

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

COMPANY CODE:

TELEPHONE CORPORATIONS

ANNUAL REPORT

OF

VERIZON NEW YORK INC.

Exact legal name of reporting telephone corporation

(If name was changed during year, show also the previous name and date change)

140 WEST STREET

NEW YORK, N.Y. 10007

(Address of principal business office at end of year)

FOR THE

YEAR ENDED DECEMBER 31, 2009

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:

Sandra Anderson, Assistant Controller

1 Verizon Way, Basking Ridge, NJ 07920

908-559-2466

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

Comment Sheet

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

Item Number	<u>Description</u>	Schedule Number	Page Number
1	Additional worksheets were inserted after Sch 2. These were for the reconciliation of the Balance Sheet, Income Statement and Statement of Cash Flows to the Bondholder's Report, page numbers 1 -12, and after this analysis is a copy of the Bondholder's Report.	2	1 - 7
2	Schedules with additional pages added	4	6A - 6H
		8	11A
		18	31A -31B
		22	37A
		34	56A
		46	75A
		54	84A, 85A
		55	86A
		59	94A, 94B

Comments

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.

Mark F. A. Kearns, Controller
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 FCC prescribes a Uniform System of Accounts for Telephone Companies (See Note relative to General Instructions) and regulations for separating interstate and intrastate investment, revenues, expenses, taxes and reserves. The FCC also prescribes depreciation rates which have been modified for intrastate operations by the New York State Public Service Commission. The respondent's operations in the State of Connecticut, which are relatively minor in extent, are subject to regulation by the Public Utilities Control 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 Bryam 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:

1. GENERAL INFORMATION (continued)

ITEM 6

Reconciliation and explanation of the differences between the major financial statements of the Annual Report to Bondholders and the PSC Annual Report, i.e., Balance Sheet, Income Statement, Retained Earnings Statement and Statement of Cash Flows are as follows:

Balance Sheet			
	Annual Report to Bondholders	Annual Report to PSC	Difference
Assets			
Current Assets			
Cash & Short Term Investments	0	0	0
Receivables	1,087	885	202 (1)
Inventories	44	43	1 (2)
Prepaid Expenses	83	61	23 (3)
Deferred Charges & Other	357	73	284 (4)
Total Current Assets	1,571	1,061	510
Noncurrent Assets			
Total Other Noncurrent Assets	863	1,119	(257) (5)
Telephone Plant	31,674	31,319	355 (6)
Less-Depreciation Reserve	20,969	20,840	129 (7)
Net Telephone Plant	10,705	10,479	226
Total Assets	13,139	12,659	479
Liabilities and Capital			
Current Liabilities			
Short Term Debt	(3,803)	(1)	(3,802)
Accounts Payable & Accrued Liabilities	(943)	(4,325)	3,382
Other Current Liabilities	(422)	(481)	59
Total Current Liabilities	(5,168)	(4,807)	(361) (8)
Long Term Debt	(2,251)	(2,251)	(0)
Employee Benefit Obligations	(4,440)	0	(4,440) (9)
Other Liabilities & Deferred Credits			
Other	(334)	(4,726)	4,392 (10)
Accumulated Deferred Income Taxes	(239)	(87)	(152) (11)
Unamortized Investment Tax Credits	(20)	(17)	(2) (12)
Total Other Liabilities & Deferred Credits	(594)	(4,831)	4,237
rounding	0		0
Equity	(686)	(771)	85 (13)
Total Liabilities & Capital	(13,139)	(12,659)	(479)

1) Annual Report GAAP Balances	885
Empire City Subway Co. (Ltd) accounts	42
LD Consolidation	195
A/R Non Affiliate/Other reclassified to Other Assets (See #4)	(35)
Annual Report to Bondholders	1,087
2) Annual Report to PSC (DONE)	43
LD consolidation	1
Annual Report to Bondholders	44

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

3) Annual Report to PSC (DONE)	61
Empire City Subway Co. (Ltd) accounts	15
LD Consolidation	11
To record FAS 109 Reclass for BH Report (See #8)	(3)
Annual Report to Bondholders	83
4) Annual Report to PSC	73
Empire City Subway Co. (Ltd) accounts	0
A/R Non Affiliate/Other reclassified to Other Assets (See #1)	35
Reclass Special Project Billing and Other Deferred charges (See #5)	14
Reclass Current Tax Balances to Asset/Liabil per FAS 109 - (See #8)	98
LD Consolidation	137
Annual Report to Bondholders	357
5) Annual Report to PSC	1,119
Empire City Subway Co. (Ltd) accounts	(129)
Current Deferred Changes - Depreciation Issues	(1)
Reclass Special Project Billing and Other Deferred charges (See #4)	(14)
Amorization reclassified to Non current assets (See #7)	(9)
Intangible assests reclassified to Tot Other Non Cur assets (See #6)	58
LD Consolidation	(160)
To record FAS 109 Reclass for BH Report (See #11)	(1)
Annual Report to Bondholders	863
6). Annual Report to PSC	31,319
Empire City Subway Co. (Ltd) accounts	401
LD consolidation	12
Intangible assests reclassified to Tot Other Non Cur assets (See #5)	(58)
Annual Report to Bondholders	31,674
7) Annual Report to PSC	20,840
Empire City Subway Co. (Ltd) accounts	128
LD consolidation	10
Amorization reclassified to Non current assets (See #5)	(9)
Annual Report to Bondholders	20,969
8) Annual Report to PSC	(4,807)
Empire City Subway Co. (Ltd) accounts	(107)
SFAS 109	2
External BH HFM entries - To record FAS 109 Reclass for BH Report (See #3)	3
Reclass Current Tax Balances to Asset/Liabil per FAS 109 - (See #4)	(98)
LD consolidation	(161)
Annual Report to Bondholders	(5,168)
9) Annual Report to PSC	0
LD consolidation	(21)
Reclass Of Employee Benefits Obligation (See #10)	(4,419)
Annual Report to Bondholders	(4,440)
10). Annual Report to PSC	(4,726)
Empire City Subway Co. (Ltd) accounts	(24)
Reclass Of Employee Benefits Obligation (See #9)	4,419
LD consolidation	(3)
Annual Report to Bondholders	(334)
11) Annual Report to PSC	(87)
Empire City Subway Co. (Ltd) accounts	(68)
Deferreed tax impacts resulting from State vs GAAP differences	(85)
Deferred tax impact of recognition of state tax for LD	(1)
To record FAS 109 Reclass for BH Report (See #5)	1
Annual Report to Bondholders	(239)

