

# STATE OF NEW YORK PUBLIC SERVICE COMMISSION

## ANNUAL REPORT OF TELEPHONE CORPORATIONS For the period ending DECEMBER 31, 2018

### 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, NY 10007

For the period starting: JANUARY 1, 2018  
For the period ending: DECEMBER 31, 2018  
Date due: May 30, 2019

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

For the period starting JANUARY 1, 2018  
For the period ending DECEMBER 31, 2018  
Year Ended DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2018

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, NY 10007

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2018

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. 7th Fl Rm 7E100

New York NY 10007

212 519-4751

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**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 1, 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.

Item Number	Description	Schedule Number	Page Number
1	Schedules with additional pages added	4 54 55 59	6A - 6J 66A, 67A 68A 76A

**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	2019 Mtg	Confidential	Confidential
2	Kenneth Dixon	Chief Executive Officer and President / Director	2019 Mtg	Confidential	Confidential
3	Sara A. Orr	Senior Vice President and Chief Financial Officer / Director	2019 Mtg	Confidential	Confidential
4	Joseph E. Beasley	Region President - Consumer & Mass Business Markets	2019 Mtg	Confidential	Confidential
5	Leecia Eve	Vice President	2019 Mtg	Confidential	Confidential
6	Tracy Krause	Controller	2019 Mtg	Confidential	Confidential
7	Kevin M. Service	Senior Vice President of Operations - Consumer & Mass Business Markets	2019 Mtg	Confidential	Confidential
8	Abdulaziz Shroff	Vice President and Assistant Treasurer	2019 Mtg	Confidential	Confidential
9	Kee Chan Sin	Vice President and Treasurer	2019 Mtg	Confidential	Confidential
10	Steven Tugentman	Vice President	2019 Mtg	Confidential	Confidential
11	William P. Van Sadlers	Vice President - Taxes	2019 Mtg	Confidential	Confidential
12					
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
							12
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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 North Carolina Limited Partnership  
 Alltel Corporation  
 Alltel Information (India) Private Limited  
 Alltel Information (Mauritius) Inc.  
 Alltel International Holding, Inc.  
 Anderson CellTelCo  
 Athens Cellular, Inc.  
 Australian-Japan Cable (Holding) Limited  
 Badlands Cellular of North Dakota Limited Partnership  
 BATCL - 1987 - II, Inc.  
 BATCL - 1987 - III, Inc.  
 Bell Atlantic Advertising (China) Company  
 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 Partnership  
Cellular 29 Ltd.  
Central Dakota Cellular of North Dakota Limited Partnership  
Charleston-North Charleston MSA Limited Partnership  
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.  
Dickerson OLI LLC  
Empire City Subway Company (Limited)  
Exchange Indemnity Company  
Exchange Indemnity Company New Jersey  
Exchange Indemnity Company New York  
Fleetmatics Australia Pty Ltd  
Fleetmatics Group Holdings Limited  
Fleetmatics Group Limited  
Fleetmatics Insurance Services, LLC  
Fleetmatics Italia S.r.l.  
Fleetmatics Patents Limited  
Fox Court Nominees Limited  
Fresno MSA Limited Partnership  
Gadsden CellTelCo Partnership  
Gila River Cellular General Partnership  
Gold Creek Cellular of Montana Limited Partnership  
Gold Creek Cellular, Inc.  
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  
Hughes Oriental Telematics Holding (China) Company Limited  
Idaho 6-Clark Limited Partnership  
Illinois RSA 6 and 7 Limited Partnership  
Illinois Valley Cellular RSA 2-II Partnership  
Indiana RSA #1 Limited Partnership  
Indiana RSA 2 Limited Partnership  
INOGPS S.p.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.  
Kentucky RSA No. 1 Partnership  
KKT S.r.l.  
Laycon Telecommunications, S.A.  
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.  
MCImetro Access Transmission Services of Virginia, Inc.  
Metropolitan Fiber Systems of New York, 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  
Movildata Internacional, S.L.  
Mtel Latin America, Inc.  
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 Key Company  
NCC Mianus Corporation  
NCC Micron Company  
NCC Sierra Company  
NCC Solar Company  
NCC Stamford Corporation  
NCC Yearling Company  
NCC Zee Company  
New Mexico RSA 6-I Partnership  
New Mexico RSA No. 5 Limited Partnership  
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)  
NYNEX LLC  
Oath Holdings Inc.  
Oath Inc.  
Omaha Cellular Telephone Company  
Orange County-Poughkeepsie Limited Partnership  
Pacific Carriage Holdings Limited  
Pascagoula Cellular Partnership  
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 SMSA Limited Partnership  
Pittsfield Cellular Telephone Company  
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 Limited Partnership  
San Isabel Cellular of Colorado Limited Partnership  
Sand Dunes Cellular of Colorado Limited Partnership  
Seattle SMSA Limited Partnership  
SEMA OP1 LLC  
SEMA OP2 LLC  
SEMA OP3 LLC  
Shanghai Bell Atlantic Yellow Pages Advertising Co. Ltd.

Sherkate Sahami Khas Telephone Sazi Iran  
Sioux City MSA Limited Partnership  
Skyward IO, Inc.  
Southern Cross Cable Holdings Limited  
Southwestco Wireless, Inc.  
Springfield Cellular Telephone Company  
St. Joseph CellTelCo  
St. Lawrence Seaway RSA Cellular Partnership  
Steam Heat LLC  
Steamed Crab Partners, L.P.  
Straight Path Communications Inc.  
Straight Path Spectrum, Inc.  
Straight Path Spectrum, LLC  
Telesector Resources Group, Inc. (d/b/a Verizon Services Group)  
Terremark do Brasil Ltda.  
Terremark Latin America S.A.  
Terremark Latin America, Inc.  
Terremark North America LLC  
Terremark Technology Contractors, Inc.  
Terremark Worldwide, Inc.  
Teton Cellular of Idaho Limited Partnership  
Teton Cellular, Inc.  
Texas RSA #11B Limited Partnership  
Topeka Cellular Telephone Company, Inc.  
TradeMore Services LLC  
Tuscaloosa Cellular Partnership  
Tyler/Longview/Marshall MSA Limited Partnership  
UAB Verizon Lietuva  
UUNET Holdings Australia Pty Limited  
Ventures XXV Inc.  
Verizon (Thailand) Limited  
Verizon ABS II LLC  
Verizon ABS LLC  
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 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 Connect Australia Pty Ltd.  
Verizon Connect Canada Inc.  
Verizon Connect do Brasil Servico de Softward Ltda.  
Verizon Connect Finland Oy  
Verizon Connect Fleet USA LLC  
Verizon Connect France  
Verizon Connect Germany GmbH  
Verizon Connect Inc.  
Verizon Connect Ireland Limited  
Verizon Connect Mexico S. de R.L. de C.V.  
Verizon Connect Netherlands B.V.  
Verizon Connect New Zealand Limited  
Verizon Connect NWF Inc.  
Verizon Connect Poland Sp. Z.o.o.  
Verizon Connect Telo Australia PTY Ltd  
Verizon Connect Telo Inc.  
Verizon Connect Telo UK Limited  
Verizon Connect UK Limited  
Verizon Connected Solutions Inc.



Verizon Corporate Resources Group LLC  
Verizon Corporate Services Corp.  
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 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 2017-2  
Verizon Owner Trust 2017-3  
Verizon Owner Trust 2018-1  
Verizon Owner Trust 2018-A  
Verizon Pakistan (Private) Limited  
Verizon Panama S.A.  
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 Purchasing Holdings 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 Smart Communities LLC  
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 Telecomunicações do Brasil Ltda.  
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 Network Procurement LP  
Verizon Wireless of the East LP  
Verizon Wireless Services, LLC  
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  
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 International El Salvador, S.A. de C.V.  
Wyoming 1-Park Limited Partnership  
XCI JV, LLC  
XO Asia Limited  
XO Communications Services, LLC  
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 Company (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. (d/b/a Verizon Services Group)	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 Resources Group, Inc. exists solely to provide these services to affiliates in the Verizon corporate family.	50%	#
Verizon Long Distance LLC	Provides long distance services	100%	
<p># - Telesector Resources Group, Inc. is jointly owned by the Company and Verizon New England Inc.</p>			

### DEFINITIONS

1. Direct control is that which is exercised without interposition of an intermediary.
2. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
3. 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 20, 2018.
  
- 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
Individual Case Billing Addendum	Local/Toll	1/26/2018	
Cancel Pending Lifeline Revisions	Local/Toll	5/1/2018	
New York State Specific Lifeline Programs	Local/Toll	5/1/2018	
Concurrence of Valstar, Inc.	Local/Toll	6/11/2018	
Update New York State Specific Lifeline Programs	Local/Toll	6/14/2018	
Party Line Service Withdrawal	Local/Toll	6/15/2018	
FCC Intercarrier Compensation Reform - Reciprocal Compensation Decrease	Access	7/1/2018	
Unbundled CLEC Reciprocal Compensation Charge Decrease	Access	7/1/2018	
Individual Case Billing Addendum	Local/Toll	6/7/2018	
Serving Wire Center Information Update	Access	6/14/2018	
Update Blocking to Remove Certain NXX Blocks	Access	8/15/2018	
Update Blocking to Remove Certain NXX Blocks	Local/Toll	8/15/2018	
Serving Wire Center Information Update	Access	8/15/2018	
Individual Case Billing Addendum	Local/Toll	8/15/2018	
Business Toll Rate Increase	Local/Toll	9/1/2018	Confidential
Administrative Clean-Up Filing	Local/Toll	9/15/2018	
Directory Assistance Service Rate Increase	Local/Toll	11/1/2018	Confidential
Non-Published Service Rate Increase	Local/Toll	11/1/2018	Confidential
State Universal Surcharge Reduction	Local/Toll	12/1/2018	

Inquiry 7:

NY Labor Agreements were reached July 19, 2018 and ratified August 10, 2018 to succeed the agreements that were scheduled to expire on August 3, 2019. Effective Sunday June 24, 2018 there was a 2.5% wage increase applied to all steps of the wage scale. Management salary increases were budgeted at 3.0%.

Inquiry 8: Nothing to report

Inquiry 9: Changes in Officers.

Ronan Dunne was elected Chief Executive Officer and President, replacing Kenneth Dixon. Anthony A. Lewis was elected Vice President, replacing Leecia Eve. Vandana Venkatesh was elected Vice President, replacing Steven Tugentman. Karen Zacharia was elected Vice President.



**8. IMPORTANT CHANGES DURING THE YEAR (Continued)****Inquiry 10: Other Important Changes - None****Inquiry 11 - Change in Accounting Standards: Verizon adopted the following accounting standards.**

On 1/1/2018 ASU 2014-09, Revenue from Contracts with Customers (Topic 606) was adopted. This standard update, along with related subsequently issued updates, clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. The standard update amends current guidance for the recognition of costs to obtain and fulfill contracts with customers such that incremental costs of obtaining and direct costs of fulfilling contracts with customers will be deferred and amortized consistent with the transfer of the related good or service. The standard update intends to provide a more robust framework for addressing revenue issues; improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets; and provide more useful information to users of financial statements through improved disclosure requirements.

On 1/1/2018 ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10) was adopted. The amendments in this update make targeted improvements to GAAP by requiring most equity securities to be measured at fair value with changes in fair value recognized in net income. For investments in equity securities without readily determinable fair values, the cost method is eliminated. A practicability exception is available for investments in equity securities that do not have readily determinable fair values. These investments may be measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. This update simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates impairment exists, an entity is required to measure the investment at fair value.

On 1/1/2018 ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments was adopted. This standard update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice for these issues. This standard update requires, among other things, that cash receipts from payments on a transferor's beneficial interests in securitized trade receivables be classified as cash inflows from investing activities. The amendment relating to beneficial interests in securitization transactions impacted our presentation of collections of certain deferred purchase price from sales of wireless device payment plan agreement receivables in our consolidated statements of cash flows.

On 1/1/2018 ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash was adopted. The amendments in this update require that cash and cash equivalent balances in a statement of cash flows include those amounts deemed to be restricted cash and restricted cash equivalents.

On 1/1/2018 ASU 2017-07, Compensation - Retirement Benefits (Topic 715) was adopted. The amendments in this update require an employer to report the service cost component arising from employer sponsored pension and other postretirement plans in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost, including the recognition of prior service credits, will be presented in the consolidated statements of income separately from the service cost component and outside the subtotal of income from operations. The amendments in this update also allow only the service cost component of pension and other postretirement benefit costs to be eligible for capitalization when applicable. Verizon previously recorded service cost and other components of net periodic benefit cost in operating expenses in the consolidated statements of income. The amendments in this update allow a practical expedient that permits an employer to use the amounts disclosed in its employee benefits footnote for the prior comparative periods as the estimation basis for applying the retrospective presentation.

On 1/1/2018 ASU 2018-02, Income Statement-Reporting Comprehensive Income (Topic 220) was adopted. The amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from TCJA. The stranded tax effects result from the change in the federal tax rate for deferred taxes recorded to Accumulated other comprehensive income. This standard update is effective as of the first quarter of 2019; however, early adoption is permitted. Verizon has elected to early adopt this update effective January 1, 2018 and record the effects of adoption at the beginning of the period of adoption.

