate allowance" to be reported on Line 2 is the amount which was projected to be charged to expense accounts (i.e., not charged to construction, depreciation, nor the rate base allowance related to capitalized OPEB costs) in the company's latest rate proceeding, adjusted to actual Kwh (etc.) sales as per the above Policy Statement.
3. The amount reported on Line 9 less the amount on Line 10 should total the amount reported on Line 5 of Page 89.
4. In certain instances, a portion of the OPEB internal reserve may not be subject to the accrual of interest (e.g., in the company's last rate case, a portion of the reserve may have been used as a rate base reduction). Report on Line 12 the balance of the reserve, net of its related deferred income tax effect, which is subject to the accrual of interest.
5. The Commission's September 7, 1993 Policy Statement on pensions and OPEB stated that, except under certain circumstances, the difference between 1) the rate allowance for OPEB expense, plus any pension related or other funds or credits the company is directed to use for OPEB purposes, and 2) OPEB expense determined as required therein, are to be deferred for future recovery. Report on Lines 13 through 17 the amounts relating to this requirement.

Line No.	Item (a)	New York State Jurisdiction (b)
<b>OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE</b>		
1	Balance in Internal Reserve at Beginning of the Period - [ (Debit) / Credit ]	N/A
2	Amount of the Company's Latest Rate Allowance for OPEB Expense	N/A
3	Amount of OPEB costs actually charged to Construction	N/A
4	Pension Related or Other Funds or Credits this Commission Directed the Company to Use for OPEB Purposes	N/A
5	Interest Accrued on Fund Balance	N/A
6	Cost Benefits Paid to or for Plan Participants	N/A
7	Amount Transferred to an External OPEB Dedicated Fund	N/A
8	Other Debits or Credits to the Internal Reserve *	N/A
9	Balance in Internal Reserve at End of the Period	N/A
10	Balance of Deferred Income Tax Applicable to the Internal Reserve	N/A
11	Interest Rate Applied to Internal Reserve Balances	N/A
12	Internal Reserve Balance Subject to Accrual of Interest (net of tax)	N/A
<b>ACCUMULATED DEFERRED OPEB EXPENSE</b>		
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	N/A
14	Deferral Applicable to Current Year Variation	N/A
15	Amortization of Previous Deferrals	N/A
16	Accumulated Deferred Balance at End of Period	N/A
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	N/A
	* Briefly explain any amounts reported on Line 8.	

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**59. GENERAL SERVICES AND LICENSES,  
ADVISORY, MANAGEMENT, ENGINEERING, OR PURCHASING SERVICES**

1. Respondents shall report all services rendered by or provided to affiliated and nonaffiliated companies under a license agreement, a general service contract, or other arrangement for furnishing of general accounting, advisory, engineering, financial, legal, patent, purchasing or other general services of a continuous nature.
2. Report the valuation method used; tariffed rate or cost.
3. Aggregate all Other Company items under \$100,000 for Class A and \$25,000 for Class B Telecommunications Companies.

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)
	Affiliates:				
1	Cellco Partnership			Provided to Affiliates	\$ 106,817,965
2	Vz Business Global LLC			Provided to Affiliates	\$ 157,392,257
3	Vz Online LLC			Provided to Affiliates	\$ 1,187,747,971
4	Vz Long Distance LLC			Provided to Affiliates	\$ 2,257,831
5	Vz Select Services Inc			Provided to Affiliates	\$ 262,615
6	Vz Services Corp			Provided to Affiliates	\$ 160,425,030
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22	All Other Affiliates under 100K			Provided to Affiliates	\$ 56,441
23					
24					
25					
26					
27					
28					
29	Total Affiliates				\$ 1,614,960,110
30					
31	Other Companies:				
32					
33					
34					
35					
36					
37					
38					
39	Aggregate of All Other Items				
40	Total Other Companies				0
41	Total General Services and Licenses				\$ 1,614,960,110