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

12) Annual Report to PSC	(17)
Empire City Subway Co. (Ltd) accounts	(2)
Annual Report to Bondholders	(20)
13) Annual Report to PSC	(771)
SFAS 109	83
Depr Issues	1
Annual Report to Bondholders	(686)

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

	\$(M)		
Income Statement			
	Annual Report to Bondholders	Annual Report To The PSC	Difference
Operating Revenues	7,840	5,176	2,664 (1)
Operating Expenses	8,534	6,293	2,242 (2)
Net Operating Revenues	(695)	(1,117)	422
Other income and Expense	4	153	(150) (3)
Interest Expense	280	295	(15) (4)
Income before Taxes, Extraordinary items & Cumulative effect of changes in Accounting Principles	(971)	(1,258)	287
Provision for Income Taxes	(379)	(667)	288 (5)
Income before Extraordinary Items & Cumulative effect of changes in Accounting Principles	(592)	(591)	(1)
Extraordinary Items & Cumulative effect of changes in Accounting Principles, net of taxes	0		
Jurisdictional & Non Regulated Income Items	0		
Net Income	(592)	(591)	(1)

1) Annual Report to PSC	5,176
Empire City Subway Co. (Ltd) accounts	10
LD consolidation	2,587
Uncollectibles Included in Exp (see #2)	67
Annual Report to Bondholders	7,840

2) Annual Report to PSC (Done)	6,293
Empire City Subway Co. (Ltd) accounts	(17)
Reclass Affiliate MKUP from Non Oper to Oper Exp (See #3)	15
Uncollectibles Included in Exp (see #1)	67
Other Costs of sales/Service (See #3)	1
(G)/L on Sale of Oper Assets (See #3)	(38)
Other State and Local Tax (See #3)	472
Other G&A Expense (See #3)	8
Gross Receipts Tax (See #3)	4
LD consolidation	1,732
Annual Report to Bondholders	8,534

3) Annual Report to PSC	153
Empire City Subway Co. (Ltd) accounts	(25)
Reclass Affiliate MKUP from Non Oper to Oper Exp (See #2)	15
To reclass FIN48 interest from other taxes to current taxes (See #5)	12
Other Costs of sales/Service (See #2)	1
(G)/L on Sale of Oper Assets (See #2)	(38)
Other State and Local Tax (See #2)	472
Other G&A Expense (See #2)	8
Gross Receipts Tax (See #2)	4
Capitalized Interest - Construction (See #4)	(16)
Current Income tax State and Local (See #5)	(24)
LD consolidation	(557)
Annual Report to Bondholders	4

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

4) Annual Report to PSC(Done)	295
Empire City Subway Co. (Ltd) accounts	1
Capitalized Interest - Construction (See #3)	(16)
Annual Report to Bondholders	280
5) Annual Report to PSC	(667)
Empire City Subway Co. (Ltd) accounts	2
Deferred tax impact of recognition of state tax for LD/Fed income tax PTI difference	1
Current Income Tax-State and Local (See #3)	(24)
To reclass from taxes FIN48 interest to current tax. (See#3)	12
LD consolidation	297
Annual Report to Bondholders	(379)

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

Statement of Cash Flows			
	\$(M)		
	Annual Report to Bondholders	Annual Report to PSC	Difference
Cash Flow from Operating Activities			
Net Loss	\$ (592)	\$ (591)	\$ (1)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	1,242	1,229	13 (1)
Deferred income taxes, net	122	125	(3) (2)
Employee retirement benefits	792	784	8 (3)
Provision for uncollectible accounts	130	70	60 (4)
Equity income from affiliates	(3)	(564)	561 (5)
Dividends received from equity affiliates	22	563	(541) (6)
Changes in current assets & liabilities:			
Accounts receivable	234	251	(17) (7)
Materials and supplies	75	76	(1) (8)
Accounts payable and other current liabilities	(446)	(434)	(12) (9)
Other, net	(651)	(633)	(18) (10)
Net Cash provided by operating activities	<u>925</u>	<u>874</u>	<u>51</u>
Cash Flows from Investing Activities			
Capital expenditures	(1,315)	(1,305)	(10) (11)
Purchases of short-term investments	(3)	(3)	(0)
Proceeds from sale of short-term investments	4	4	0
Net change in notes receivable from affiliate	(55)		(55) (12)
Proceeds from sale of assets	50	50	0
Other, net	(80)	(79)	(1)
Net cash used in investing activities	<u>(1,399)</u>	<u>(1,333)</u>	<u>(66)</u>
Cash Flows from Financing Activities			
Principal repayments of borrowings & capital lease obligations	(1)	(1)	0
Net change in current notes payable to affiliate	473	452	21 (13)
Dividends paid			-
Other	2	8	(6) (14)
Net cash provided by financing activities	<u>474</u>	<u>459</u>	<u>15</u>
Net change in cash	-	0	(0)
Cash, beginning of year	-	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ (0)</u>
 1) Annual Report to PSC	1,229		
Empire City Subway Co. (Ltd.) accounts	11		
LD consolidation	2		
Annual Report to Bondholders	1,242		
 2) Annual Report to PSC	125		
LD consolidation	(3)		
Annual Report to Bondholders	122		
 3) Annual Report to PSC	784		
Empire City Subway Co. (Ltd.) accounts	8		
Annual Report to Bondholders	792		

1. GENERAL INFORMATION (continued)

ITEM 6 (Continued)

4) Annual Report to PSC	70
LD consolidation	60
Annual Report to Bondholders	130
5) Annual Report to PSC	(564)
Empire City Subway Co. (Ltd.) accounts	3
LD consolidation	558
Annual Report to Bondholders	(3)
6) Annual Report to PSC	563
LD consolidation	(541)
Annual Report to Bondholders	22
7) Annual Report to PSC	251
LD consolidation	(17)
Annual Report to Bondholders	234
8) Annual Report to PSC	76
LD consolidation	(1)
Annual Report to Bondholders	75
9) Annual Report to PSC	(434)
Empire City Subway Co. (Ltd.) accounts	6
LD consolidation	(18)
Annual Report to Bondholders	(446)
10) Annual Report to PSC	(633)
Empire City Subway Co. (Ltd.) accounts	(6)
LD consolidation	(18)
Reclassification of change in dividends receivable	6
Annual Report to Bondholders	(651)
11) Annual Report to PSC	(1,305)
Empire City Subway Co. (Ltd.) accounts	(10)
Annual Report to Bondholders	(1,315)
12) Annual Report to PSC	-
Empire City Subway Co. (Ltd.) accounts	(55)
Annual Report to Bondholders	(55)
13) Annual Report to PSC	452
Empire City Subway Co. (Ltd.) accounts	49
LD consolidation	(28)
Annual Report to Bondholders	473
14) Annual Report to PSC	8
Reclassification of change in dividends receivable	(6)
Annual Report to Bondholders	2