**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	\$784,006,011			\$784,006,011	\$780,942,325	\$3,063,686
2	Network Access Services	2,093,166,901			\$2,093,166,901	30,907,911	\$2,062,258,991
3	Long Distance Network Serv.	51,937,186			\$51,937,186	48,752,537	\$3,184,649
4	Miscellaneous	249,307,110	0		\$249,307,110	167,899,890	\$81,407,220
5	Settlements	192,552			\$192,552	192,552	\$0
6	Nonregulated Revenues	1,270,323,078	1,270,323,078		0	0	\$0
7	Subtotal	4,448,932,838	1,270,323,078	0	3,178,609,760	1,028,695,215	2,149,914,545
8	Uncollectibles	24,341,802	1,334,783		\$23,007,019	15,214,723	\$7,792,296
9	Total Operating Revenues	4,424,591,036	1,268,988,295	0	3,155,602,741	1,013,480,492	2,142,122,249
<b>Operating Expenses</b>							
10	Plant Specific	2,344,640,270	1,009,260,980		1,335,379,290	906,200,017	\$429,179,273
11	Plant Non-specific	685,068,990	88,141,567		596,927,423	391,436,123	\$205,491,300
12	Marketing	299,219,140	49,026,969		250,192,171	161,490,851	\$88,701,320
13	Customer Operations Services	295,890,792	20,983,439		274,907,353	197,058,914	\$77,848,439
14	Access	94,347,258	0		94,347,258	45,273,852	\$49,073,405
15	Corporate Operations	796,044,722	80,907,597		715,137,124	483,192,261	231,944,863
16	Subtotal	4,515,211,172	1,248,320,553	0	3,266,890,619	2,184,652,018	1,082,238,600
17	Depreciation & Amortization	1,056,317,308	35,205,932		1,021,111,377	664,449,901	\$356,661,476
18	Total Operating Expenses	5,571,528,480	1,283,526,485	0	4,288,001,995	2,849,101,919	1,438,900,076
19	Net Operating Revenues	(1,146,937,444)	(14,538,190)	0	(1,132,399,254)	(1,835,621,427)	703,222,173
<b>Operating Taxes</b>							
20	Operating FIT	(681,357,321)	(15,056,149)		(666,301,172)	(845,021,510)	\$178,720,339
21	Deferred Operating FIT-Net	409,531,121	9,049,527		400,481,594	507,901,795	(\$107,420,201)
22	Operating Investment Tax				0		\$0
22	Credit - Amort (Option 2)	0	0		0	0	0
23	Total Federal Income Taxes	(271,826,200)	(6,006,622)	0	(265,819,578)	(337,119,715)	71,300,137
24	Other Operating Taxes	326,235,979	14,706,097		311,529,883	189,147,746	122,382,136
25	Total Operating Taxes	54,409,780	8,699,475	0	45,710,305	(147,971,969)	193,682,274
26	Other Operating Income and Expenses	13,808,590	453,281	0	13,355,309	8,771,424	4,583,886
27	Net Operating Income*	(1,187,538,634)	(22,784,384)	0	(1,164,754,250)	(1,678,878,035)	514,123,785
28	Rate Case Adj, if applicable					222,882,233	
29	Net Operating Income after Rate Case Adj	(\$1,187,538,634)	(\$22,784,384)	\$0	(\$1,164,754,250)	(\$1,455,995,802)	\$514,123,785

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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	\$30,208,524,865	\$1,007,666,497	\$0	\$29,200,858,367	\$18,693,250,767	\$10,507,607,600
2	Noninterest Bearing Telephone Plant under Construction	887,942,654	95,676,709	0	\$792,265,945	652,723,369	\$139,542,576
3	Telephone Plant Held for Future Use	0	0	0	0	0	0
4	Materials and Supplies	5,486,651	676,466	0	\$4,810,185	3,709,700	\$1,100,485
5	Prepayments	32,881,098	0		\$32,881,098	5,378,825	\$27,502,272
6	Cash Working Capital *	183,073,839	0		\$183,073,839	183,073,839	0
7	RTB Stock	0	0		0	0	0
8	Other Rate Base Adjustments, If Applicable	0	0		(\$270,641)	(270,641)	0
9	Unamortized Deferrals	0	0		0	0	0
10	Depreciation Reserve	20,060,932,827	257,542,256		\$19,803,390,571	12,630,846,204	\$7,172,544,367
11	Amortization Reserve	20,878,996	2,173,336	0	\$18,705,659	16,099,355	\$2,606,304
12	Accumulated Deferred Income Taxes	779,420,837	138,858,499		\$640,562,338	147,475,168	\$493,087,171
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)	0	0		0	0	0
14	Rate Base (Lines 1-9 minus lines 10-13)	\$10,456,676,447	\$705,445,581	\$0	\$9,750,960,225	\$6,743,445,134	\$3,007,515,091

\* 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>(\$1,455,995,802)</u>
2	Rate Base	\$ <u>9,750,960,225</u>	\$ <u>\$6,743,445,134</u>
3	Rate of Return	<u>0</u>	<u>-21.59%</u>
4	Return on Common Equity	<u>0</u>	<u>60.33%</u>
5	Required Additional Revenues *	\$ <u>0%</u>	\$ <u>(58,807,199)</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	\$			
7	Notes Payable				
8	Customer Deposits				
9	Preferred Stock				
10	Common Equity				
11	Total	\$ 0	0.00%		

**Capital Structure used for Intrastate\***

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 8,220,998	150.38%	7.74%	11.63%
13	Notes Payable	273,348	5.00%	3.64%	0.18%
14	Customer Deposits	0	0.00%	0.00%	0.00%
15	Preferred Stock	0	0.00%	0.00%	0.00%
16	Common Equity	(3,027,388)	-55.38%	60.33%	-33.41%
	Total	\$ 5,466,958	100.00%		-21.59%

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	--	522,395,648	542,406,227	(20,010,579)
6	1181	--	11,878,275	5,048,551	6,829,724
7	1190.1	--	449,626,134	340,003,114	109,623,021
8	1190.2	--	4,415,933	(9,554,189)	13,970,121
9	1191	--	7,133,233	7,305,486	(172,253)
10	1200.1	--	0	0	0
11	1200.2	--	0	0	0
12	1201	37	0	0	0
13	1210	--	0	0	0
14	1220	--	5,486,651	5,917,080	(430,429)
15	1290	--	0	0	0
16	1300	--	32,881,098	23,123,014	9,758,084
17	1310	--	0	0	0
18	1320	--	0	0	0
19	1330	--	\$0	\$0	(0)
20	1350	--	\$27,776,646	\$24,937,783	2,838,863
21	1360	38-39	0	\$0	0
22	Total Current Assets		1,023,570,600	914,478,991	109,091,609
<b>NONCURRENT ASSETS</b>					
23	1401.1	41-42	524,324,863	651,103,992	(126,779,129)
24	1401.2	43-44	0	0	0
25	1402	43-44	50,000	50,000	0
26	1406	45	0	0	0
27	1407	47-48	725,053	766,502	(41,449)
28	1408	--	0	0	0
29	1410	--	7,157,806	10,251,255	(3,093,448)
30	1438	--	0	0	0
31	1439	46	55,845,454	52,608,613	3,236,841
32	1500	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
33	1510	--	0	0	0
34	Total Noncurrent Assets		588,103,176	714,780,362	(126,677,185)
<b>REGULATED PLANT</b>					
35	2001	24-25	31,195,203,550	30,164,087,832	1,031,115,717
36	2002	24-25	0	0	0
37	2003	24-25	0	0	0
38	2004	24-25	887,942,654	762,389,864	125,552,790
39	2005	24-25	0	0	0
40	2006	24-25	46,887,247	151,877,033	(104,989,786)
41	2007	24-25	0	0	0
42	Total Telecommunications Plant		32,130,033,451	31,078,354,730	1,051,678,722
43	3100-3300	32-33	20,060,932,827	19,272,766,538	788,166,289
44	3410-3600	32-33	1,007,557,681	975,202,385	32,355,296
45	Net Telecommunications Plant		11,061,542,944	10,830,385,806	231,157,137
46	<b>TOTAL ASSETS AND OTHER DEBITS</b>		<b>\$12,673,216,720</b>	<b>\$12,459,645,160</b>	<b>\$213,571,561</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	--	\$726,983,388	\$514,511,344	\$212,472,044
2	4010.2	--	105,597,526	85,035,734	20,561,792
3	4020.1	--	8,443,981,020	6,912,776,594	1,531,204,426
4	4020.2	--	0	0	0
5	4030	--	99,559,530	226,867,009	(127,307,479)
6	4040	--	3,945,442	852,042	3,093,400
7	4050	47-48	0	0	0
8	4060	--	449,322	685,261	(235,939)
9	4070	--	(99,052,384)	(137,843,531)	38,791,147
10	4080	--	6,750,393	18,546,511	(11,796,118)
11	4100	38-40	0	0	0
12	4110	38-40	0	0	0
13	4120	--	188,829,076	169,015,535	19,813,542
14	4130	--	221,854,568	338,031,813	(116,177,244)
15	Total Current Liabilities		9,698,897,881	8,128,478,311	1,570,419,569
<b>LONG-TERM DEBT</b>					
16	4210	47-48	158,865,000	158,865,000	0
17	4220	47-48	0	0	0
18	4230	47-48	(1,028,321)	(1,087,345)	59,024
19	4240	--	0	0	0
20	4250	--	1,230,088	1,700,423	(470,335)
21	4260	47-48	0	0	0
22	4270	47-48	0	0	0
23	Total Long-Term Debt		159,066,767	159,478,078	(411,311)
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>					
24	4310	49	4,889,038,253	6,091,877,210	(1,202,838,957)
25	4320	38-40	0	0	0
26	4330	38-40	0	0	0
27	4340	38-40	779,420,836	495,827,830	283,593,006
28	4350	38-40	7,164,339	(73,305,152)	80,469,491
29	4360	49	145,005,047	160,028,479	(15,023,433)
30	4370	--	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
31	Total Other Liabilities and Def. Credits		5,820,628,475	6,674,428,368	(853,799,893)
<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	9,096,047,926	9,096,695,393	(647,467)
35	4530	36	0	0	0
36	4540	--	0	0	0
37	4550.1	20-21	0	0	0
38	4550.2	20-21	462,535,149	587,159,892	(124,624,743)
39	4550.3	20-21	(12,564,959,488)	(12,187,594,891)	(377,364,597)
40	Total Stockholders' Equity		(3,005,376,403)	(2,502,739,595)	(502,636,807)
41	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>\$12,673,216,720</b>	<b>\$12,459,645,160</b>	<b>\$213,571,558</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	\$4,424,591,036	\$4,986,070,423
2	Operating Expenses.....	53-55	5,571,528,480	7,578,159,191
3	Net Operating Revenues		(1,146,937,444)	(2,592,088,768)
	<b>OTHER OPERATING INCOME AND EXPENSE</b>			
4	7110 Income from Custom Work.....	--	0	462
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.....	--	13,808,590	(1,888,796)
8	7160 Other Operating Gains and Losses.....	--	0	24,509
9	Total Other Operating Income and Expenses		13,808,590	(1,863,825)
	<b>OPERATING TAXES</b>			
10	7210 Operating Investment Tax Credits-Net.....	38-40	0	(5,730,894)
11	7220 Operating Federal Income Taxes.....	56-57	(681,357,321)	(1,079,769,833)
12	7230 Operating State and Local Income Taxes.....	56-57	(3,483,261)	(3,199,725)
13	7240 Operating Other Taxes.....	56-57	341,763,442	433,685,912
14	7250 Provision for Deferred Operating Income Taxes-Net.....	38-40	397,486,920	(293,388,741)
15	Total Operating Taxes		54,409,780	(948,403,281)
16	Net Operating Income		(1,187,538,634)	(1,645,549,312)
	<b>NONOPERATING INCOME AND EXPENSES</b>			
17	7310 Dividend Income.....	--	0	0
18	7320 Interest Income.....	--	23,341	141,699
19	7330 Income from Sinking and Other Funds.....	--	0	0
20	7340 Allowance for Funds Used During Construction.....	--	29,797,656	10,568,131
21	7350 Gains or Losses from the Disposition of Certain Property.....	--	0	0
22	7355 Equity in Earnings of Affiliated Companies.....	41-42	275,375,257	218,576,267
23	7360 Other Nonoperating Income.....	--	1,047,662,033	(114,448,384)
24	7370 Special Charges.....	--	6,512,438	8,087,551
25	Total Nonoperating Income Items and Expenses		1,346,345,848	106,750,162
	<b>NONOPERATING TAXES</b>			
26	7410 Nonoperating Investment Tax Credits-Net (-).....	38-40	0	0
27	7420 Nonoperating Federal Income Taxes.....	56-57	16,743,609	\$36,479,434
28	7430 Nonoperating State and Local Income Taxes.....	56-57	(70,838,439)	(80,780,224)
29	7440 Nonoperating Other Taxes.....	56-57	36,390,000	4,650,000
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	38-40	54,031,914	(48,638,030)
31	Total Nonoperating Taxes		36,327,084	(88,288,819)
32	Total Nonoperating Income		1,310,018,764	195,038,981
33	Income Available for Fixed Charges		122,480,130	(1,450,510,331)
	<b>INTEREST AND RELATED ITEMS</b>			
34	7510 Interest on Funded Debt.....	47-48	11,471,053	19,805,362
35	7520 Interest Expense-Capital Leases.....	--	138,880	181,398
36	7530 Amortization of Debt Issuance Expense.....	47-48	41,449	306,041
37	7540 Other Interest Deductions.....	61	326,417,943	206,646,491
38	Total Interest and Related Items		338,069,324	226,939,292
39	Income Before Extraordinary Items		(215,589,194)	(1,677,449,623)