**59. GENERAL SERVICES AND LICENSES,  
ADVISORY, MANAGEMENT, ENGINEERING, OR PURCHASING SERVICES**

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)
1	Empire City Subway Co			Purchased from Affiliates	\$ 103,350,425
2	Vz Business Global LLC			Purchased from Affiliates	\$ 913,311
3	Vz Sourcing LLC			Purchased from Affiliates	\$ 85,146,093
4	Vz Business Purchasing LLC			Purchased from Affiliates	\$ 146,549,764
5	Vz Business Network Services Inc			Purchased from Affiliates	\$ 22,432,905
6	Vz Corporate Services Corp			Purchased from Affiliates	\$ 141,302,955
7	Vz Corporate Services Group			Purchased from Affiliates	\$ 168,367,558
8	Vz Corporate Resources Group			Purchased from Affiliates	\$ 159,878,905
9	Vz Data Services LLC			Purchased from Affiliates	\$ 188,272,921
10	Vz Benefits Administration Inc			Purchased from Affiliates	\$ 829,030
11	Vz Services Corp			Purchased from Affiliates	\$ 2,519,229,891
12	Vz Services Organization Inc			Purchased from Affiliates	\$ 19,872,388
13	Vz Online LLC			Purchased from Affiliates	\$ 5,707,591
14	Vz North LLC			Purchased from Affiliates	\$ 8,197,770
15	Vz Long Distance LLC			Purchased from Affiliates	\$ 1,170,160
16					
17					
18	All Other Affiliates under 100K				\$ 6,570
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31	Total Affiliates				\$ 3,571,228,238
32	Other Companies:				
33					
34					
35	Non Affiliate - Does not meet the threshold for report per Case # 13-C-0349 Order Revising Annual Reports				
36					
37					
38					
39	Aggregate of All Other Items				
40	Total Other Companies				0
41	Total General Services and Licenses				\$ 3,571,228,238

**61. ACCESS LINES IN SERVICE**

1. Access lines are any and all facilities appearing at a customer's premises for which an access line charge is made as provided for in company tariffs.
2. Multi-line business access lines shall include all access lines provided to businesses with two or more lines on the same premises (i.e., two line service, key telephone system services, PBX system services).
3. Public access lines shall include all access lines provided to serve public coin telephones, semi-public coin telephones, customer owned coin operated telephones (COCOTS) and credit card telephones.
4. Private Line Circuits are telephone facilities furnished under contracts providing exclusive service, i.e., service not requiring central office switching operations.

Line No.	Division of Territory (a)	Number of Access Lines			
		At Beginning of the Year (b)	During the Year		At End of the Year (e)
			Added (c)	Discontinued (d)	
1	Manhattan (Bronx, Brooklyn Staten Island, N Manhattan, Queens, Manhattan)	Confidential	Confidential	Confidential	Confidential
2	Midstate wo Connecticut (Midstate 132, Midstate 133)	Confidential	Confidential	Confidential	Confidential
3	Connecticut	Confidential	Confidential	Confidential	Confidential
4	Long Island - Suffolk NY AFA	Confidential	Confidential	Confidential	Confidential
5	Upstate East NY AFA	Confidential	Confidential	Confidential	Confidential
6					0
7					0
8					0
9					0
10		2,156,399	168,459	424,795	1,900,063

**NUMBER AT END OF THE YEAR**

Line No.	Access Lines Classified by Type						Mobile Access Lines (l)	Private Circuits (Instr. 4) (m)
	Business		Public	Residential				
	Single Line (f)	Multi-Line (Instr. 2) (g)	(Instr. 3) (h)	One Party (i)	Two Party (j)	Four or More Parties (k)		
1	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential		Confidential
2	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential		Confidential
3	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential		Confidential
4	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential		Confidential
5	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential		Confidential
6								
7								
8								
9								
10	0	1,133,070	4,309	756,835	315	621	0	101,971