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	2010 Mtg	Confidential	Confidential
2	Christopher M. Creager	Area President - Regional Operations / Director	2010 Mtg		
3	Francis J. Shammo	Chief Executive Officer / Director	2010 Mtg		
4	Michael T. Stefanski	Chief Financial Officer / Director	2010 Mtg		
5	Holyce E. Hess Groos	Senior Vice President - Finance and Treasurer	2010 Mtg		
6	Mark F.A. Kearns	Controller	2010 Mtg		
7	Tracey A. Edwards	Market Area President - Island Metro (Long Island, Queens, the Bronx)	2010 Mtg		
8	Kevin M. Service	Market Area President - Liberty (Manhattan and Brooklyn)	2010 Mtg		
9					
10					
11					
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13					
14					
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16					
17					
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19					
20					
21					
22					
23					
24					
25					

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	\$0	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	19
						0	20
						0	21
						0	22
						0	23
						0	24
						0	25

NOTES:

4. CONTROL OVER RESPONDENT

If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by trustee(s), state name of trustee(s), name of beneficiaries for whom trust was maintained, and purpose of the trust. If other companies are controlled by the organization which holds control over the respondent, list the names of such companies and the kind of business each is engaged in.

The common stock of the respondent is wholly owned by NYNEX Corporation 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
 Atlantic Ocean Cables Limited
 Australian-Japan Cable (Holding) Limited
 BAFIS Bell Atlantic Federal Integrated Systems, GmbH
 BAP - Caroline, Inc.
 BATCL - 1987 - I, Inc.
 BATCL - 1987 - II, Inc.
 BATCL - 1987 - III, Inc.
 BATCO - 1989 - II, Inc.
 Bell Atlantic Administrative Services, Inc.
 Bell Atlantic Advertising (China) Company
 Bell Atlantic Capital Corporation
 Bell Atlantic Construction Services, Inc.
 Bell Atlantic Entertainment and Information Services Group, Inc.
 Bell Atlantic Foreign Sales Corporation
 Bell Atlantic Global Wireless, Inc.
 Bell Atlantic International - Italia S.r.L.
 Bell Atlantic Investment Development Corporation
 Bell Atlantic Mobile Systems, Inc.
 Bell Atlantic TriCon Leasing Corporation
 Bell Atlantic Ventures XXV, Inc.
 Bell Atlantic Ventures XXXI, Inc.
 Cellco Partnership (d/b/a Verizon Wireless)
 CMIST Pty Limited
 Conagro Telecommunications, S.A.

Contel Cellular International, Inc.
Contel Federal Systems, Inc.
Contel of Minnesota, Inc.
Contel of New York, Inc.
Contel of the South, Inc.
Continental Telecommunications Company (Nigeria)
Continental Telephone do Brasil, Ltd.
CQRCert LLC
Cybertrust Australia (Holdings) Pty Limited
Cybertrust Australia Pty Limited
Cybertrust Belgium NV
Cybertrust BVBA
Cybertrust Canada Corporation
Cybertrust Holding International, A.V.V.
Cybertrust Holding Netherlands BV
Cybertrust Holdings, Inc.
Cybertrust Hong Kong Limited
Cybertrust Ireland Limited
Cybertrust Japan Co. Limited
Cybertrust Limited
Cybertrust Luxembourg SARL
Cybertrust Netherland BV
Cybertrust Singapore Pte Limited
Cybertrust UK Limited
Cybertrust, Inc.
Dickerson OLI LLC
Digex Germany GmbH
Digex Netherlands B.V.
Empire City Subway Company (Limited)
ESI KF Limited Partnership
Exchange Indemnity Company
Federal Network Systems LLC
Fedora (2500) Pty Limited
Fez (2509) Pty Limited
Fox Court Nominees Limited
Gemini Submarine Cable System Limited
Global Directory Services Company
GTE Alaska Incorporated
GTE Arkansas Incorporated
GTE Communication Systems Corporation
GTE Corporation
GTE Far East (Services) Limited
GTE Life Insurance Company Limited

GTE Midwest Incorporated
GTE Operations Support Incorporated
GTE Overseas Corporation
GTE Products of Connecticut Corporation
GTE REinsurance Company Limited
GTE Southwest Incorporated (d/b/a Verizon Southwest)
GTE Venezuela S.à r.l.
GTE Wireless Incorporated
INET N.V.
ISCP Alliance LLC
Kalama Grain Terminal, Inc.
Laycon Telecommunications, S.A.
Mango Associates, L.P.
MBW Venture Partners Limited Partnership
MCI (CIS) LLC
MCI Broadband Solutions, Inc.
MCI Communications Corporation
MCI Communications Services, Inc.
MCI Funding Corporation
MCI Intermedia Communications Corporation
MCI Intermedia Telecom, Inc.
MCI Intermedia, Inc.
MCI International Mobile Services, Inc.
MCI International Services, Inc.
MCI International Telecommunications Corporation
MCI International, Inc.
MCI Network Services of Virginia, Inc.
MCI WorldCom Asia Pacific Limited
MCI WorldCom Holding B.V.
MCI WorldPhone Limited
MCImetro Access Transmission Services LLC
MCImetro Access Transmission Services of Massachusetts, Inc.
MCImetro Access Transmission Services of Virginia, Inc.
Metropolitan Fiber Systems of New York, Inc.
MFS CableCo U.S., Inc.
MFS Globenet, Inc.
Mid-Atlantic RMTS Holdings, L.L.C.
Minotel Communications Limited
MK International Limited
Montana OL3 LLC
Montana OL4 LLC
Montana OP3 LLC
Montana OP4 LLC