**12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)**

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		(\$215,589,194)	(\$1,677,449,623)
<b>RETAINED EARNINGS</b>				
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..		(\$12,187,594,891)	(\$11,043,496,847)
50	4550.4 Balance Transferred from Income.....		(490,964,451)	(1,896,025,891)
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	(113,599,854)	(751,927,847)
55	Net Change to Unappropriated Retained Earnings		(377,364,597)	(1,144,098,044)
56	4550.3 Unappropriated Retained Earnings (End of Period).....		(12,564,959,488)	(12,187,594,891)
57	4550.1 Appropriated Retained Earnings (End of Period).....			
58	Total Retained Earnings		(\$12,564,959,488)	(\$12,187,594,891)
<b>UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS</b>				
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....		\$587,159,892	\$368,583,625
60	Equity in Earnings for Period.....	41-42	275,375,257	218,576,267
61	Dividends Received.....	41-42	400,000,000	0
62	Other Changes (explain).....	50	0	0
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$462,535,149	\$587,159,892

**NOTES TO INCOME AND RETAINED EARNINGS STATEMENT**

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 \$\_\_\_\_\_

<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	(\$215,589,194)	(\$1,677,449,623)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	1,023,457,655	998,305,019
3	Amortizations	32,859,654	36,196,843
4	Increase (Decrease) in deferred taxes and investment tax credits-net	397,486,920	(299,119,634)
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	(112,451,364)	108,725,670
7	Decrease (Increase) in inventory related to operations	430,429	643,107
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	242,737,723	(253,042,311)
9	Unbilled revenues	(8,815,530)	(13,137,060)
10	Increase (Decrease) in current income taxes and other taxes payable	26,995,029	(45,852,091)
11	Increase (Decrease) in interest payable	10,109,655	5,914,561
12	Equity in loss(earnings) of affiliates	(275,375,257)	(218,576,267)
13	Dividends received from associated and subsidiary companies accounted for under the equity method	400,000,000	0
	Other Adjustments:		
14	Employee Benefit Obligations	153,371,166	1,956,120,503
15	Provision for losses for Accounts Receivables	24,341,802	28,068,330
16	Other	(1,749,372,642)	(2,374,172,288)
17	Total Adjustments	165,775,240	(69,925,618)
18	Net cash provided by (used in) operating activities	(49,813,954)	(1,747,375,241)
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(1,148,621,435)	(1,281,997,787)
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	(64,832,897)	78,789,133
28	Total cash outflows for construction	(1,213,454,332)	(1,203,208,654)
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	20,711,662	4,109,592
34	Investments in subsidiary & associated companies		
35	Other debt and equity investments		
36	Other non-current assets		
	Other:	(893,915)	(91,144)
37			
38			
39	Total of any Insert Pages		
40	Net cash provided by (used in) investing activities	(1,193,636,585)	(1,199,190,205)

**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)	1,530,968,487	2,343,186,081
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases	(470,335)	(704,736)
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)	0	(156,315,000)
	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	(141,370,653)	(303,836)
56	Loss on Debt Extinguishment	0	(12,284,307)
57			
58	Equity AOCI-EBO	(145,676,959)	772,987,245
59	Net cash provided by (used in) financing activities	1,243,450,539	2,946,565,447
60	Net increase(decrease) in cash and cash equivalents	0	(0)
61	Cash & cash equivalents at the beginning of the year	0	0
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	\$54,617,559		\$3,731,616		\$146,256	(\$0)	\$58,202,919
2	2112 Motor Vehicles	\$110,991,841		\$19,573		\$14,337,753	(\$0)	96,673,661
3	2113 Aircraft	\$0		\$0		\$0	\$0	0
4	2114 Special Purpose Vehicles	\$171,458,226		\$12,700,008		\$1,288,840	\$0	182,869,394
5	2115 Garage Work Equipment	\$0		\$0		\$0	\$0	0
6	2116 Other Work Equipment	\$0		\$0		\$0	\$0	0
7	2121 Buildings	\$3,030,633,394		\$107,908,061		\$6,593,701	\$9,367,313	3,141,315,066
8	2122 Furniture	\$5,285,361		\$0		\$0	(\$47)	5,285,314
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	\$48,216,624		\$7,941		\$2,601,601	(\$125,161)	45,497,803
13	<b>Total General Support Assets</b>	<b>\$3,427,202,260</b>	<b>\$0</b>	<b>\$124,367,199</b>	<b>\$0</b>	<b>\$24,968,151</b>	<b>\$9,242,105</b>	<b>\$3,535,843,412</b>
<b>Central Office Assets</b>								
14	2211 Analog Electronic Switching	\$6,062		\$0		1,293.00	(\$1,936,393)	(\$1,931,623)
15	2212 Digital-Electronic Switching	\$3,120,478,882		\$31,262,255		49,380,995.00	\$1,525,322	3,103,885,464
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	\$18,517,698		\$2,522		7,725.00	(\$70,008)	18,442,487
21	2231 Radio Systems	\$0		\$0		-	\$0	0
22	.1 Satellite & Earth Station Facilities	\$0		\$0		-	\$0	0
23	.2 Other Radio Facilities	\$1,542,422		\$0		-	\$0	1,542,422
24	2232 Circuit Equipment	\$7,494,861,932		\$458,279,970		140,764,188.00	(\$69,315,550)	7,743,062,164
25	<b>Total Central Office Assets</b>	<b>\$10,635,406,996</b>	<b>\$0</b>	<b>\$489,544,747</b>	<b>\$0</b>	<b>\$190,154,201</b>	<b>(\$69,796,629)</b>	<b>\$10,865,000,913</b>

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	\$183,075,756		\$481,874		\$1,920,622	(\$2,171,499)	179,465,509
31	<b>Total Information Org./Term. Assets</b>	\$193,956,523	\$0	\$481,874	\$0	\$1,920,622	(\$2,171,499)	\$190,346,276
	<b>Cable and Wire Facilities</b>							
32	2411 Poles	\$864,948,742		27,002,593		9,820,420	\$185,516,773	\$1,067,647,688
33	2421 Aerial Cable	\$6,370,186,120		186,727,443		-	\$3,626,530	6,560,540,094
34	2422 Underground Cable	\$2,715,875,613		77,836,235		-	(\$3,141,958)	2,790,569,889
35	2423 Buried Cable	\$1,322,200,160		34,139,079		-	(\$589,803)	1,355,749,437
36	2424 Submarine Cable	\$5,020,239		-		-	\$0	5,020,239
37	2425 Deep Sea Cable	\$0		-		-	\$0	0
38	2426 Intrabuilding Network Cable	\$1,403,790,149		151,628,917		-	(\$1,009,617)	1,554,409,449
39	2431 Aerial Wire	\$0		-		-	\$0	0
40	2441 Conduit	\$2,133,088,277		48,876,745		314	(\$8,041,996)	2,173,922,711
41	<b>Total Cable and Wire Facilities</b>	\$14,815,109,299	\$0	\$526,211,012	\$0	\$9,820,734	\$176,359,929	\$15,507,859,507
	<b>Amortizable Assets</b>							
42	2681 Capital Leases	\$21,525,583		-		\$0	\$0	\$21,525,583
43	2682 Leasehold Improvements	\$213,055,502		2,274,909		\$687,816	(\$8,131)	214,634,464
44	2690 Intangibles	\$857,831,669		5,741,694		\$0	(\$3,579,969)	859,993,394
45	<b>Total Amortizable Assets</b>	\$1,092,412,754	\$0	\$8,016,603	\$0	\$687,816	(\$3,588,100)	\$1,096,153,441
46	<b>Total Telecommunications Plant in Service</b>	\$30,164,087,832	\$0	\$1,148,621,435	\$0	\$227,551,524	\$110,045,806	\$31,195,203,550
47	2002 Property Held for Future Telecom. Use	\$0		\$0		\$0	\$0	\$0
48	2003 Telecom. Plt. Under Constr.-Short Term							0
49	2004 Telecom. Plt. Under Constr.-Long Term	\$762,389,864		\$53,823,253		\$0	\$71,729,537	887,942,654
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	\$151,877,033		\$0		\$0	(\$104,989,786)	46,887,247
54	2007 Goodwill	\$0		\$0		\$0	\$0	0
55	<b>Total Telecommunications Plant</b>	\$31,078,354,730	\$0	\$1,202,444,688	\$0	\$227,551,524	\$76,785,557	\$32,130,033,451

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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)	
				Amount		Account No.	Amount			Account No.	Amount	Account No.	Amount
1	NY Sold to NJ	211201	393	226			167						167
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
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26													
27													
28													
29													
30													
	NY tagged Assets to Affiliates		393	226			167						167

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 DE	223209	677	99			579					579
2	CT Sold to MA	221201	21,028	16,784			4,244					4,244
3	CT Sold to MA	223202	6,630	4,982			1,648					1,648
4	CT Sold to MA	223209	1,608	410			1,198					1,198
5	CT Sold to MD	223202	56	0			56					56
6	CT Sold to MD	223209	3,431	1,602			1,829					1,829
7	CT Sold to NJ	223202	2,016	915			1,102					1,102
8	CT Sold to NJ	223209	4,276	1,966			2,311					2,311
9	CT Sold to PA	223209	6,406	1,811			4,595					4,595
10	CT Sold to VA	223202	1,179	314			865					865
11	CT Sold to VA	223209	2,515	1,788			727					727
12	NY Sold to DC	221201	168,993	156,065			12,928					12,928
13	NY Sold to DC	221202	13,225	11,590			1,635					1,635
14	NY Sold to DC	223201	2,342	2,342			-					-
15	NY Sold to DC	223202	250,133	123,706			126,427					126,427
16	NY Sold to DC	223209	249,252	81,308			167,945					167,945
17	NY Sold to DE	221201	164,617	120,775			43,842					43,842
18	NY Sold to DE	221202	50,336	32,715			17,621					17,621
19	NY Sold to DE	223202	127,938	73,793			54,145					54,145
20	NY Sold to DE	223208	2,004	2,004			-					-
21	NY Sold to DE	223209	326,710	147,214			179,495					179,495
22	NY Sold to DE	236201	77	76			1					1
23	NY Sold to FL	223202	39,967	31,230			8,738					8,738
24	NY Sold to FL	223208	26,764	22,534			4,229					4,229
25	NY Sold to MA	221201	638,967	567,816			71,150					71,150
26	NY Sold to MA	221202	87,485	56,361			31,124					31,124
27	NY Sold to MA	223201	5,483	2,089			3,394					3,394
28	NY Sold to MA	223202	1,931,907	1,274,607			657,299					657,299
29	NY Sold to MA	223208	225,465	143,179			82,286					82,286
30	NY Sold to MA	223209	1,035,022	387,319			647,703					647,703
31	NY Sold to MA	236201	3,967	2,156			1,811					1,811
32	NY Sold to MD	221201	778,193	735,049			43,144					43,144
33	NY Sold to MD	221202	41,322	23,624			17,698					17,698
34	NY Sold to MD	223201	17,127	16,810			317					317
35	NY Sold to MD	223202	1,013,224	750,624			262,600					262,600
36	NY Sold to MD	223208	296,624	176,286			120,339					120,339
37	NY Sold to MD	223209	1,993,275	693,180			1,300,095					1,300,095
38	NY Sold to MD	236201	427	226			200					200
39	NY Sold to MD	223101	904	904			-					-

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 NJ	221201	978,073	940,278			37,795					37,795
2	NY Sold to NJ	221202	120,457	61,503			58,954					58,954
3	NY Sold to NJ	222001	6,732	6,732			-					-
4	NY Sold to NJ	223201	5,942	5,862			80					80
5	NY Sold to NJ	223202	2,509,804	1,537,156			972,647					972,647
6	NY Sold to NJ	223208	114,781	92,618			22,164					22,164
7	NY Sold to NJ	223209	2,801,104	1,147,536			1,653,568					1,653,568
8	NY Sold to NJ	236201	563	212			351					351
9	NY Sold to NJ	223203	1,505	1,505			-					-
10	NY Sold to PA	221201	1,028,152	921,037			107,116					107,116
11	NY Sold to PA	221202	169,603	74,691			94,912					94,912
12	NY Sold to PA	222001	690	361			329					329
13	NY Sold to PA	223201	14,509	13,184			1,325					1,325
14	NY Sold to PA	223202	2,810,644	1,405,086			1,405,558					1,405,558
15	NY Sold to PA	223208	99,841	78,052			21,789					21,789
16	NY Sold to PA	223209	4,058,839	1,469,467			2,589,372					2,589,372
17	NY Sold to PA	236201	14,009	5,770			8,239					8,239
18	NY Sold to PA	223203	2,535	2,330			205					205
19	NY Sold to RI	221201	162,662	150,328			12,335					12,335
20	NY Sold to RI	223202	166,027	98,165			67,862					67,862
21	NY Sold to RI	223208	42,247	19,986			22,261					22,261
22	NY Sold to RI	223209	525,481	166,554			358,926					358,926
23	NY Sold to RI	236201	776	775			1					1
24	NY Sold to TX	223202	3,513	951			2,562					2,562
25	NY Sold to TX	223208	7,731	7,731			-					-
26	NY Sold to TX	223209	31,822	26,801			5,022					5,022
27	NY Sold to VA	221201	659,175	586,451			72,724					72,724
28	NY Sold to VA	221202	680,325	260,797			419,528					419,528
29	NY Sold to VA	223201	11,918	11,918			-					-
30	NY Sold to VA	223202	1,528,897	1,014,323			514,575					514,575
31	NY Sold to VA	223208	124,664	93,603			31,062					31,062
32	NY Sold to VA	223209	3,388,823	1,169,732			2,219,091					2,219,091
33	NY Sold to VA	236201	1,958	1,583			375					375
34	NY Sold to IL	223202	1,560	1,560			-					-
35	CT Sold to DC	223209	505	61			444					444
36	CT Sold to RI	223209	359	192			167					167
37	NY Sold to CO	221201	969	969			-					-
38	NY Sold to CO	222001	2,781	1,186			1,595					1,595
39	NY COE Sales to Affiliates		31,621,552	17,043,298			14,578,254					14,578,254