**65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES**

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$1,480,330,474
2		
3	Telecommunications Plant Under Construction	(253,783,706)
4		
	Other (specify):	
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$1,226,546,768
<b>65A. NUMBER OF EMPLOYEES</b>		
21	Network Operations and Plant	10,581
22	Consumer and Business Markets	2,143
23	General & Administrative	10
24		
25		
26		
27		
28		
29		
30		
31		
32	Total Employees	12,734

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STATE OF NEW YORK  
Public Service Commission  
5 Year Book Data  
VERIZON NEW YORK INC.  
For the period ending DECEMBER 31, 2017

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER

COMPARATIVE BALANCE SHEET

	Annual Report Source	
<b>CURRENT ASSETS</b>	<b>Sch 11, Pg 16 (C)</b>	
1 Cash and Temporary Cash Investments	L1-4	\$0
2 Accounts Receivable (Net)	L(5,7,8) - L(6,9)	860501114.7
3 Current Deferred Income Taxes	L21	0
4 Other Current Assets	(Formula)	53977876.63
5 <b>Total Current Assets</b>	L22	914478991.3
<b>NON-CURRENT ASSETS</b>		
6 Investments	L23-26	651153992.3
7 Unamortized Debt Issuance Costs	L27	766501.54
8 Deferred Charges	L30-31	52608612.85
9 Other Jurisdictional Assets - Net	L32	
10 Non-Current Deferred Income Taxes	L33	0
11 Other Non-Current Assets	(Formula)	10251255.4
12 <b>Total Non-Current Assets</b>	L 34	714780362
<b>REGULATED PLANT</b>		
13 Total Telecommunications Plant	L42	31078354730
14 Less: Accumulated Depreciation and Amort.	L43-44	20247968923
15 <b>Net Regulated Plant</b>	(Formula)	10830385806
16 <b>Total Assets &amp; Other Debits</b>	(Formula)	12459645160



<b>CURRENT LIABILITIES</b>		<b>Source</b>	
		<b>Sch 11, Pg 17 (C)</b>	
17	Accounts Payable	L1-2	599547077.8
18	Notes Payable	L3-4	6912776594
19	Advanced Billings	L5	226867009.2
20	Customer Deposits	L6	852042.28
21	Current Maturities - Long-Term Debt	L7-8	685261.42
22	Current Deferred Income Taxes	L11-12	0
23	Other Current Liabilities	(Formula)	387750326.8
24	<b>Total Current Liabilities</b>	L15	8128478311
<b>LONG-TERM DEBT</b>			
25	Long-Term Debt	L23	159478078.1
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>			
26	Unamortized ITC	L25-26	0
27	Non-Current Deferred Taxes	L27-28	422522678
28	Other Deferred Credits	L29	160028479.4
29	Other Jurisdictional Differences - Net	L30	
30	Other Liabilities	(Formula)	6091877210
31	<b>Total Other Liab. and Def. Credits</b>	L31	6674428367
<b>STOCKHOLDER'S EQUITY</b>			
32	Common Stock	L32	1000010
33	Preferred Stock	L33	0
34	Other Paid in Capital	L34-36	9096695393
35	Retained Earnings	Formula	-11600434998
36	<b>Total Stockholder's Equity</b>	L40	-2502739595
37	<b>Total Liab. and Stockholder's Equity</b>	(Formula)	\$12,459,645,162