Morgantown OL1 LLC
Morgantown OL2 LLC
MovARoo, LLC
Moviservicios, S.A. de C.V.
Movitel del Noroeste, S.A. de C.V.
Mtel (UK) Limited
Mtel Latin America, Inc.
Mtel Uruguay S.A.
NCC Anaconda Company
NCC Braeburn Company
NCC Capon Company
NCC Charlie Company
NCC Delta Company
NCC Dove Corporation
NCC Echo Company
NCC Farnborough Company
NCC Farnborough Investments Limited
NCC Farnborough Trustee Limited
NCC Fox Company
NCC FSC I, Inc.
NCC FSC V, Inc.
NCC FSC VIII, Inc.
NCC FSC XI, Inc.
NCC FSC XII, Inc.
NCC Golf Company
NCC Hampshire Investments Ltd.
NCC Horizon Company
NCC Indigo Company
NCC Jupiter Company
NCC Key Company
NCC Luna Company
NCC Mianus Corporation
NCC Micron Company
NCC Orion Company
NCC Polar Company
NCC Republic Company
NCC Ria Company
NCC Sierra Company
NCC Solar Company
NCC Stamford Corporation
NCC Tarzana Company
NCC Umbra Company

NCC Viva Company
NCC Xebec Company
NCC Yearling Company
NCC Zee Company
Network Security Technologies, Inc.
Nubal S.A.
NV Verizon Belgium Luxembourg SA
NYNEX Bell IP Holding Corporation
NYNEX Corporation
NYNEX Mandalay Holdings, Inc.
Omniroot, L.L.C.
One Parkway, Inc.
OnePoint Communications Holdings, L.L.C.
OnePoint Communications-Colorado, L.L.C.
OnePoint Communications-Georgia, L.L.C.
OnePoint Communications-Illinois, L.L.C.
Pacific Carriage Holdings Limited
Parlance Corporation
PC Lease Partners I LP
Phrygian (2504) Pty Limited
Portal Investments, Inc.
PT Communications Verizon Indonesia
Quarry Technologies, Inc.
Ranger Partners II, LP
Rihab Dijla General Trading LLC
RJM Lease Partners I
Roxbury Corners Limited Partnership
Rudolf's Engine LLC
SecureNetCertificates Pty Ltd
SEMA OP1 LLC
SEMA OP2 LLC
SEMA OP3 LLC
Shanghai Bell Atlantic Yellow Pages Advertising Co. Ltd.
Sherkate Sahami Khass Telephone Sazi Iran
Snood (2506) Pty Limited
Southern Cross Cable Holdings Limited
Steam Heat LLC
Steamed Crab Partners, L.P.
Super Computer International, Inc.
Telecom*USA, Inc.
Telecomunicaciones Skytel C.A.
Teleconnect Long Distance Services & Systems Company
Telesector Resources Group, Inc. (d/b/a Verizon Services Group)

The Public IP Exchange Limited
TruSecure (Hong Kong) Limited
TruSecure Corporation (Australia) Pty Ltd
TruSecure Corporation (Singapore) Pte Limited
TTI National, Inc.
Ubidco NV
Ubimedia NV
Ubizen Aethis SA
Ubizen USA, LLC
Ubizen, Inc.
Unicast Communications Corp.
UUNET Equipment Singapore Pte Ltd
UUNET Holdings Australia Pty Limited
UUNET Singapore Pte. Ltd.
UUNET Vostok
VCC Atala OP LC
VCC Triangle Services Company, Ltd.
VEBA GP LLC
VENTURE 36, LLC
Verizon Argentina S.R.L.
Verizon Asia Pacific Holdings Pte. Ltd.
Verizon Asset Management Corp.
Verizon Australia Holdings LLC
Verizon Australia Pty Limited
Verizon Austria GmbH
Verizon Avenue Corp. (d/b/a Verizon Enhanced Communities)
Verizon Bulgaria EOOD
Verizon Business Financial Management Corporation
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 California Inc.
Verizon Call Centre Services (UK) Limited
Verizon Capital Corp.
Verizon Clinton Center Drive Corp.
Verizon Colombia S.A.
Verizon Communications India Private Limited
Verizon Communications Malaysia Sdn. Bhd.
Verizon Communications Philippines Inc.
Verizon Communications Singapore Pte. Ltd.
Verizon Communications Slovakia s.r.o

Verizon Communications South Africa (Pty) Limited
Verizon Communications Technology (Beijing) Co., Limited
Verizon Connected Solutions Inc.
Verizon Corporate Resources Group LLC
Verizon Corporate Services Corp.
Verizon Corporate Services Group Inc.
Verizon Costa Rica SRL
Verizon Credit Inc.
Verizon Czech s.r.o.
Verizon Data Services India Private Limited
Verizon Data Services LLC
Verizon Delaware LLC
Verizon Denmark A/S
Verizon Deutschland GmbH
Verizon ELPI Holding Corp.
Verizon Enterprise Delivery LLC
Verizon Enterprise Solutions LLC
Verizon European Holdings Limited
Verizon Federal - Puerto Rico Inc.
Verizon Federal Inc.
Verizon Financial Services LLC
Verizon Financing
Verizon Finland Oy
Verizon Florida LLC
Verizon Foundation
Verizon France SAS
Verizon FZ-LLC
Verizon Global Networks Inc.
Verizon Global Solutions France SAS
Verizon Global Solutions Germany GmbH
Verizon Global Solutions Holdings I Ltd.
Verizon Global Solutions Holdings II Ltd.
Verizon Global Solutions Holdings III Ltd.
Verizon Global Solutions Holdings IV Ltd.
Verizon Global Solutions Holdings V Ltd.
Verizon Global Solutions Ireland Limited
Verizon Global Solutions Luxembourg S.à r.l.
Verizon Global Solutions U.K. Ltd.
Verizon Global Structured Finance LLC
Verizon GmbH
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-Belize, LLC
Verizon Information Services-Costa Rica, LLC
Verizon Information Technologies LLC
Verizon International Holdings Inc.
Verizon International Inc.
Verizon International Inc. Luxembourg S.C.S.
Verizon International Investments Luxembourg S.à r.l.
Verizon International Luxembourg S.à r.l.
Verizon International Telecommunications Commerce LLC
Verizon Investment Management Corp.
Verizon Investments Inc.
Verizon Ireland Limited
Verizon Israel Telecommunications Limited
Verizon Italia SpA
Verizon Japan Ltd.
Verizon Korea Limited
Verizon Laboratories Inc.
Verizon Licensing Company
Verizon Ljubljana trgovina in storitve, d.o.o.
Verizon Long Distance LLC
Verizon Maryland Inc.
Verizon Media Ventures Inc.
Verizon Nederland BV
Verizon Network Funding Corp.
Verizon Network Integration Corp.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon New Zealand Limited
Verizon North Inc.
Verizon Northwest Inc.
Verizon Norway AS
Verizon Online - Maryland LLC
Verizon Online - New Jersey LLC
Verizon Online Pennsylvania Partnership
Verizon Panama, S.A.