**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).
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Line No.	Name of Affiliate (a)	Account No. (b)	Original Cost (c)	Accumulated Depreciation (d)	Other Adjustments (e)		Net Book Value (f)	FMV or Tarified Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1												
2	NY Purchased from NY	268201	15,658	5,779			9,880					9,880
3												
4												
5												
6												
7												
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28												
29												
30												
31	NY tagged Assets Purchased from Affiliates		15,658	5,779			9,880					9,880
Notes:												
223-88												

## 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).
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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 Purchased from DC	223209	850	248			602					602
2	CT Purchased from DE	223209	560	422			138					138
3	CT Purchased from MA	221201	6,433	5,893			540					540
4	CT Purchased from MA	223202	3,812	2,838			974					974
5	CT Purchased from MA	223209	1,883	794			1,089					1,089
6	CT Purchased from MD	221201	9,218	5,326			3,892					3,892
7	CT Purchased from MD	223202	75	73			3					3
8	CT Purchased from MD	223209	2,586	840			1,746					1,746
9	CT Purchased from NJ	221201	13,738	4,562			9,177					9,177
10	CT Purchased from NJ	223209	11,809	4,676			7,133					7,133
11	CT Purchased from PA	221201	1,409	1,409			-					-
12	CT Purchased from PA	223202	41,594	14,024			27,570					27,570
13	CT Purchased from PA	223209	58,106	14,736			43,369					43,369
14	CT Purchased from VA	223202	13,155	12,977			178					178
15	CT Purchased from VA	223209	4,046	1,551			2,495					2,495
16	NY Purchased from DC	221201	2,564	1,918			646					646
17	NY Purchased from DC	221202	788	317			471					471
18	NY Purchased from DC	223202	7,004	3,266			3,738					3,738
19	NY Purchased from DC	223209	120,099	33,187			86,912					86,912
20	NY Purchased from DE	221201	790	6			784					784
21	NY Purchased from DE	223202	8,306	922			7,384					7,384
22	NY Purchased from DE	223209	252,950	158,552			94,398					94,398
23	NY Purchased from MA	221201	1,810,557	1,698,092			112,465					112,465
24	NY Purchased from MA	223201	33,577	33,178			399					399
25	NY Purchased from MA	223202	2,172,063	1,530,486			641,577					641,577
26	NY Purchased from MA	223208	210,842	154,093			56,749					56,749
27	NY Purchased from MA	223209	1,469,691	886,156			583,534					583,534
28	NY Purchased from MA	236201	13,145	6,557			6,589					6,589
29	NY Purchased from MD	221201	619,013	568,257			50,756					50,756
30	NY Purchased from MD	221202	85,623	58,014			27,609					27,609
31	NY Purchased from MD	223201	34,622	5,575			29,048					29,048
32	NY Purchased from MD	223202	771,952	493,193			278,759					278,759
33	NY Purchased from MD	223203	2,328	2,275			53					53
34	NY Purchased from MD	223208	56,774	51,071			5,703					5,703
35	NY Purchased from MD	223209	1,409,929	842,641			567,288					567,288
36	NY Purchased from MD	236201	128	13			115					115
37	NY Purchased from NJ	221201	1,082,887	998,049			84,838					84,838
38	NY Purchased from NJ	221202	101,471	74,391			27,080					27,080
39	NY Purchased from NJ	223201	4,272	4,272			-					-
40	NY Purchased from NJ	223202	1,181,052	606,959			574,093					574,093
41												

**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 NJ	223203	4,131	4,131			-					-
2	NY Purchased from NJ	223208	97,575	58,609			38,966					38,966
3	NY Purchased from NJ	223209	2,657,957	1,393,903			1,264,054					1,264,054
4	NY Purchased from NJ	236201	1,196	945			251					251
5	NY Purchased from PA	221201	1,123,716	974,761			148,955					148,955
6	NY Purchased from PA	221202	19,292	16,634			2,658					2,658
7	NY Purchased from PA	223201	9,073	6,836			2,237					2,237
8	NY Purchased from PA	223202	2,891,437	2,126,246			765,191					765,191
9	NY Purchased from PA	223203	2,500	2,285			215					215
10	NY Purchased from PA	223208	109,069	90,930			18,140					18,140
11	NY Purchased from PA	223209	2,112,804	1,108,869			1,003,935					1,003,935
12	NY Purchased from PA	236201	2,825	645			2,179					2,179
13	NY Purchased from RI	221201	2,243	2,189			54					54
14	NY Purchased from RI	223202	88,176	42,182			45,994					45,994
15	NY Purchased from RI	223208	14,116	6,907			7,209					7,209
16	NY Purchased from RI	223209	238,544	99,349			139,195					139,195
17	NY Purchased from TX	223202	128,939	42,789			86,150					86,150
18	NY Purchased from VA	221201	770,426	666,791			103,635					103,635
19	NY Purchased from VA	221202	64,636	30,066			34,569					34,569
20	NY Purchased from VA	223201	288	288			-					-
21	NY Purchased from VA	223202	1,460,574	841,012			619,562					619,562
22	NY Purchased from VA	223203	3,062	2,273			788					788
23	NY Purchased from VA	223208	95,820	65,167			30,653					30,653
24	NY Purchased from VA	223209	2,133,306	1,181,882			951,424					951,424
25	NY Purchased from VA	236201	9,988	766			9,222					9,222
26	CT Purchased from NY	211201	19,573	19,573			-					-
27	CT Purchased from NY	211402	175,398	175,398			-					-
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40	NY COE Purchases from Affiliates		25,858,360	17,243,232			8,615,128					8,615,128

**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	\$103,076,449	\$5,052,538		19,573
2	2113 Aircraft	\$0	\$0		
3	2114 Special Purpose Vehicles	\$111,788,441	\$9,080,573		175,398
4	2115 Garage Work Equipment	\$0	\$0		
5	2116 Other Work Equipment	\$0	\$0		
6	2121 Buildings	\$1,662,211,423	\$151,453,062		70,172
7	2122 Furniture	\$3,312,107	\$342,001		
8	2123 Office Equipment	\$0	\$0		
9	.1 Office Support Equipment	\$3,492,600	\$0		
10	.2 Company Communications Equipment	\$2,309,952	\$1,641		
11	2124 General Purpose Computers	\$47,994,485	\$157,007		
12	Total General Support Assets	1,934,185,457	166,086,824	0	265,143
	Central Office Assets				
13	2211 Analog Electronic Switching	\$4,813	\$0		1,092
14	2212 Digital Electronic Switching	\$3,010,304,820	\$29,273,863		
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	\$18,175,355	\$126,118		
20	2231 Radio Systems		\$162		\$1,545,396
21	.1 Satellite and Earth Station Facilities	\$0	\$0		
22	.2 Other Radio Facilities	\$1,545,396	\$0		
23	2232 Circuit Equipment	\$5,546,453,867	\$383,074,947		
24	Total Central Office Assets	8,576,484,251	412,475,090	0	1,546,488
	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.	\$10,861,750	\$19,651		
28	2362 Other Terminal Equipment	\$173,574,710	\$4,087,598		
29	Total Information Orig/Termination Assets	184,436,461	4,107,249	0	0
	Cable and Wire Facilities Assets				
30	2411 Poles	\$557,726,980	\$85,992,737		
31	2421 Aerial Cable	\$3,735,658,075	\$159,315,779		
32	2422 Underground Cable	\$1,998,881,468	\$71,691,742		
33	2423 Buried Cable	\$745,342,971	\$37,239,289		
34	2424 Submarine Cable	\$5,038,667	\$1,742		
35	2425 Deep Sea Cable	\$0	\$0		
36	2426 Intrabuilding Network Cable	\$468,931,371	\$43,290,969		
36	2431 Aerial Wire	\$0	\$0		
37	2441 Conduit Systems	\$1,066,080,836	\$43,256,233		
38	Total Cable and Wire Facilities Assets	8,577,660,369	440,788,492	0	0
39	3100 Other - Explain	\$0	\$0		
40	3100 Other - Explain	\$0	\$0		
41	3100 Total Accumulated Depreciation - TPIS	19,272,766,538	1,023,457,654	0	1,811,631
42	3200 Held for Future Communications Use	\$0	\$0		
43	3300 Nonoperating	\$0	\$0		
44	Total Accumulated Depreciation	19,272,766,538	1,023,457,654	0	1,811,631
45	3410 Capital Leases	\$18,783,851	\$1,038,081		\$1,057,064
46	3420 Leasehold Improvements	\$137,512,534	\$17,848,400		349,800
47	Accumulated Amortization - Tangible	156,296,386	18,886,481	0	1,406,864
48	3500 Accumulated Amortization - Intangible	\$818,905,999	\$13,973,173		
49	3600 Accumulated Amortization - Other	\$0	\$0		
50	Total Accumulated Amortization	975,202,385	32,859,654		1,406,864
51	Total Accumulated Depreciation & Amortization	\$20,247,968,923	\$1,056,317,308	\$0	\$3,218,495

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	\$14,187,206			\$93,961,355
2	\$0	\$0			\$0
3	\$0	\$1,108,243			\$119,936,169
4	\$0	\$0			\$0
5	\$0	\$0			\$0
6	\$0	\$5,041,316			\$1,808,693,341
7	\$0	\$0			\$3,654,109
8	\$0	\$0			\$0
9	\$0	\$0			\$3,492,600
10	\$0	\$0			\$2,311,594
11	\$0	\$2,600,716		\$122,331	\$45,428,445
12	0	22,937,481		122,331	2,077,477,612
13	\$0	\$1,293			\$4,613
14	\$0	\$47,536,615		\$278,002	\$2,991,764,067
15	\$0	\$0			\$0
16	\$0	\$0			\$0
17	\$0	\$0			\$0
18	\$0	\$0			\$0
19	\$0	\$7,725		\$69,678	\$18,224,070
20	\$0	\$0			\$1,545,557
21	\$0	\$0			\$0
21	\$0	\$0		\$1,545,396	\$0
23	\$0	\$110,479,035		\$28,494,675	\$5,790,555,104
24	0	158,024,668		30,387,750	8,802,093,411
25	\$0	\$0			\$0
26	\$0	\$0			\$0
27	\$0	\$0			\$0
28	\$0	\$0			\$10,881,401
28	\$0	\$1,842,848		\$983,816	\$174,835,644
29	0	1,842,848	0	983,816	185,717,046
30	\$0	\$7,114,368		\$2,945,844	\$633,659,506
31	\$0	\$2,384,408		\$5,617,614	\$3,886,971,832
32	\$0	\$1,256,818		\$1,885,140	\$2,067,431,252
33	\$0	\$247,274		\$342,529	\$781,992,458
35	\$0	\$0			\$5,040,408
34	\$0	\$0			\$0
35	\$0	\$359,867		\$649,750	\$511,212,724
36	\$0	\$0		\$0	\$0
37	\$0	\$290		\$201	\$1,109,336,579
38	0	11,363,024	0	11,441,079	8,995,644,758
39	\$0	\$0			\$0
40	\$0	\$0			\$0
41	0	194,168,021	0	42,934,976	20,060,932,827
42	\$0	\$0			\$0
43	\$0	\$0			\$0
44	0	194,168,021	0	42,934,976	20,060,932,827
45	\$0	\$0			\$20,878,996
46	\$0	\$1,911,221			\$153,799,513
47	0	1,911,221	0	0	174,678,509
48	\$0	\$0			\$832,879,172
49	\$0	\$0			\$0
50	0	1,911,221		0	1,007,557,681
51	\$0	\$196,079,243	\$0	\$42,934,976	\$21,068,490,507



**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%	95.08%	95.08%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles	12 and 3	0.00%	15.35%	15.35%
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment				
6	2121 Buildings	45, 22.5, 15 and 7	0.00%	11.26%	11.26%
7	2122 Furniture	10	0.00%	10.00%	20.52%
8	2123 Office Equipment	5			
9	.1 Office Support Equipment		0.00%	20.00%	0.00%
10	.2 Company Communications Equipment		0.00%	20.00%	84.84%
11	2124 General Purpose Computers	3	0.00%	0.00%	108.09%
<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%	21.32%
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%	23.15%
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%	20.51%
<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%	41.07%
<b>Cable and Wire Facilities Assets</b>					
28	2411 Poles	30	0.00%	3.33%	27.10%
29	2421 Aerial Cable	n/a	0.00%	8.80%	6.24%
30	2422 Underground Cable	n/a	0.00%	9.97%	9.12%
31	2423 Buried Cable	n/a	0.00%	7.91%	6.30%
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%	4.27%
35	2431 Aerial Wire				
36	2441 Conduit Systems	50	0.00%	2.00%	3.92%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	10.46%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	10.68%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX	