**INCOME STATEMENT**

<b>OPERATING REVENUES</b>		<b>Source</b>	
		<b>Sch 42, Pg 65 (b)</b>	
1	Local Network Services	L10	\$843,562,737
2	Network Access Services	L15	2,296,968,594
3	Long Distance Network Services	L29	60,686,476
4	Miscellaneous Revenues	L41	1,812,920,946
5	Less: Uncollectible Revenues	L44	28,068,330
6	<b>Total Operating Revenues</b>	(Formula)	<b>4,986,070,423</b>
<b>OPERATING EXPENSES</b>		<b>Sch 44, Pg 67 (F)</b>	
7	Network Support Expenses	L14	48,371,367
8	General Support Expenses	L19	183,336,688
9	Central Office Switching	L23	89,986,506
10	Operator Systems Expense	L24	114,405
11	Central Office Transmission	L27	115,310,400
12	Info. Origination/Termination	L33	1,424,225,312
13	Cable & Wire Facilities	L43	582,688,422
14	Total Plant Specific Operations	(Formula)	2,444,033,098
		<b>Sch 44, Pg 69 (F)</b>	
15	Other Plant, Property & Equipment	L49	27,704,875
16	Network Operations	L59	412,478,135
17	Access Expense	L60	97,594,181
18	Depreciation and Amortization	L66	1,034,501,863
19	Total Plant Non-Specific Operations	(Formula)	1,572,279,054
		<b>Sch 44, Pg 71 (F)</b>	
20	Marketing Expense	L71	321,094,164
21	Services Expense	L78	322,848,684
22	Total Customer Operations	(Formula)	643,942,848
		<b>Sch 44, Pg 73 (F)</b>	
23	Executive & Planning	L82	127,449,756
24	General & Administrative	L91	2,790,454,435
25	Provision - Uncollectible Notes Rec.	Less L92	0
26	Other		
27	Total Corporate Operations	(Formula)	2,917,904,192
28	<b>Total Operations Expense</b>	(Formula)	<b>7,578,159,191</b>
		<b>Sch 12, Pg 20 (C)</b>	
29	Other Operating Income & Expenses	L9	(1,863,825)
30	State & Local Income Taxes	L12	(3,199,725)
31	Other Taxes	L13	433,685,912
32	<b>Net Operating Income Before FIT</b>	(Formula)	<b>(3,024,438,780)</b>
33	Investment Tax Credits - Net	L10	5,730,894
34	Federal Income Taxes	L11	(1,079,769,833)
35	Provision - Def. Operating Income Taxes - Net	L14	(293,388,741)
36	<b>Net Operating Income</b>	(Formula)	<b>(\$1,645,549,312)</b>

**INCOME STATEMENT**

	<b>Source</b>	
<b>1 Net Operating Income</b>	From Above	<b>(\$1,645,549,312)</b>
<b>NON-OPERATING INCOME &amp; EXPENSES</b>	<b>Sch 12, Pg 20 (C)</b>	
2 Dividend Income	L17	0
3 Interest Income	L18	141,699
4 Income - Sinking and Other Funds	L19	0
5 Allowance for Funds Used During Construction	L20	10,568,131
6 Gains/Losses - Disposal of Property	L21	0
7 Equity in Earnings of Affiliated Companies	L22	218,576,267
8 Other Non-Operating Income	L23	(114,448,384)
9 Special Charges	L24	8,087,551
10 Total Non-Operating Income & Expenses	(Formula)	106,750,162
<b>NON-OPERATING TAXES</b>	<b>Sch 12, Pg 20 (C)</b>	
11 Federal Income Taxes	L26+L27+L30	(12,158,596)
12 Other	L28+L29	(76,130,224)
13 Total Non-Operating Taxes	(Formula)	(88,288,819)
14 Income Available Before Interest Charges	(Formula)	(1,450,510,331)
<b>INTEREST CHARGES</b>		
15 Interest on Funded Debt	L34	19,805,362
16 Other Interest Expense	(Formula)	207,133,930
17 Total Interest Charges	L38	226,939,292
18 Income Before Extraordinary & Nonregulated Items	(Formula)	(1,677,449,623)
<b>Extraordinary &amp; Nonregulated Items</b>	<b>Sch 12, Pg 21 (C)</b>	
19 Extraordinary Items	L44	0
20 Nonregulated Revenues	L46	0
21 Total Extraordinary & Nonregulated Items	(Formula)	0
<b>22 Net Income</b>	(Formula)	<b>(\$1,677,449,623)</b>