Verizon Pennsylvania Inc.
Verizon Peru S.R.L.
Verizon Polska Sp. Z o.o.
Verizon Portugal - Sociedade Unipessoal, Lda.
Verizon Properties Inc.
Verizon Reads Incorporated
Verizon Realty Corp.
Verizon Saudi Arabia LLC
Verizon Select Services Inc.
Verizon Select Services of Virginia Inc.
Verizon Services Corp.
Verizon Services Operations Inc.
Verizon Services Organization Inc.
Verizon Servicios Administrativos, S. de R.L. de C.V.
Verizon Servicios Empresariales Mexico, S. de R.L. de C.V.
Verizon South Inc.
Verizon Spain Holdings S.L.
Verizon Spain S.L.
Verizon Sweden Aktiebolag
Verizon Switzerland AG
Verizon Taiwan Co. Limited
Verizon Technology Corp.
Verizon Technology Management Corp.
Verizon Telecomunicações do Brasil Ltda.
Verizon TeleProducts Corp.
Verizon Trademark Services LLC
Verizon UK Limited
Verizon Venezuela, S.A.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.
Verizon Wireless Inc.
VIC-RMTS-DC, L.L.C.
Vigilinx, Inc.
Vodafone Omnitel N.V.
VWI Acquisition Corporation
VZB Pakistan (Private) Limited
Wallaroo Company
Weatherly Holdings L.L.C.
WorldCom Global Networks Limited
WorldCom International El Salvador, S.A. de C.V.

5. CORPORATIONS CONTROLLED BY RESPONDENT

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

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

DEFINITIONS

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

6. HOLDERS OF VOTING SECURITIES

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

Line No.	Name and Address of Security Holder (a)	Number of Votes as of		
		Common Stock (b)	Other (Specify)	
			(c)	(d)
1	NYNEX Corporation (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 April 27, 2009.
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
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-2	Local/Toll	1/9/2009	
Rev. Re: Bundle Discount Plan - language modification	Local/Toll	1/28/2009	
Rev. Re: ISDN Primary Service	Local/Toll	1/30/2009	Trade Secret
Rev. Re: Business Services - Rate Changes	Local/Toll	2/1/2009	
UCRCC Revision	Local/Toll	2/11/2009	
Rev. Attachment Re: Verizon Credit Plan - Promotion VCP 2009-4	Local/Toll	2/17/2009	
Rev./Original pages Re: Vz Enhanced Dedicated SONET Service	Local/Toll	2/20/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-5	Local/Toll	2/22/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-6	Local/Toll	2/27/2009	
Rev. Re: Verizon Leased Channels	Local/Toll	3/1/2009	
Rev. Re: Operator Ringback Service	Local/Toll	3/3/2009	
Rev. Re: Regional value - Voice Discount Plan	Local/Toll	3/9/2009	Trade Secret
Rev. Re: Business Category Search - Rate Increase*	Local/Toll	3/13/2009	Trade Secret
ICB Addendum	Local/Toll	3/18/2009	

8. IMPORTANT CHANGES DURING THE YEAR (Continued)

Description of Changes	Service Classification	Effective Date	Estimated Annual Effect on Revenues
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-7	Local/Toll	3/23/2009	
Rev. Re: Grandfathering of Volume Incentive Plan (VIP)	Local/Toll	3/25/2009	
Rev. Re: Corporate Rewards - Waiver of Service Connection Charges	Local/Toll	3/30/2009	Trade Secret
UCRCC Revision	Local/Toll	4/1/2009	
Rev. Re: Regional Essentials & Regional Value Voice Discount Plan	Local/Toll	4/1/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-2 (Rev.)	Local/Toll	4/1/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-5 (REV)	Local	4/18/2009	
Rev. Re: Regional Essentials Bundle Discount Plan and Regional Value Flex Bundle Discount Plan - Automatic Renewal Discounts**	Local/Toll	4/20/2009	Trade Secret
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-8	Local/Toll	4/20/2009	
ICB Addendum	Local/Toll	4/22/2009	
Rev. Re: Manhattan Rate Center Consolidation	Local/Toll	4/24/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-9	Local/Toll	5/4/2009	
Rev. Re: Unlimited Local Usage & Unlimited Local & Toll Usage	Local/Toll	5/11/2009	Trade Secret
ICB Addendum	Local/Toll	5/13/2009	
Revisions Re: Withdrawal of CallMAXsm Service	Local/Toll	5/15/2009	
Notice to PSC Re: Call Mover - Call Direct Plus - Rate Changes	Local/Toll	6/1/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-10	Local/Toll	6/15/2009	
Rev. Re: Residence Basic Services - Rate Changes	Local	6/20/2009	Trade Secret
Notice Re: Residential Services - Flexibly Priced Rate Changes	Local/Toll	6/20/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-11	Local/Toll	6/21/2009	
ICB Addendum	Local/Toll	6/23/2009	
Rev. Re: Withdrawal of Volume Incentive Plan (VIP)	Local/Toll	6/25/2009	
Rev. Re: Single Line Business PAK	Local/Toll	6/29/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-12	Local/Toll	6/29/2009	
UCRCC Revision	Local/Toll	7/1/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-13	Local/Toll	7/1/2009	
Rev. Re: VZ Private Line Services Rate Increase	Local/Toll	7/1/2009	
Rev. Re: Verizon - Termination Liability Regulations	Local/Toll	7/3/2009	
Rev. Re: Business 24-Month Term Plan - Termination Liability waiver	Local/Toll	7/31/2009	Trade Secret
Rev. Re: Business Toll- Rate Change (see 5/21/09 revision)	Local/Toll	8/1/2009	
Revision to 5/15/09 Business Toll - Rate Change filing	Local/Toll	8/1/2009	Trade Secret
Notice to PSC Re: Operator-Handled Calls and Busy Verification Service	Local/Toll	8/1/2009	
Rev. Re: Business Link Plan - Removal of an Outdated Regulation	Local/Toll	8/12/2009	
ICB Addendum	Local/Toll	8/12/2009	
Rev. Re: Regional Essentials - FiOS Bundle Discount Plan	Local/Toll	8/18/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-14	Local/Toll	8/20/2009	
Supp.Postponing effective date Re: Business Toll - Rate Change - Further Postponement	Local/Toll	8/31/2009	
Rev. Re: Verizon - Termination Liability Regulations	Local/Toll	9/3/2009	
Rev. Re: Business Individual Message & Trunk & Local Usage Rate Change	Local/Toll	9/19/2009	
Notice to PSC Re: Verizon Credit Plan - Promotions VCP 2009-15 and 16	Local/Toll	9/19/2009	
Rev. Re: Regional Essentials - Bundle Discount Plan & Regional Value - Flex Bundle	Local/Toll	9/20/2009	Trade Secret
Rev. Re: Verizon Client Advantage Program for Regulated Services Plan (VCAP-R)	Local/Toll	9/30/2009	
ICB Addendum	Local/Toll	9/30/2009	
UCRCC Revisions	Local/Toll	10/21/2009	
Rev. Re.Verizon Credit Plan - Promotion VCP 2009 - 18	Local/Toll	10/31/2009	
Rev. Re.Verizon Credit Plan - Promotion VCP 2009 - 17	Local/Toll	11/1/2009	
Notice Re: Home Voice Mail, Regional Value and Sensible Minute Plan Rate Changes	Local/Toll	11/6/2009	
Notice to PSC Re: Verizon Credit Plan - Promotion VCP 2009-14	Local/Toll	11/20/2009	
Re: Revisions to Voice Discount Plan - Expanded Eligibility Requirements..	Local/Toll	12/1/2009	Trade Secret
Rev. Re: Vz Client Advantage Program for Regulated Services Plan (VCAP-R)	Local/Toll	12/16/2009	
Rev. Re: Digital Centrex Plus - Service Connection Charges	Local/Toll	12/19/2009	
Rev. Re. Business Value-Added Services Features - Rate Changes	Local/Toll	12/19/2009	
Rev. Re.Verizon Credit Plan - Promotion VCP 2009 - 19	Local/Toll	12/28/2009	