**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%	22.80%	322,770,217	73,590,158
3		Aerial Cable Nmet.	25	0.00%	4.33%	2,338,764,323	101,255,864
4		Total	n/a	n/a	6.57%	2,661,534,540	174,846,022
5	2422	Underground Cable					
6		U.G. Cable Met.	15 and 7	0.00%	24.97%	119,491,929	29,833,208
7		U.G. Cable Nmet.	25	0.00%	6.98%	599,916,824	41,858,535
8		Total	n/a	n/a	9.97%	719,408,753	71,691,742
9	2423	Buried Cable					
10		Buried Cable Met.	15 and 7	0.00%	22.61%	65,296,503	14,762,622
11		Buried Cable Nmet.	25	0.00%	4.41%	509,449,917	22,476,667
		Total	n/a	n/a	6.48%	574,746,419	37,239,289
12	2426	Intrabuilding Network Cable					
13		Intrabuilding Cable Met	15 and 7	0.00%	24.77%	23,193,517	5,745,705
14		Intrabuilding Cable Nmet	25	0.00%	3.58%	1,049,659,231	37,545,264
15		Total	n/a	n/a	4.07%	1,072,852,748	43,290,969
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
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
13	<b>Account 1200.2 Other Notes Receivable:</b>						
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>	\$0		\$0	\$0	\$0	\$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-Dr. (Account 1510)</b>						\$0
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>						\$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

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)
29	<b>Nonproperty Related</b>						
30	<b>Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)</b>						\$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
38	<b>Property Related</b>						
39	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>		7450				\$0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
44	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)</b>		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
51	<b>Nonproperty Related</b>						
52	<b>Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)</b>		7450				\$0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	<b>Total</b>	\$0		\$0	\$0	\$0	\$0
57	<b>Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account (1510))</b>		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>						
1	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						\$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		\$1,874,500,280		\$370,154,167	\$317,099,025	5,427,558	\$1,932,982,980
11		0					0
12							0
13							0
14							0
15							0
16							0
17							0
18	<b>Total</b>	\$1,874,500,280	7250	\$370,154,167	\$317,099,025	\$5,427,558	\$1,932,982,980
19	<b>Total Property Related Deferred Operating Income Taxes-Cr.</b>	\$1,874,500,280		\$370,154,167	\$317,099,025	\$5,427,558	\$1,932,982,980
	<b>Nonproperty Related</b>						
20	<b>Current Deferred Operating Income Taxes-Cr. (Account 4100)</b>						\$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>	(\$1,452,066,798)	7250	\$518,402,952	\$119,939,258	(86,081,477)	(\$1,139,684,581)
30	<b>Non Operating Reclass and Current Statutory vs Unitary state rate reclass</b>	72,019,486				(\$85,897,049)	(13,877,563)
31		-					0
32		-					0
33	<b>ASU 2013-11 State NOL UTB Reclass</b>	1,374,862				(1,374,862)	0
34							0
35							0
36	<b>Total</b>	(\$1,378,672,450)	7250	\$518,402,952	\$119,939,258	#####	(\$1,153,562,144)
37	<b>Total Nonproperty Related Deferred Operating Income Taxes - Cr.</b>	(\$1,378,672,450)		\$518,402,952	\$119,939,258	#####	(\$1,153,562,144)
38	<b>Operating Investment Tax Credit (Account 4320)</b>						\$0
39		0					0
40		0					0
41		0					0
42		0					0
43		0					0
44	<b>Total</b>	\$0	7210	\$0	\$0	\$0	\$0
45	<b>Property Related</b> <b>Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)</b>		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>	\$14,793,724	7450			(\$5,427,558)	\$9,366,166
53							0
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	<b>Total</b>	\$14,793,724		\$0	\$0	(\$5,427,558)	\$9,366,166
59	<b>Total Property Related Deferred Nonoperating Income Taxes-Cr.</b>	\$14,793,724		\$0	\$0	(\$5,427,558)	\$9,366,166

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		(88,098,876)	7450			85,897,049	\$0
68							(2,201,827)
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items	0	7640				0
73	<b>Total</b>	(\$88,098,876)		\$0	\$0	\$85,897,049	(\$2,201,827)
74	<b>Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.</b>	(\$88,098,876)		\$0	\$0	\$85,897,049	(\$2,201,827)
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 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.	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							
2	This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	Total	XXXXXXXX	\$0	XXXXXXXX	\$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 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	This Schedule does not meet the threshold for reporting per Case # 13-C-0349 Order Revising Annual Reports							\$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
19								\$0
20								\$0
21								\$0
22								\$0
23								\$0
24								\$0
25								\$0
26	XXXXXXXX	\$0	\$0	\$0	\$0	\$0	\$0	\$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	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)
		<u>Account 1401.2, Advances to Affiliated Companies:</u>		
1				
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
		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
19				
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)
	<b>Subaccount 1406.1 Permanent Investment</b>				\$0
1					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
	<b>Subaccount 1406.2 Receivable/Payable</b>				0
12					0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
	<b>Subaccount 1406.3 Current Net Income or Loss</b>				0
23					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	1,059,567	1,197,001,058		1,198,064,961	(4,336)
2	Deferred Costs i/c/w Sale of Various Properties	(10,362)	22,287,650		21,916,218	361,070
3	Deferred Revenue	7,533,150	1,185,060		8,718,210	-
4	Labor and Indirect Labor Balancing accounts	34,981	0		(71,273)	106,254
5	Other Non-Current Deferred Charges	45,641	947,237		955,275	37,603
6	SAB 101	43,945,635	44,869,141		36,665,376	52,149,400
7	Other Interfacing Balances	0	13,237		13,237	-
8	Def Dir Comm LT ASC 606	(0)	9,962,958		6,767,495	3,195,463
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	Totals from Insert Pages					
27	Total	\$52,608,613	\$1,276,266,340		\$1,273,029,498	\$55,845,454

**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%	2,260,245	51,730		(78,162)	5,340	8,069	
13	30 Year 7.37% Debenture	03/28/02	04/01/32	124,092,000	7.38%	9,151,785	673,323		(950,159)	36,109	50,955	
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		\$11,412,030	\$725,053	\$0	(\$1,028,321)	\$41,449	\$59,024	\$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>									
28										
29										
30										
31	TOTALS (Account 4510.1)		0		1,000,010	9,096,047,926	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>				(2,846,511,403)					



**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	500,814,999		234,070,785		458,901,785	\$275,983,999
2	Post Retirement Benefits Other Than Pensions (SFAS #106)	5,244,809,914		488,590,712		1,460,409,362	\$4,272,991,265
3	Income Deferral Plan	8,391,936		854,141		6,191,666	\$3,054,411
4	Other Post-Employment Benefits -SFAS 112	134,159,917		31,001,996		165,161,913	\$0
5	Executive Deferral Plan	1,691,766		502,437		681,815	\$1,512,388
6	Accrued Operating Rents - Non affiliated	10,936,306		1,239,156		951,726	\$11,223,736
7	Recording of Franchise Fees	1,768,951		147,374		1,570,751	\$345,574
8	LT-Disability Liability	25,945,506		0		25,945,506	\$0
9	Pension - Management	27,206,000		27,846,606		11,431,606	\$43,621,000
10	Reserve for Tax Contingencies	45,418,080		32,771,696		48,038,445	\$30,151,332
11	Long Term Incentive	2,072,078		32,496,817		25,747,351	\$8,821,544
12	LT-Environmental Remediation	88,658,196		0		88,658,196	\$0
13	Asset Retirement Obligation Liability-Non Cur	-		353,264,946		135,221,445	\$218,043,501
14	Short-Term Portion Long-Term Incentive Plan	-		55,434,073		32,148,132	\$23,285,940
15	Aggregate of All Other	3,563		0		0	\$3,563
	<b>Totals</b>	<b>\$6,091,877,210</b>		<b>\$1,258,220,740</b>		<b>\$2,461,059,698</b>	<b>\$4,889,038,253</b>

**OTHER DEFERRED CREDITS**

- For any deferred credit being amortized, show the period of amortization and the date of Commission authorization.
- 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
- Show the number and aggregate amount of all other items.
- 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)		
16						
17	UR Tax Ben-Fed N-Current-Fin48	43,852,574		0	1,368,858	45,221,432
18	UR Tax Ben-Int N-Current-Fin48	1,955,608		0	2,117,363	4,072,971
19	UR Tax Ben-State N-Current-Fin48	84,922		1,737,813	2,511,491	858,600
20	SAB 101	43,945,635		31,274,422	28,556,917	41,228,130
21	Special Projects Billing Misc Charges	716,239		1,013,428	894,643	597,455
22	Special Projects Billing Loss of Use	2,062,618		1,092,522	1,489,576	2,459,672
23	Other Deferred -Misc. Revenue Settlements	67,410,883		90,466,313	73,622,217	50,566,787
24						
25						
26						
27	<b>Totals</b>	<b>\$160,028,479</b>		<b>\$125,584,498</b>	<b>\$110,561,065</b>	<b>\$145,005,047</b>