**RETAINED EARNINGS STATEMENT**

	<b>Sch 12, Pg 21 (C)</b>	
Unappropriated Retained Earnings:		
23 Beginning Year Balance	L49	(\$11,043,496,847)
24 Transferred from Income	L50	(1,896,025,890)
25 Appropriations	L51	0
Dividends Declared:		
26 Preferred Stock	L52	0
27 Common Stock	L53	0
28 Adjustments	L54	(751,927,847)
29 Ending Year Balance	(Formula)	(13,691,450,584)
30 Appropriated/Undistributed Affiliated Retained Earnings	L57+L60-L61+L62)	587,159,892
<b>31 Total Retained Earnings</b>	(Formula)	<b>(\$13,104,290,691)</b>

**CASH FLOW STATEMENT**

	<b>Source</b>	
<b>Cash Flows from Operating Activities</b>		
1 Net Income	Formula	(\$1,677,449,623)
<b>Non-Cash Items Included in Net Income</b>		
	<b>Sch 13, Pg 22 (B)</b>	
2 Depreciation, Depletion & Amortization	L2+L3	1,034,501,863
3 Changes in Accumulated Deferred Income Taxes	L4	(299,119,634)
4 Changes in Working Capital	L6+L7+L8+L10+L11	(183,611,064)
5 Capitalized AFDC - Equity	L5	0
6 Other	(Formula)	(621,696,783)
7 Total Non-Cash Items	L17	(69,925,618)
8 Net Cash Provided by (Used In) Operating Activities	(Formula)	(1,747,375,241)
<b>Cash Flows from Investing Activities</b>		
	<b>Sch 13, Pg 22 (B)</b>	
9 Cash Flows from Construction	L28	(1,203,208,654)
10 Purchase of Other Investments	L29+L30+L31+L32	0
11 Sale of Other Investments	L33+L34+L35+L36	4,109,592
12 Other	L37+L38+L39	0
13 Net Cash Provided by (Used In) Investing Activities	(Formula)	(1,199,099,062)
<b>Cash Flows from Financing Activities</b>		
	<b>Sch 13, Pg 23 (B)</b>	
Net Proceeds (Payments)		
14 Long-Term Debt	L43+L49	(156,315,000)
15 Common Stock	L41+L47	0
16 Preferred Stock	L42+L48	0
17 Short-Term Debt	L44	2,343,186,081
18 Dividends Paid	L50+L51	0
19 Other Financing	(Formula)	759,694,366
20 Net Cash Provided by (Used In) Financing	L59	2,946,565,447
21 Net Increase (Decrease) in Cash & Equivalents	(Formula)	91,144
22 Cash & Equivalents at Beginning of Year	L61	0
23 <b>Cash &amp; Equivalents at End of Year</b>	(Formula)	<b>\$91,144</b>

**DISTRIBUTION OF TELEPHONE REVENUES**

1	Revenues	<b>Source</b> Formula <b>Sch 61</b>	\$4,986,070,423
2	Access Lines	<b>Pg 96, L10 (e)</b>	1900063

**DOLLAR AMOUNTS**

3	Wages and Benefits	<b>Sch 44</b> <b>Pg 71, L94 (b) (c)</b>	\$3,873,225,734
4	Depreciation and Amortization	(Formula)	1034501863
5	Other Operations Expense	(Formula)	2670431595
6	Total Operation Expenses	(Formula)	7578159191
7	Income Taxes - Operating Taxes	(Formula)	-1382089193
8	Other Taxes - Operating Taxes	(Formula)	433685911.8
9	Capital Costs	(Formula)	-1643685487
10	Total	(Formula)	\$4,986,070,423

**PERCENT OF REVENUES**

11	Wages and Benefits	(Formula)	77.7
12	Depreciation and Amortization	(Formula)	20.7
13	Other Operations Expense	(Formula)	53.6
14	Income Taxes - Operating Taxes	(Formula)	(27.7)
15	Other Taxes - Operating Taxes	(Formula)	8.7
16	Capital Costs	(Formula)	(33.0)
17	Total	(Formula)	100.0