* Estimate does not take account of potential demand restriction effects

** Estimate does not reflect subscriber retention

8. IMPORTANT CHANGES DURING THE YEAR (Continued)

Inquiry 7:

Non-management - On August 2, 2009, a 3.5% wage increase was applied to all steps of the basic wage schedules for Associates in NY.

Management salary increases were budgeted at 3.5% for Bands 6-8 (effective 3/22/09) and 2.5% for Band 5 (effective 1/25/09).

Inquiry 8 has nothing to report

Inquiry 9- Changes in General Officers - added were Francis J. Shammo, Chief Executive Officer/Director; Michael T. Stefanski - Chief Financial Officer & Director (replacing Robert J. Barish); and Holyce E. Hess Groos, Senior Vice President - Finance & Treasury.

Inquiry 10- Other Important Changes - None

Inquiry 11 - Change in Accounting Standards: Verizon adopted the following accounting standards, which did not have a material effect on the financial statements of Verizon - New York:

On January 1, 2009, we adopted the accounting standard relating to business combinations, including assets acquired and liabilities assumed arising from contingencies. This standard requires the use of the acquisition method of accounting, defines the acquirer, establishes the acquisition date and applies to all transactions and other events in which one entity obtains control over one or more other businesses. Upon our adoption of this standard, we were required to expense certain transaction costs and related fees associated with business combinations that were previously capitalized. In addition, with the adoption of this standard, changes to valuation allowances for acquired deferred income tax assets and adjustments to unrecognized tax benefits acquired generally are to be recognized as adjustments to income tax expense rather than goodwill.

On January 1, 2009, we adopted the accounting standard that modifies the determination of the useful life of intangible assets from a requirement to consider whether an intangible assets can be renewed without substantial cost or material modifications to the existing terms and conditions to one that requires an entity to consider its own historical experience in renewing similar arrangements, or a consideration of market participant assumptions in the absence of historical experience. This standard also requires disclosure of information that enables users of financial statements to assess the extent to which the expected future cash flows associated with the asset are affected by the entity's intent and ability to renew or extend the arrangements.

On June 15, 2009, we prospectively adopted the accounting standard regarding the accounting for, and disclosure of, events that occur after the balance sheet date but before the financial statements are issued.

On June 15, 2009, we prospectively adopted the accounting standard that amends requirements for recognizing and measuring other-than-temporary impairment of debt securities classified as held to maturity or available for sale. The presentation and disclosure requirements apply to both debt and equity securities.

On June 15, 2009, we prospectively adopted the accounting standard regarding estimating fair value measurements when the [volume and level of activity for the asset or liability has significantly decreased, which also provides guidance for identifying transactions that are not orderly.](#)

On August 28, 2009, we adopted the accounting standard update regarding the measurement of liabilities at fair value. This standard update provides techniques to use in measuring fair value of a liability in circumstances in which a quoted price in an active market or the identical liability is not readily available.