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

- 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.
- 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.).
- 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	Dividends received	4550.8		400,000,000
7				
8				
9				
10	Total		0	400,000,000
11				
12				
13				
14				
15	Beg Bal Adj	4550.1	140,723,187	
16	AOCI - EBO		145,676,959	
17				
18	Total		286,400,146	0
19				
20				
21				
22	Beg Bal Adj	4520	647,467	
23	Other		0	
24	Total		647,467	0
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
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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	457,499,278	535,735,322	
2	5002 Optional Extended Area Service	1,633	(14,251)	
3	5003 Cellular Mobile	9,461,739	12,679,924	
4	5004 Other Mobile Services	0	0	
5	5010 Public Telephone	0	0	
6	5040 Local Private Line	39,165,371	42,813,874	
7	5050 Customer Premises	0	0	
8	5060 Other Local Exchange	277,877,990	252,347,868	
9	5069 Other Local Exchange Settlements			
10	Total Local Network Services Revenues	784,006,011	843,562,737	
	<b>NETWORK ACCESS SERVICES REVENUES</b>			
11	5081 End User	215,081,957	243,351,319	
12	5082 Switched Access	53,893,477	69,948,384	
13	5083 Special Access	1,793,246,702	1,953,542,082	
14	5084 State Access	30,944,765	30,126,809	
15	Total Access Services Revenues	2,093,166,901	2,296,968,594	
	<b>LONG DISTANCE NETWORK SERVICES REVENUES</b>			
16	5100 Long Distance Message	30,274,431	37,340,785	
17	5111 Long Distance Inward-Only	320,297	321,816	
18	5112 Long Distance Outward-Only	28,280	38,502	
19	5121 Subvoice Grade Long Distance Private Network	0	0	
20	5122 Voice Grade Long Distance Private Network	88,901	114,742	
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	21,320,811	22,932,309	
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	(95,534)	(316,145)	
28	5169 Other Long Distance Settlements	192,552	254,468	
29	Total Long Distance Network Services Revenues	52,129,738	60,686,476	
	<b>MISCELLANEOUS REVENUES</b>			
30	5230 Directory	15,380,984	16,937,174	
31	5240 Rent	142,815,399	152,062,589	
32	5250 Corporate Operations	0	0	
33	5261 Special Billing Arrangements	(58,883)	(57,993)	
34	5262 Customer Operations	0	0	
35	5263 Plant Operations	0	4,529	
36	5264 Other Incidental Regulated	89,551,809	75,836,702	
37	5269 Other Settlements	0	0	
38	5270.1 Interstate Billing and Collection	127,777	17,013,418	
39	5270.2 Intrastate Billing and Collection	1,490,023	3,550,581	
40	5280 Nonregulated	1,270,323,078	1,547,573,946	
41	Total Miscellaneous Revenues	1,519,630,188	1,812,920,946	
	<b>UNCOLLECTIBLE REVENUES</b>			
42	5301 Uncollectible-Telecommunications	8,261,436	6,784,430	
43	5302 Uncollectible-Other	16,080,366	21,283,900	
44	Total Uncollectible Revenues	24,341,802	28,068,330	
45	<b>TOTAL OPERATING REVENUES</b>	<b>\$4,424,591,036</b>	<b>\$4,986,070,423</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>Plant Specific Operations</b>							
<u>Network Support Expenses</u>							
1	6112	0	0	46,592,042	46,592,042	45,997,264	1
2		0	0	0	0	0	2
3		0	0	46,592,042	46,592,042	45,997,264	3
4	6113	0	0	2,757,774	2,757,774	2,301,484	4
5		0	0	0	0	0	5
6		0	0	2,757,774	2,757,774	2,301,484	6
7	6114	1	99	3,635	3,735	72,619	7
8		0	0	0	0	0	8
9		1	99	3,635	3,735	72,619	9
10	6115	0	0	0	0	0	10
11	6116	0	0	0	0	0	11
12		0	0	0	0	0	12
13		0	0	0	0	0	13
14	6110	1	99	49,353,450	49,353,550	48,371,367	14
<u>General Support Expenses</u>							
15	6121	301,124	66,055	95,443,570	95,810,750	107,232,362	15
16	6122			2,650	2,650	49,413	16
17	6123			567,659	567,659	688,353	17
18	6124	19,978,174	5,032,508	66,436,030	91,446,712	75,366,560	18
19	6120	20,279,298	5,098,564	162,449,910	187,827,772	183,336,688	19
<u>Central Office Switching Expenses</u>							
20	6211		99	2,106,931	2,107,029	3,222,696	20
21	6212	15,633,040	4,968,455	60,965,027	81,566,521	86,763,809	21
22	6215	0	0	0	0	0	22
23	6210	15,633,040	4,968,553	63,071,957	83,673,551	89,986,506	23
24	6220			101,668	101,668	114,405	24
<u>Central Office Transmission Expenses</u>							
25	6231			32,970	32,970	41,791	25
26	6232	16,416,234	4,767,740	97,920,794	119,104,767	115,268,609	26
27	6230	16,416,234	4,767,740	97,953,764	119,137,737	115,310,400	27
<u>Information Origination/Termination Expenses</u>							
28	6311	0	0	0	0	0	28
29	6321	0	0	0	0	0	29
30	6341	0	0	0	0	0	30
31	6351			1,209	1,209	820	31
32	6362	284,810,992	83,103,903	1,009,512,316	1,377,427,212	1,424,224,492	32
33	6310	284,810,992	83,103,903	1,009,513,525	1,377,428,420	1,424,225,312	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.
	<u>Plant Specific Operations (cont.)</u>						
	<u>Cable and Wire Facilities Expenses</u>						
34	6411 Poles	51,400,912	16,801,731	(8,739,263)	59,463,380	47,096,694	34
35	6421 Aerial Cable	309,987,590	97,230,671	(258,324,942)	148,893,319	222,922,051	35
36	6422 Underground Cable	72,364,200	23,355,543	30,066,829	125,786,573	113,369,853	36
37	6423 Buried Cable	39,431,060	12,803,499	(13,538,576)	38,695,983	36,872,789	37
38	6424 Submarine Cable			60,579	60,579	46,239	38
39	6425 Deep Sea Cable				0	0	39
40	6426 Intrabuilding Network Cable			6,974,590	6,974,590	5,919,837	40
41	6431 Aerial Wire	0	0	0	0	0	41
42	6441 Conduit Systems	2,174,883	543,402	144,524,863	147,243,148	156,460,958	42
43	6410 Cable and Wire Facilities Expenses	475,358,646	150,734,847	(98,975,921)	527,117,572	582,688,422	43
44	Total Plant Specific Operations Expense	812,498,211	248,673,706	1,283,468,353	2,344,640,270	2,444,033,098	44
	<u>Plant Nonspecific Operations</u>						
	<u>Other Property, Plant &amp; Equipment Expenses</u>						
45	6511 Property Held for Future Telephone Use	0	0	0	0	0	45
46	6512 Provisioning	(12,381)	2,146	27,355,755	27,345,520	27,704,875	46
47	Clearance	0	0	0	0	0	47
48	Net Balance	(12,381)	2,146	27,355,755	27,345,520	27,704,875	48
49	6510 Total Other Property, Plant & Equipment Expenses	(12,381)	2,146	27,355,755	27,345,520	27,704,875	49
	<u>Network Operations Expenses</u>						
50	6531 Power		96	39,383,362	39,383,458	35,296,859	50
51	6532 Network Administration	261,910	68,984	11,543,318	11,874,212	12,329,397	51
52	6533 Testing	33,764,430	10,570,548	15,583,221	59,918,198	47,621,244	52
53	6534 Plant Operations Administration	152,660,770	155,822,011	178,623,076	487,105,856	249,200,570	53
54	Clearance	0	0	0	0	0	54
55	Net Balance	152,660,770	155,822,011	178,623,076	487,105,856	249,200,570	55
56	6535 Engineering	42,699,604	11,539,739	5,202,402	59,441,745	68,030,065	56
57	Clearance	0	0	0	0	0	57
58	Net Balance	42,699,604	11,539,739	5,202,402	59,441,745	68,030,065	58
59	6530 Network Operations Expense	229,386,714	178,001,378	250,335,378	657,723,470	412,478,135	59
60	6540 Access Expense	0	0	94,347,258	94,347,258	97,594,181	60
	<u>Depreciation &amp; Amortization Expenses</u>						
61	6561 Depreciation-TPIS			1,023,457,655	1,023,457,655	998,305,019	61
62	6562 Depreciation-Property Held for Future Tel.. Use			0	0	0	62
63	6563 Amortization-Tangible			18,886,481	18,886,481	18,714,547	63
64	6564 Amortization-Intangible			13,973,173	13,973,173	17,482,296	64
65	6565 Amortization-Other			0	0	0	65
66	6560 Depreciation & Amortization Expenses			1,056,317,308	1,056,317,308	1,034,501,863	66
67	Total Plant Nonspecific Operations Expense	229,374,333	178,003,524	1,428,355,699	1,835,733,556	1,572,279,054	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><u>Customer Operations</u></b>			\$	\$	\$	
	<b><u>Marketing</u></b>						
68	6611 Product Management	31,723,863	10,375,892	212,639,659	254,739,414	277,042,770	68
69	6612 Sales	0	0	0	0	0	69
70	6613 Product Advertising	0	0	44,479,726	44,479,726	44,051,394	70
71	6610 Marketing	31,723,863	10,375,892	257,119,384	299,219,140	321,094,164	71
	<b><u>Services</u></b>						
72	6621 Call Completion Services	0	0	2	2	42,753	72
73	6622.1 Number Services-Directory Assistance	7,683,303	2,620,300	4,048,365	14,351,969	20,230,791	73
74	6622.2 Number Services-Directory Publishing	0	0	0	0	0	74
75	6623.1 Customer Services-Order Processing & Instruction	153,611,272	49,854,414	(20,548,685)	182,917,000	202,621,183	75
76	6623.2 Customer Services-Billing and Collections	3,424,805	1,172,692	86,136,493	90,733,990	90,963,800	76
77	6623.3 Customer Services-Public Telephone Expenses	2,627,724	781,775	4,478,333	7,887,832	8,990,157	77
78	6620 Services	167,347,105	54,429,181	74,114,507	295,890,792	322,848,684	78
79	Total Customer Operations Expense	199,070,968	64,805,073	331,233,891	595,109,932	643,942,848	79
	<b><u>Corporate Operations Expense</u></b>						
	<b><u>Executive and Planning</u></b>						
80	6711 Executive	135,420	37,685	150,822,248	150,995,353	125,546,384	80
81	6712 Planning			2,418,376	2,418,376	1,903,373	81
82	6710 Executive and Planning	135,420	37,685	153,240,624	153,413,729	127,449,756	82
	<b><u>General &amp; Administrative</u></b>						
83	6721 Accounting & Finance	111,388	28,495	47,187,183	47,327,065	37,982,593	83
84	6722 External Relations			18,770,221	18,770,221	17,192,700	84
85	6723 Human Resources			35,382,499	35,382,499	36,044,743	85
86	6724 Information Management			2,393,157	2,393,157	2,032,691	86
87	6725 Legal			16,614,804	16,614,804	16,503,691	87
88	6726 Procurement	0	0	4,025,410	4,025,410	3,777,069	88
89	6727 Research and Development	0	0	0	0	0	89
90	6728 Other General & Administrative	34,613,828	23,818,271	459,685,736	518,117,835	2,676,920,949	90
91	6720 General & Administrative	34,725,216	23,846,766	584,059,011	642,630,992	2,790,454,435	91
92	6790 Provision for Uncollectible Notes Receivable				0		92
93	Total Corporate Operations Expenses	34,860,636	23,884,451	737,299,635	796,044,722	2,917,904,192	93
94	<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,275,804,148</b>	<b>\$515,366,755</b>	<b>\$3,780,357,578</b>	<b>\$5,571,528,480</b>	<b>\$7,578,159,191</b>	94

**45. TAXES CHARGED DURING YEAR**

- 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.
- 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.
- 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	(664,613,712)	(681,357,321)	16,743,609			
2	FICA-Contribution						
3	Unemployment						
4	FCC Video Copyright Fees	6,693,038					6,693,038
5	FCC Regulatory Fees	18,321,159					18,321,159
6	Total	(639,599,515)	(\$681,357,321)	\$16,743,609	\$0	\$0	\$25,014,197
	<b>State Taxes:</b>						
7	Franchise-Gross Income-186a	76,144,805				24,242,202	15,512,603
8	Franch.-Gross Inc.-Access Charges						
9	Franchise-Gross Earnings-184	16,001,498				9,757,601	6,243,897
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	(5,506,366)				(3,357,743)	(2,148,623)
19	Other	(66,639,669)				4,684,449	2,997,582
20	Total	\$20,000,268	\$0	\$0	\$0	\$35,326,508	\$22,605,459
	<b>Local Taxes:</b>						
22	Real Estate	156,315,507				95,320,102	60,995,405
23	Special Franchise	85,382,119				52,065,418	33,316,701
24	Municipal Gross Income	1,037,765				632,822	404,943
25	NYC-Spec. Franchise	16,081,886				9,806,622	6,275,265
26	Motor Vehicle					0	0
27	Other					0	0
28							
29	Total	\$258,817,277	\$0	\$0	\$0	\$157,824,964	\$100,992,313
30	Other (list):						
31							
32							
33	Totals	(\$360,781,970)	(\$681,357,321)	\$16,743,609	\$0	\$193,151,472	\$148,611,970



**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	36,390,000				
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	(3,483,261)
19	Other				7430	(70,838,439)
20	Total	\$36,390,000	\$0	\$0	XXXXXXX	(\$74,321,700)
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	\$36,390,000	\$0	\$0	XXXXXXX	(\$74,321,700)

**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>	<b>Category</b>	<b>Tax Yr / Municipality</b>	
2	Jan-18	LITIGATION SETTLEMENT	2010-2014 - NASSAU COUNTY	25,960
3	Jan-18	LITIGATION SETTLEMENT	2010-2014 - NASSAU COUNTY	173,353
4	Jan-18	LITIGATION SETTLEMENT	2010-2015 - NASSAU COUNTY	255,171
5	Feb-18	LITIGATION SETTLEMENT	2012-2016 - VILLAGE OF MASSAPEQUA PARK	417,012
6	Feb-18	MISCELLANEOUS SETTLEMENT	2017 - HARRISON C.S.-HARRISON	80
7	Feb-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE (2-70022-4014)	391,171
8	Mar-18	LITIGATION SETTLEMENT	2013-2017 - CITY OF WHITE PLAINS	366,714
9	Mar-18	LITIGATION SETTLEMENT	2016/17 & 2018/19 - STATEN ISLAND, BLOCK 70022, L	102,877
10	Apr-18	LITIGATION SETTLEMENT	2016/17 & 2017/18 - QUEENS, 8971 163RD ST, BLOCK	74,525
11	Apr-18	LITIGATION SETTLEMENT	2017/2018 - MANHATTAN, 617 W 47TH ST, BLOCK 700	62,382
12	Apr-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE	742,286
13	Jul-18	REFUND IS THE RESULT OF TH	2018 - DEPEW VLG	5,056
14	Aug-18	MISCELLANEOUS SETTLEMENT	2018 - ONONDAGA COUNTY	5,443
15	Aug-18	SPECIAL FRANCHISE REDUCTI	2018 - LINDENHURST VLG	1,540
16	Sep-18	MISCELLANEOUS SETTLEMENT	2018 - SPRINGVILLE-GRIFFITH CSD	1,033
17	Sep-18	MISCELLANEOUS SETTLEMENT	2018 - EAST HILLS VLG	1,372
18	Oct-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE (70022-4014)	1,780,169
19	Oct-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE (70022-4014)	266,494
20	Oct-18	LITIGATION SETTLEMENT	2018/2019 - MANHATTAN, BLOCK 994, LOT 1010	4,320
21	Oct-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE (70022-101)	20,050
22	Oct-18	LITIGATION SETTLEMENT	2010/11 to 2017/18 - INC. VILLAGE OF FARMINGDALE	15,000
23	Oct-18	LITIGATION SETTLEMENT	2009/2010 - OYSTER BAY SEC 27, BLOCK 14, LOT 6	5,592
24	Nov-18	REFUNDS DUE TO OVERASSES	TOWN OF NORTH HEMPSTEAD (NASSAU)	210,532
25	Nov-18	REFUNDS DUE TO OVERASSES	TOWN OF NORTH HEMPSTEAD (NASSAU)	74,186
26	Nov-18	LITIGATION SETTLEMENT	Multiple Years - NYC DEPT OF FINANCE (4-70022-2004)	578,410
27	Nov-18	PETITION CREDITS	2018 - ALDEN C.S.-LANCASTER	105
28	Nov-18	PETITION CREDITS	2018 - DEPEW U.F.S.D.-LANCASTER	478
29	Nov-18	CORRECTED BILL	2018 - BETHLEHEM C.S.-BETHLEHEM	4,409
30	Nov-18	PETITION CREDITS	2018 - IROQUOIS C.S.-LANCASTER	21
31	Nov-18	PETITION CREDITS	2018 - CLARENCE C.S.-LANCASTER	92
32	Nov-18	PETITION CREDITS	2018 - LANCASTER C.S.-LANCASTER	4,420
33		TOTAL		5,590,252
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)	(\$215,589,194)
	Income Taxes Accrued:	
2		
3	7210	0
4	7220	(681,357,321)
5	7230	(3,483,261)
6	7250	397,486,920
7	7420	16,743,609
8	7430	(70,838,439)
9	7450	54,031,914
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	455,391
19		
20	Fines	21,035,066
21		
22		
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Equity in Subsidiary	275,375,257
26	Section 199	\$0
27	Excess Deferred Taxes	\$101,980
28		
29		
30		
31		
32		
33	Federal tax net income	(\$756,992,552)
	Computation of tax:	xxxxxxxxxxxx
34	Tax @ 21%	(\$158,968,436)
35	Deferred Tax on ITC	\$0
36	Amortization of Investment Tax Credit	
37	2017 True-ups & Prior Year Audit	(\$114,250,973)
38	Federal Benefit on State Tax	\$3,773,903
39	Computed Federal Income Tax	(\$269,445,505)