**DOLLARS PER ACCESS LINE**

18	Wages and Benefits	(Formula)	2,038.47
19	Depreciation and Amortization	(Formula)	544.46
20	Other Operations Expense	(Formula)	1,405.44
21	Income Taxes - Operating Taxes	(Formula)	(727.39)
22	Other Taxes - Operating Taxes	(Formula)	228.25
23	Capital Costs	(Formula)	(865.07)
24	Total	(Formula)	2,624.16

**TELECOMMUNICATIONS PLANT AND SELECTED RATIOS**

		<b>Source</b>
		<b>Sch 14, Pg 24, 25</b>
<b><u>Plant In Service</u></b>		
1 General Support Assets	L13	\$3,427,202,260
2 Central Office Assets	L25	10,635,406,996
3 Information Origination/Termination	L31	193,956,523
4 Cable And Wire Facilities	L41	14,815,109,299
5 Amortizable Assets	L45	1,092,412,754
<b>6 Total Plant In Service</b>	(Formula)	<b>30,164,087,832</b>
7 Property Held For Future Use	L47	0
Plant Under Construction -		
8 Short & Long Term	L48,49	762,389,864
9 Telecommunications Plant Adjustment:		
10 Tel. Acquisition	L51	0
11 Other Plant	L52	0
12 Nonoperating Plant	L53	151,877,033
13 Goodwill	L54	0
<b>14 Total Telecommunications Plant</b>	(Formula)	<b>31,078,354,730</b>
15 Less Acc. Prov. For Depreciation & Amort.	(Formula)	20,247,968,923
<b>16 Net Total Utility Plant</b>	(Formula)	<b>\$10,830,385,806</b>

**SELECTED RATIOS AND STATISTICS**

17	Current Assets / Current Liabilities	(Formula)	0.11
18	Total Capitalization	(Formula)	\$4,570,200,339
	<u>Percent Of Capitalization (Incl. S-T- Debt)</u>		
19	Long-Term Debt	(Formula)	3.5%
20	Preferred Stock	(Formula)	0.0%
21	Common Stock & Retained Earnings	(Formula)	-54.8%
22	Short-Term Debt	(Formula)	151.3%
23	Pretax Coverage of Interest Expense	(Formula)	-12.86
24	Com. Stock Dividends as a % of Earnings	(Formula)	0.0%
25	Return on Common Equity	(Formula)	67.0%
	<u>Internal Cash Generated as a % of</u>		
26	Cash Outflows for Construction	(Formula)	-145.2%
27	CWIP as a % of Plant	(Formula)	2.5%
	Number of Employees	(Formula)	12734
	<b>Source</b>		
	Current Assets	(Formula)	914478991.3
	Current Liabilities	(Formula)	8128478311
	Total Capitalization	(Formula)	4570200339
	Long-Term Debt	(Formula)	159478078.1
	Preferred Stock	(Formula)	0
	Common Stock and Retained Earnings (Excl. Preferred Stock)	(Formula)	-2502739595
	Short-Term Debt	(Formula)	6913461855
	Pretax Income	See Below	-2917688618
	Interest Expense	(Formula)	226939292.1
	Common Dividends Paid	(Formula)	0
	Net Income (Excl. Preferred Stock Dividends)	See Below	-1677449623
	Internal Cash	(Formula)	-1747375241
	Cash Outflows for Construction	(Formula)	-1203208654
	CWIP	(Formula)	762389863.9
	Total Plant	(Formula)	31078354730
	Shares Outstanding	Pg. 63, Ln 9 (c)	1
	Number of Employees	Pg. 100, Ln 32	12734
	<u>Additional Calculations</u>		
	Data used for "Pretax Income":	NOI Before FIT	-3024438780
		Non-Oper. Inc. & Exp.	106750161.9
		Non-Oper. Tax - Other	0
		Total	(\$2,917,688,618)
	Data used for "Net Income":	Net Income	-1677449623
		Pref. Dividends	0
		Total	-1677449623