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

1. 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).
2. The totals as reported on this schedule should conform with amounts reported on corresponding schedules.
3. Include in column (g), Part 36 interstate amounts and any reconciliation of New York State amounts.
4. 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)	Subj to Sep (PSC Basis) (e)	New York State (f)	Other (g)
	<u>Operating Revenues</u>						
1	Local Network Services	\$1,976,603,179			\$1,976,603,179	\$1,967,513,614	\$9,089,566
2	Network Access Services	2,120,781,198			2,120,781,198	\$170,725,934	1,950,055,264
3	Long Distance Network Serv.	129,975,687			129,975,687	\$128,074,406	1,901,281
4	Miscellaneous	507,584,653	(61,303,080)		568,887,733	\$309,625,996	259,261,737
5	Settlements	297,119			297,119	0	297,119
6	Nonregulated Revenues	507,324,528	507,324,528		0	0	0
7	Subtotal	5,242,566,364	446,021,448	0	4,796,544,917	2,575,939,950	2,220,604,967
8	Uncollectibles	66,609,686	3,200,847		63,408,838	\$41,581,430	21,827,408
9	Total Operating Revenues	5,175,956,679	442,820,600	0	4,733,136,079	2,534,358,520	2,198,777,558
	<u>Operating Expenses</u>						
10	Plant Specific	2,568,436,967	\$470,196,067		\$2,098,240,900	\$1,382,073,863	\$716,167,037
11	Plant Non-specific	614,313,678	59,490,026		554,823,652	360,151,251	194,672,401
12	Marketing	327,130,078	83,011,154		244,118,924	174,822,764	69,296,161
13	Customer Operations Services	567,002,282	41,170,524		525,831,759	393,091,694	132,740,064
14	Access	110,362,863	0		110,362,863	52,959,165	57,403,698
15	Corporate Operations	876,288,156	84,118,028		792,170,128	532,192,602	259,977,526
16	Subtotal	5,063,534,024	737,985,799	0	4,325,548,225	2,895,291,339	1,430,256,886
17	Depreciation & Amortization	1,229,000,198	62,788,636		1,166,211,562	752,416,333	413,795,230
18	Total Operating Expenses	6,292,534,222	800,774,434	0	5,491,759,787	3,647,707,672	1,844,052,116
19	Net Operating Revenues	(1,116,577,543)	(357,953,834)	0	(758,623,709)	(1,113,349,151)	354,725,443
	<u>Operating Taxes</u>						
20	Operating FIT	(793,717,459)	(345,423,454)		(448,294,005)	(363,756,373)	(84,537,632)
21	Deferred Operating FIT-Net	126,980,952			126,980,952	0	126,980,952
22	Operating Investment Tax Credit - Amort (Option 2)	(1,811,397)	60,616		(1,872,013)	1,225,788	(3,097,801)
23	Total Federal Income Taxes	(668,547,904)	(345,362,838)	0	(323,185,066)	(362,530,585)	39,345,519
24	Other Operating Taxes	441,859,559	15,146,258		426,713,301	267,385,190	159,328,110
25	Total Operating Taxes	(226,688,345)	(330,216,580)	0	103,528,234	(95,145,395)	198,673,629
26	Other Operating Income and Expenses	37,405,368	(1,075,002)	0	38,480,370	26,883,282	11,597,087
27	Net Operating Income*	(852,483,830)	(28,812,256)	0	(823,671,574)	(991,320,475)	167,648,901
28	Rate Case Adj, if applicable					57,990,917	
29	Net Operating Income after Rate Case Adj	(\$852,483,830)	(\$28,812,256)	\$0	(\$823,671,574)	(\$933,329,557)	\$167,648,901

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* Net Operating Income on Line 27 should equal Net Operating Income on Sch 12, Line 16, Column C.

9. INCOME AVAILABLE FOR RETURN AND CALCULATION OF RATE BASE

Line No.	Item (a)	Total (b)	Nonregulated (c)	Other Adjustments (d)	Subj to Sep (PSC Basis) (e)	New York State (f)	Other (g)
1	Telephone Plant in Service	\$30,758,064,092	\$1,017,574,791	\$0	\$29,740,489,300	\$19,287,074,867	\$10,453,414,433
2	Noninterest Bearing Telephone Plant under Construction	238,148,313	23,703,902	0	214,444,411	0	214,444,411
3	Telephone Plant Held for Future Use	1,098,341	6,278	0	1,092,063	\$740,232	351,831
4	Materials and Supplies	71,421,174	7,736,608	0	63,684,566	\$33,849,080	29,835,486
5	Prepayments	99,811,053	0		99,811,053	62,558,241	37,252,812
6	Cash Working Capital *	242,625,414	0		242,625,414	242,625,414	0
7	RTB Stock	0	0		0	0	0
8	Other Rate Base Adjustments, If Applicable	0	0		0	-61,124,297	61,124,297
9	Unamortized Deferrals	0	0		0	0	0
10	Depreciation Reserve	20,442,873,826	189,838,314		20,253,035,512	13,154,925,036	7,098,110,476
11	Amortization Reserve	168,505,605	1,564,791	0	166,940,814	108,432,827	58,507,987
12	Accumulated Deferred Income Taxes	91,425,566	(200,869,691)		292,295,257	\$481,751,388	-189,456,131
13	Accumulated Deferred Investment Tax Credit (Option 1 Only)	0	0		0	0	0
14	Rate Base (Lines 1-9 minus lines 10-13)	\$10,708,363,390	\$1,058,488,165	\$0	\$9,649,875,226	\$5,820,614,287	\$3,829,260,939

All lines except line 6 are balances at beginning of year plus balances at end of year divided by two.

* Allowance based upon collection of revenues and operating expenses:

For Example:

	Amount	Percentage	Lag Days	Weighted Days
1. Advance Billings (Local Service, etc.)	\$40	40.0%	15	6
Arrears Billings (Toll, etc.)	\$60	60.0%	45	27
	<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 average 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 experienced in the reporting year. The cost rate is derived by dividing the interest expense and/or preferred stock dividends by the respective average 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	\$ _____	\$ \$ (933,329,557.47)
2	Rate Base	\$ 9,649,875,226	\$ 5,820,614,287.08
3	Rate of Return	0	-16.03%
4	Return on Common Equity		-142.96%
5	Required Additional Revenues *	\$ 0	\$ 14,083,316.12

* (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	\$			0.00%
7	Notes Payable				0.00%
8	Customer Deposits				0.00%
9	Preferred Stock				0.00%
10	Common Equity				0.00%
11	Total	\$ 0	0.00%		0.00%

Capital Structure used for Intrastate*

	Item	Amount (a)	Structure (b)	Cost Rate (c)	Weighted Cost (d)
12	Long-Term Debt	\$ 5,386,785	79.64%	7.23%	5.76%
13	Notes Payable	338,214	5.00%	3.49%	0.17%
14	Customer Deposits	0	0.00%	0.00%	0.00%
15	Preferred Stock	0	0.00%	0.00%	0.00%
16	Common Equity	1,039,276	15.36%	-142.96%	-21.96%
	Total	\$ 6,764,275	100.00%		-16.03%