**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	
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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	10,112,697
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	<b>Total Other Interest Deductions-Affiliated Companies</b>	<b>\$10,112,697</b>
	<b>Account 7540.2 Other Interest Deductions</b>	
14	Interest Deduction - Treasury Cash Pool Interest	316,304,399
15	Other	847
16		
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32		
33	<b>Total Other Interest Deductions</b>	<b>\$316,305,246</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	Mark to Market journal entries for associate OPEB and PENSION	984,223,412
3	Mark to Market journal entries for management OPEB and PENSION	63,438,620
4		
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45	Total	\$1,047,662,033

**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	7640 (d)
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	2018 YTD Incurred AMOUNT
MANAGEMENT	NON-MANAGEMENT		
The Plan for Group Insurance	Verizon Sickness & Accident Disability Benefit Plan for New York Associates	The Company	59,507,295
The Plan for Group Insurance	Verizon Long Term Disability Plan for New York and New England Associates	The Company	(2,050,715)
The Plan for Group Insurance	Verizon Group Life Insurance Plan for New York and New England Associates	Insurance Carrier	3,243,170
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	217,365,736
Verizon Management Pension Plan	Verizon Pension Plan for Associates	Trusteed Plan	(51,044,325)
Verizon Savings Plan for Management Employees	Verizon Savings and Security Plan for New York and New England Associates	Trusteed Plan	53,034,122



**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 4.35% in 2017 to 3.75% in 2018.

\*Disability rates were updated to standard tables for 2018

Projected Benefit Obligation	\$619,000,000
Unrecognized Gains / (Losses)	\$(619,000,000)
Interest Cost	\$16,000,000)
Actual Return on Plan Assets	\$0
Amortization of Gains or Losses	<u>\$619,000,000</u>
Total Pension Cost	\$635,000,000

**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 3.82% in 2017 to 3.50% in 2018](#)

Projected Benefit Obligation	\$193,000,000
Unrecognized Gains / (Losses)	\$(193,000,000)
Service Cost	\$0
Interest Cost	\$6,000,000
Actual Return on Plan Assets	\$0
Amortization of Gains or Losses	<u>\$193,000,000</u>
Total Pension Cost	\$199,000,000

<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	\$ 10,378,261,000
2	Projected Benefit Obligation	\$ 10,413,318,000
3	Fair Value of Plan Assets	\$ 9,647,806,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 224,972,000
6	Unrecognized Gains or (Losses)	\$ 0
7	Date of Valuation Reported on Lines 1 through 6	1/1/2018
8	Discount Rate	3.75% %
9	Expected Long-Term Rate of Return on Assets	7.00% %
10	Salary Progression Rate (if applicable)	N/A %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 165,819,000
12	Interest Cost	346,936,000
13	Actual Return on Plan Assets [(Gain) or Loss]	244,067,000
14	Deferral of Asset Gain or (Loss) <sup>1</sup>	(897,425,000)
15	Amortization of Transition Amount	-
16	Amortization of Unrecognized Prior Service Cost	27,852,000
17	Amortization of Gains or Losses <sup>1</sup>	353,077,000
18	Total Pension Cost	\$ 240,326,000
19	Number of Active Employees Covered by Plan	17,009
20	Number of Retired Employees Covered by Plan	48,859
21	Number of Previous Employees Vested but Not Retired	9,211
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution <sup>2</sup>	\$ 333,965,000
23	Actual Contribution <sup>2</sup>	\$ 260,973,000
24	Maximum Amount Deductible <sup>2</sup>	\$ 5,411,413,000
25	Benefit Payments <sup>3</sup>	\$ 0
26	Total Pension Cost	\$ 60,842,000
27	Pension Cost Capitalized	\$ (18,874,408)
28	Accumulated Pension (Asset)/Liability at Close of Year	\$ 275,984,000
29	Total Number of Company Employees at Beginning of Policy Year	43,179
30	Number of Active Employees Covered by Plan.	10,727
31	Number of Retired Employees Covered by Plan.	28,710
32	Number of Previous Employees Vested but Not Retired.	3,742
<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 2018 gain/loss recognized is shown in item (17), which includes item (14).</p> <p><sup>2</sup>2018 plan year minimum required and maximum deductible contributions are for plans in total. Actual contribution amounts are totals made during the 2018 calendar year.</p> <p><sup>3</sup>Annuity benefit payments are not available for plans that pay lump sum cashouts.</p>		

<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	\$ 4,861,700,000
2	Projected Benefit Obligation	\$ 4,862,033,000
3	Fair Value of Plan Assets	\$ 4,561,414,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 27,000
6	Unrecognized Gains or (Losses)	\$ 0
7	Date of Valuation Reported on Lines 1 through 6	1/1/2018
8	Discount Rate	3.50% %
9	Expected Long-Term Rate of Return on Assets	7.00% %
10	Salary Progression Rate (if applicable)	3.00% %
Net Periodic Pension Cost:		
11	Service Cost	\$ 261,000
12	Interest Cost	136,675,000
13	Actual Return on Plan Assets [(Gain) or Loss]	116,140,000
14	Deferral of Asset Gain or (Loss) <sup>1</sup>	(399,841,000)
15	Amortization of Transition Amount	-
16	Amortization of Unrecognized Prior Service Cost	27,000
17	Amortization of Gains or Losses <sup>1</sup>	190,792,000
18	Total Pension Cost	\$ 44,054,000
19	Number of Active Employees Covered by Plan	22,545
20	Number of Retired Employees Covered by Plan	33,504
21	Number of Previous Employees Vested but Not Retired	30,138
<u>REPORTING COMPANY</u>		
22	Minimum Required Contribution <sup>2</sup>	\$ 286,895,000
23	Actual Contribution <sup>2</sup>	\$ -
24	Maximum Amount Deductible <sup>2</sup>	\$ 2,768,993,000
25	Benefit Payments <sup>3</sup>	\$ N/A
26	Total Pension Cost	\$ 18,309,000
27	Pension Cost Capitalized	\$ -
28	Accumulated Pension (Asset)/Liability at Close of Year	\$ 46,678,972
29	Total Number of Company Employees at Beginning of Policy Year	7,835
30	Number of Active Employees Covered by Plan.	920
31	Number of Retired Employees Covered by Plan.	5,956
32	Number of Previous Employees Vested but Not Retired.	959
<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 2018 gain/loss recognized is shown in item (17), which includes item (14).</p> <p><sup>2</sup>2018 plan year minimum required and maximum deductible contributions are for plans in total. Actual contribution amounts are totals made during the 2018 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 of years 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 4Q 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 3Q, 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 2Q 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 4Q 2009 as Curtailment and Special Termination Benefit charges and a settlement charge of (\$38.7M) was allocated in 3Q 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 \_\_\_\_\_

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## 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 89. Use a separate insert sheet if more space is necessary.

Changes in Termination and Retirement rates based on 2018 assumptions study were reflected, attached in separate sheet

Changes in economic assumptions, as well as the mortality assumption, are attached in a separate sheet

These changes had the following effects on page 89:

Accumulated Postretirement Benefit Obligation (APBO)	\$	542,180,000
Unrecognized Gains/(Losses)		0
Service Cost		(1,235,000)
Interest Cost		(6,635,000)
Expected Return on Assets (EROA)		0
Amortization of (Gains)/Losses		0
Total OPEB Cost	\$	(7,870,000)

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

Line No.	Item (a)	Total Company (b)
<b>ANALYSIS OF OPEB COSTS<sup>1</sup></b>		
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ 7,677,415,000
2	Other Fully Eligible Plan Participants	\$ 1,085,989,000
3	Other Active Plan Participants	\$ 1,601,040,000
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	\$ (2,671,718,000)
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.	1/1/2018
14	Discount Rate <sup>2</sup>	3.64%
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>NET PERIODIC OPEB COST</b>	
18	Service Cost	\$ 70,127,000
19	Interest Cost	328,202,000
20	Actual Return on Plan Assets [ (Gain) or Loss ]	(8,138,000)
21	Deferral of Asset Gain or (Loss)	8,138,000
22	Amortization of Transition Amount	0
23	Amortization of Unrecognized Prior Service Cost	(532,908,000)
24	Recognition of (Gains) or Losses <sup>3</sup>	(1,501,093,000)
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	0
26	<b>Net Periodic OPEB Cost</b>	<b>\$ (1,635,672,000)</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, 2017 Aon Above-Median Yield Curve

<sup>3</sup> 2018 recognition reflects entire actuarial gain calculated as of December 31, 2018 under Mark-to-Market accounting.

Jurisdictional Breakdown of Net Periodic OPEB Cost:

	Intrastate	Interstate	Other
<b>Service Cost</b>	22,761,927	11,145,149	10,425,612
<b>Interest Cost</b>	88,019,991	43,098,105	40,315,667
<b>Return On Assets</b>	-	-	-
<b>Amortization of Prior Service Cost</b>	(158,256,429)	(77,488,673)	(72,485,960)
<b>Amortization of Net (Gain) Loss</b>	(385,477,268)	(188,745,077)	(176,559,587)
<b>Total</b>	<u>(432,951,779)</u>	<u>(211,990,495)</u>	<u>(198,304,268)</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).

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:		
2	Deposits of Company Funds <sup>1</sup>	679,000,000
3	Transfers from Pension Related Funds	0
4	Other	0
5	Income or (Loss) Earned on Fund Assets	7,155,000
6	Capital Appreciation or (Depreciation) of Fund Assets	983,000
7	Cost Benefits Paid from the Fund To or For Plan Participants	(254,669,000)
8	Other Expenses Paid By the Fund	0
9	Fair Value of Plan Assets at End of the Period	432,469,000

- <sup>1</sup> Contributions were made to the were made to the VPPA 401(h) and VMPP 401(h) as of May 21, 2018 to pay postretirement medical benefits for NY/NE Associates and East Management respectively

**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)
1	Affiliates: Cellco Partnership			Provided to Affiliates	\$ 146,879,033
2	Verizon Business Global LLC			Provided to Affiliates	\$ 178,311,370
3	Verizon Online LLC			Provided to Affiliates	\$ 992,791,048
4	Verizon Long Distance LLC			Provided to Affiliates	\$ 1,620,703
5	Verizon Select Services Inc			Provided to Affiliates	\$ 91,534
6	Verizon Services Corp			Provided to Affiliates	\$ 150,040,165
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22	All Other Affiliates under 100K			Provided to Affiliates	\$ 138,560
23					
24					
25					
26					
27					
28					
29	Total Affiliates				\$ 1,469,872,413
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				\$ 1,469,872,413

**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	\$ 104,813,858
2	Verizon Business Global LLC			Purchased from Affiliates	\$ 752,972
3	Verizon Sourcing LLC			Purchased from Affiliates	\$ 97,899,422
4	Verizon Business Purchasing LLC			Purchased from Affiliates	\$ 142,861,179
5	Verizon Business Network Services Inc			Purchased from Affiliates	\$ 22,003,406
6	Verizon Corporate Services Corp			Purchased from Affiliates	\$ 147,477,092
7	Verizon Corporate Services Group			Purchased from Affiliates	\$ 190,523,594
8	Verizon Corporate Resources Group			Purchased from Affiliates	\$ 190,901,159
9	Verizon Data Services LLC			Purchased from Affiliates	\$ 210,051,774
10	Verizon Benefits Administration Inc			Purchased from Affiliates	\$ 544,170
11	Verizon Services Corp			Purchased from Affiliates	\$ 2,142,710,432
12	Verizon Services Organization Inc			Purchased from Affiliates	\$ 89,344,749
13	Verizon North LLC			Purchased from Affiliates	\$ 8,197,770
14	Verizon Long Distance LLC			Purchased from Affiliates	\$ 1,310,178
15					
16					
17					
18	All Other Affiliates under 100K				\$ (147,342)
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31	Total Affiliates				\$ 3,349,244,414
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				\$ 3,349,244,414



**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		1,900,063	135,285	380,382	1,654,966

**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	1,022,059	3,091	625,949	0	0	0	90,293

REDACTED

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

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$1,275,804,148
2	Telecommunications Plant In Service	\$487,209,140
3	Telecommunications Plant Under Construction	\$421,978,467
4	Accumulated Depreciation	\$39,792,873
5	Other (specify):	
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$2,224,784,628
<b>65A. NUMBER OF EMPLOYEES</b>		
21	Network Operations and Plant	10,333
22	Consumer and Business Markets	1,791
23	General & Administrative	2
24		
25		
26		
27		
28		
29		
30		
31		
32	Total Employees	12,126

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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, 2018

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER

COMPARATIVE BALANCE SHEET

CURRENT ASSETS	Annual Report	
	Source	
	Sch 11, Pg 16 (C)	
1 Cash and Temporary Cash Investments	L1-4	\$0
2 Accounts Receivable (Net)	L(5,7,8) - L(6,9)	957426206.3
3 Current Deferred Income Taxes	L21	0
4 Other Current Assets	(Formula)	66144394.17
5 <b>Total Current Assets</b>	L22	1023570600
<b>NON-CURRENT ASSETS</b>		
6 Investments	L23-26	524374862.8
7 Unamortized Debt Issuance Costs	L27	725052.76
8 Deferred Charges	L30-31	55845453.95
9 Other Jurisdictional Assets - Net	L32	
10 Non-Current Deferred Income Taxes	L33	0
11 Other Non-Current Assets	(Formula)	7157806.48
12 <b>Total Non-Current Assets</b>	L 34	588103176
<b>REGULATED PLANT</b>		
13 Total Telecommunications Plant	L42	32130033451
14 Less: Accumulated Depreciation and Amort.	L43-44	21068490507
15 <b>Net Regulated Plant</b>	(Formula)	11061542944
16 <b>Total Assets &amp; Other Debits</b>	(Formula)	12673216720

<b>CURRENT LIABILITIES</b>		<b>Source</b>	
		<b>Sch 11, Pg 17 (C)</b>	
17	Accounts Payable	L1-2	832580913.5
18	Notes Payable	L3-4	8443981020
19	Advanced Billings	L5	99559530.11
20	Customer Deposits	L6	3945442.11
21	Current Maturities - Long-Term Debt	L7-8	449322.33
22	Current Deferred Income Taxes	L11-12	0
23	Other Current Liabilities	(Formula)	318381653.1
24	<b>Total Current Liabilities</b>	L15	9698897881
<b>LONG-TERM DEBT</b>			
25	Long-Term Debt	L23	159066766.8
<b>OTHER LIAB. &amp; DEFERRED CREDITS</b>			
26	Unamortized ITC	L25-26	0
27	Non-Current Deferred Taxes	L27-28	786585175.4
28	Other Deferred Credits	L29	145005046.7
29	Other Jurisdictional Differences - Net	L30	
30	Other Liabilities	(Formula)	4889038253
31	<b>Total Other Liab. and Def. Credits</b>	L31	5820628475
<b>STOCKHOLDER'S EQUITY</b>			
32	Common Stock	L32	1000010
33	Preferred Stock	L33	0
34	Other Paid in Capital	L34-36	9096047926
35	Retained Earnings	Formula	-12102424338
36	<b>Total Stockholder's Equity</b>	L40	-3005376403
37	<b>Total Liab. and Stockholder's Equity</b>	(Formula)	\$12,673,216,720

**INCOME STATEMENT**

<b>OPERATING REVENUES</b>		<b>Source</b>	
		<b>Sch 42, Pg 65 (b)</b>	
1	Local Network Services	L10	\$784,006,011
2	Network Access Services	L15	2,093,166,901
3	Long Distance Network Services	L29	52,129,738
4	Miscellaneous Revenues	L41	1,519,630,188
5	Less: Uncollectible Revenues	L44	24,341,802
6	<b>Total Operating Revenues</b>	(Formula)	<b>4,424,591,036</b>
<b>OPERATING EXPENSES</b>		<b>Sch 44, Pg 67 (F)</b>	
7	Network Support Expenses	L14	49,353,550
8	General Support Expenses	L19	187,827,772
9	Central Office Switching	L23	83,673,551
10	Operator Systems Expense	L24	101,668
11	Central Office Transmission	L27	119,137,737
12	Info. Origination/Termination	L33	1,377,428,420
13	Cable & Wire Facilities	L43	527,117,572
14	<b>Total Plant Specific Operations</b>	(Formula)	<b>2,344,640,270</b>
		<b>Sch 44, Pg 69 (F)</b>	
15	Other Plant, Property & Equipment	L49	27,345,520
16	Network Operations	L59	657,723,470
17	Access Expense	L60	94,347,258
18	Depreciation and Amortization	L66	1,056,317,308
19	<b>Total Plant Non-Specific Operations</b>	(Formula)	<b>1,835,733,556</b>
		<b>Sch 44, Pg 71 (F)</b>	
20	Marketing Expense	L71	299,219,140
21	Services Expense	L78	295,890,792
22	<b>Total Customer Operations</b>	(Formula)	<b>595,109,932</b>
		<b>Sch 44, Pg 73 (F)</b>	
23	Executive & Planning	L82	153,413,729
24	General & Administrative	L91	642,630,992
25	Provision - Uncollectible Notes Rec.	Less L92	0
26	Other		
27	<b>Total Corporate Operations</b>	(Formula)	<b>796,044,722</b>
28	<b>Total Operations Expense</b>	(Formula)	<b>5,571,528,480</b>
		<b>Sch 12, Pg 20 (C)</b>	
29	Other Operating Income & Expenses	L9	13,808,590
30	State & Local Income Taxes	L12	(3,483,261)
31	Other Taxes	L13	341,763,442
32	<b>Net Operating Income Before FIT</b>	(Formula)	<b>(1,471,409,034)</b>
33	Investment Tax Credits - Net	L10	0
34	Federal Income Taxes	L11	(681,357,321)
35	Provision - Def. Operating Income Taxes - Net	L14	397,486,920
36	<b>Net Operating Income</b>	(Formula)	<b>(\$1,187,538,634)</b>

**INCOME STATEMENT**

	<b>Source</b>	
<b>1 Net Operating Income</b>	From Above	<b>(\$1,187,538,634)</b>
<b>NON-OPERATING INCOME &amp; EXPENSES</b>	<b>Sch 12, Pg 20 (C)</b>	
2 Dividend Income	L17	0
3 Interest Income	L18	23,341
4 Income - Sinking and Other Funds	L19	0
5 Allowance for Funds Used During Construction	L20	29,797,656
6 Gains/Losses - Disposal of Property	L21	0
7 Equity in Earnings of Affiliated Companies	L22	275,375,257
8 Other Non-Operating Income	L23	1,047,662,033
9 Special Charges	L24	6,512,438
10 Total Non-Operating Income & Expenses	(Formula)	1,346,345,848
<b>NON-OPERATING TAXES</b>	<b>Sch 12, Pg 20 (C)</b>	
11 Federal Income Taxes	L26+L27+L30	70,775,523
12 Other	L28+L29	(34,448,439)
13 Total Non-Operating Taxes	(Formula)	36,327,084
14 Income Available Before Interest Charges	(Formula)	122,480,130
<b>INTEREST CHARGES</b>		
15 Interest on Funded Debt	L34	11,471,053
16 Other Interest Expense	(Formula)	326,598,271
17 Total Interest Charges	L38	338,069,324
18 Income Before Extraordinary & Nonregulated Items	(Formula)	(215,589,194)
<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
22 <b>Net Income</b>	(Formula)	<b>(\$215,589,194)</b>

**RETAINED EARNINGS STATEMENT****Sch 12, Pg 21 (C)**

Unappropriated Retained Earnings:		
23 Beginning Year Balance	L49	(\$12,187,594,891)
24 Transferred from Income	L50	(490,964,451)
25 Appropriations	L51	0
Dividends Declared:		
26 Preferred Stock	L52	0
27 Common Stock	L53	0
28 Adjustments	L54	(113,599,854)
29 Ending Year Balance	(Formula)	(12,792,159,196)
30 Appropriated/Undistributed Affiliated Retained Earnings	L57+L60-L61+L62)	462,535,149
31 <b>Total Retained Earnings</b>	(Formula)	<b>(\$12,329,624,047)</b>

**CASH FLOW STATEMENT**

	<b>Source</b>	
<b>Cash Flows from Operating Activities</b>		
1 Net Income	Formula	(\$215,589,194)
<b>Non-Cash Items Included in Net Income</b>		
	<b>Sch 13, Pg 22 (B)</b>	
2 Depreciation, Depletion & Amortization	L2+L3	1,056,317,308
3 Changes in Accumulated Deferred Income Taxes	L4	397,486,920
4 Changes in Working Capital	L6+L7+L8+L10+L11	167,821,472
5 Capitalized AFDC - Equity	L5	0
6 Other	(Formula)	(1,455,850,460)
7 Total Non-Cash Items	L17	165,775,240
8 Net Cash Provided by (Used In) Operating Activities	(Formula)	(49,813,954)
<b>Cash Flows from Investing Activities</b>		
	<b>Sch 13, Pg 22 (B)</b>	
9 Cash Flows from Construction	L28	(1,213,454,332)
10 Purchase of Other Investments	L29+L30+L31+L32	0
11 Sale of Other Investments	L33+L34+L35+L36	20,711,662
12 Other	L37+L38+L39	0
13 Net Cash Provided by (Used In) Investing Activities	(Formula)	(1,192,742,670)
<b>Cash Flows from Financing Activities</b>		
	<b>Sch 13, Pg 23 (B)</b>	
Net Proceeds (Payments)		
14 Long-Term Debt	L43+L49	0
15 Common Stock	L41+L47	0
16 Preferred Stock	L42+L48	0
17 Short-Term Debt	L44	1,530,968,487
18 Dividends Paid	L50+L51	0
19 Other Financing	(Formula)	(287,517,947)
20 Net Cash Provided by (Used In) Financing	L59	1,243,450,539
21 Net Increase (Decrease) in Cash & Equivalents	(Formula)	893,915
22 Cash & Equivalents at Beginning of Year	L61	0
<b>23 Cash &amp; Equivalents at End of Year</b>	(Formula)	<b>\$893,915</b>

**DISTRIBUTION OF TELEPHONE REVENUES**

1	Revenues	<b>Source</b> Formula <b>Sch 61</b>	\$4,424,591,036
2	Access Lines	<b>Pg 96, L10 (e)</b>	1654966

**DOLLAR AMOUNTS**

3	Wages and Benefits	<b>Sch 44</b> <b>Pg 71, L94 (b) (c)</b>	\$1,791,170,902
4	Depreciation and Amortization	(Formula)	1056317308
5	Other Operations Expense	(Formula)	2724040270
6	Total Operation Expenses	(Formula)	5571528480
7	Income Taxes - Operating Taxes	(Formula)	-287353662.2
8	Other Taxes - Operating Taxes	(Formula)	341763441.8
9	Capital Costs	(Formula)	-1201347224
10	Total	(Formula)	\$4,424,591,036

**PERCENT OF REVENUES**

11	Wages and Benefits	(Formula)	40.5
12	Depreciation and Amortization	(Formula)	23.9
13	Other Operations Expense	(Formula)	61.6
14	Income Taxes - Operating Taxes	(Formula)	(6.5)
15	Other Taxes - Operating Taxes	(Formula)	7.7
16	Capital Costs	(Formula)	(27.2)
17	Total	(Formula)	100.0

**DOLLARS PER ACCESS LINE**

18	Wages and Benefits	(Formula)	1,082.30
19	Depreciation and Amortization	(Formula)	638.27
20	Other Operations Expense	(Formula)	1,645.98
21	Income Taxes - Operating Taxes	(Formula)	(173.63)
22	Other Taxes - Operating Taxes	(Formula)	206.51
23	Capital Costs	(Formula)	(725.90)
24	Total	(Formula)	2,673.52



**TELECOMMUNICATIONS PLANT AND SELECTED RATIOS**

		<b>Source</b>	
		<b>Sch 14, Pg 24, 25</b>	
<b>Plant In Service</b>			
1 General Support Assets	L13		\$3,535,843,412
2 Central Office Assets	L25		10,865,000,913
3 Information Origination/Termination	L31		190,346,276
4 Cable And Wire Facilities	L41		15,507,859,507
5 Amortizable Assets	L45		1,096,153,441
<b>6 Total Plant In Service</b>		(Formula)	31,195,203,550
7 Property Held For Future Use	L47		0
Plant Under Construction -			
8 Short & Long Term	L48,49		887,942,654
9 Telecommunications Plant Adjustment:			
10 Tel. Acquisition	L51		0
11 Other Plant	L52		0
12 Nonoperating Plant	L53		46,887,247
13 Goodwill	L54		0
<b>14 Total Telecommunications Plant</b>		(Formula)	32,130,033,451
15 Less Acc. Prov. For Depreciation & Amort.		(Formula)	21,068,490,507
<b>16 Net Total Utility Plant</b>		(Formula)	\$11,061,542,944

**SELECTED RATIOS AND STATISTICS**

17	Current Assets / Current Liabilities	(Formula)	0.11
18	Total Capitalization	(Formula)	\$5,598,120,706
	<u>Percent Of Capitalization (Incl. S-T- Debt)</u>		
19	Long-Term Debt	(Formula)	2.8%
20	Preferred Stock	(Formula)	0.0%
21	Common Stock & Retained Earnings	(Formula)	-53.7%
22	Short-Term Debt	(Formula)	150.8%
23	Pretax Coverage of Interest Expense	(Formula)	-0.37
24	Com. Stock Dividends as a % of Earnings	(Formula)	0.0%
25	Return on Common Equity	(Formula)	7.2%
	Internal Cash Generated as a % of		
26	Cash Outflows for Construction	(Formula)	-4.1%
27	CWIP as a % of Plant	(Formula)	2.8%
	Number of Employees	(Formula)	12126
	<b>Source</b>		
	Current Assets	(Formula)	1023570600
	Current Liabilities	(Formula)	9698897881
	Total Capitalization	(Formula)	5598120706
	Long-Term Debt	(Formula)	159066766.8
	Preferred Stock	(Formula)	0
	Common Stock and Retained Earnings (Excl. Preferred Stock)	(Formula)	-3005376403
	Short-Term Debt	(Formula)	8444430342
	Pretax Income	See Below	-125063186.6
	Interest Expense	(Formula)	338069324.5
	Common Dividends Paid	(Formula)	0
	Net Income (Excl. Preferred Stock Dividends)	See Below	-215589194.3
	Internal Cash	(Formula)	-49813954.4
	Cash Outflows for Construction	(Formula)	-1213454332
	CWIP	(Formula)	887942654.2
	Total Plant	(Formula)	32130033451
	Shares Outstanding	Pg. 63, Ln 9 (c)	1
	Number of Employees	Pg. 100, Ln 32	12126
	<u>Additional Calculations</u>		
	Data used for "Pretax Income":	NOI Before FIT	-1471409034
		Non-Oper. Inc. & Exp.	1346345848
		Non-Oper. Tax - Other	0
		Total	(\$125,063,187)
	Data used for "Net Income":	Net Income	-215589194.3
		Pref. Dividends	0
		Total	-215589194.3