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 and common equity returns 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)
CURRENT ASSETS					
1	1130	--	(0)	\$0	(\$0)
2	1140	--	0	0	0
3	1150	--	0	0	0
4	1160	--	258,820	1,231,034	(972,214)
5	1180	36	826,922,973	847,249,180	(20,326,208)
6	1181	36	82,461,583	104,619,393	(22,157,810)
7	1190.1	37	164,712,835	433,388,728	(268,675,894)
8	1190.2	37	(11,549,101)	42,353,170	(53,902,271)
9	1191	38	13,031,480	11,869,620	1,161,860
10	1200.1	39	0	1	(1)
11	1200.2	39	0	0	0
12	1201	39	0	0	0
13	1210	--	199,781	6,802,385	(6,602,604)
14	1220	40	42,506,773	88,898,448	(46,391,675)
15	1290	--	421,695	(267,747)	689,442
16	1300	41-42	55,328,582	48,401,692	6,926,889
17	1310	--	1,180,483	0	1,180,483
18	1320	--	0	0	0
19	1330	--	3,569,247	6,548,019	(2,978,772)
20	1350	--	73,204,321	109,315,507	(36,111,186)
21	1360	43-44	0	0	0
22	Total Current Assets		1,061,263,345	1,467,431,405	(406,168,060)
NONCURRENT ASSETS					
23	1401.1	50-51	528,674,563	363,167,183	165,507,380
24	1401.2	52-53	0	0	0
25	1402	52-53	3,166,667	3,166,667	0
26	1406	54	0	0	0
27	1407	58-59	6,962,850	7,874,213	(911,362)
28	1408	--	0	0	0
29	1410	--	490,517,662	499,756,556	(9,238,894)
30	1438	--	0	0	0
31	1439	55	89,836,693	89,679,857	156,836
32	1500	--	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
33	1510	43-44	0	0	0
34	Total Noncurrent Assets		1,119,158,436	963,644,475	155,513,960
REGULATED PLANT					
35	2001	24-25	31,088,988,725	30,342,533,410	746,455,315
36	2002	24-25	0	1,757,345	(1,757,345)
37	2003	24-25	0	0	0
38	2004	24-25	216,957,298	181,377,665	35,579,632
39	2005	24-25	0	0	0
40	2006	24-25	13,007,288	16,435,541	(3,428,254)
41	2007	24-25	0	0	0
42	Total Telecommunications Plant		31,318,953,310	30,542,103,959	776,849,349
43	3100-3300	32-33	20,671,498,478	20,012,470,735	659,027,742
44	3410-3600	32-33	168,505,605	190,219,702	(21,714,097)
45	Net Telecommunications Plant		10,478,949,227	10,339,413,521	139,535,703
46	TOTAL ASSETS AND OTHER DEBITS		12,659,371,007	\$12,770,489,401	(\$111,118,397)

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)
CURRENT LIABILITIES						
1	4010.1	Accounts Payable to Affiliated Companies	56	145,842,872	\$499,326,594	(\$353,483,723)
2	4010.2	Other Accounts Payable	56	352,921,613	368,777,573	(15,855,960)
3	4020.1	Notes Payable to Affiliated Companies	57	3,300,469,580	2,848,778,251	451,691,329
4	4020.2	Other Notes Payable	57	0	0	0
5	4030	Advance Billing and Payments	--	152,987,435	156,225,854	(3,238,419)
6	4040	Customers' Deposits	--	7,404,707	6,812,793	591,914
7	4050	Current Maturities-Long-Term Debt	58-59	399,947,423	0	399,947,423
8	4060	Current Maturities-Capital Leases	--	1,174,148	1,131,206	42,942
9	4070	Income Taxes-Accrued	41-42	48,275,186	73,778,325	(25,503,139)
10	4080	Other Taxes-Accrued	41-42	13,579,596	28,251,825	(14,672,229)
11	4100	Current Deferred Oper. Income Taxes-Cr.	45-47	(96,139,144)	(118,139,133)	21,999,989
12	4110	Current Def. Nonoper. Income Taxes-Cr.	45-47	0	0	0
13	4120	Other Accrued Liabilities	--	192,863,479	212,518,853	(19,655,374)
14	4130	Other Current Liabilities	--	287,669,318	286,213,942	1,455,376
15		Total Current Liabilities		4,806,996,212	4,363,676,084	443,320,128
LONG-TERM DEBT						
16	4210	Funded Debt	58-59	2,250,000,000	2,650,000,000	(400,000,000)
17	4220	Premium on Long-Term Debt	58-59	0	0	0
18	4230	Discount on Long-Term Debt	58-59	(8,931,934)	(10,029,583)	1,097,648
19	4240	Reacquired Debt	--	0	0	0
20	4250	Obligations Under Capital Leases	--	10,034,551	9,717,687	316,864
21	4260	Advances from Affiliated Companies	58-59	0	0	0
22	4270	Other Long-Term Debt	58-59	0	0	0
23		Total Long-Term Debt		2,251,102,617	2,649,688,104	(398,585,487)
OTHER LIABILITIES AND DEFERRED CREDITS						
24	4310	Other Long-Term Liabilities	61	4,473,303,329	4,289,030,427	184,272,902
25	4320	Un. Oper. Invest. Tax Credits-Net	45-47	17,369,153	19,180,550	(1,811,397)
26	4330	Un. Nonoper. Invest. Tax Credits-Net	45-47	0	0	0
27	4340	Noncurrent Def. Oper Income Taxes-Cr.	45-47	84,461,199	(22,803,725)	107,264,923
28	4350	Noncurrent Def. Nonoper Income Taxes-Cr.	45-47	2,388,860	2,376,424	12,436
29	4360	Other Deferred Credits	62	253,118,877	265,543,136	(12,424,260)
30	4370	Other Juris. Liabilities & Def. Credits-Net	--	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
31		Total Other Liabilities and Def. Credits		4,830,641,417	4,553,326,811	277,314,605
STOCKHOLDERS' EQUITY						
32	4510.1	Capital Stock-Common	63	1,000,010	1,000,010	0
33	4510.2	Capital Stock-Preferred	63	0	0	0
34	4520	Additional Paid-in Capital	63	4,783,857,776	5,144,467,671	(360,609,895)
35	4530	Treasury Stock	63	0	0	0
36	4540	Other Capital	--	0	0	0
37	4550.1	Appropriated Retained Earnings	21	0	0	0
38	4550.2	Unappropriated Undistrib. Affil Earnings	21	462,838,518	200,186,980	262,651,538
39	4550.3	Unappropriated Retained Earnings	21	(4,477,065,543)	(4,141,856,259)	(335,209,284)
40		Total Stockholders' Equity		770,630,761	1,203,798,402	(433,167,641)
41		TOTAL LIABILITIES AND OTHER CREDITS		12,659,371,007	\$12,770,489,401	(\$111,118,395)

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

11. NOTES TO BALANCE SHEET (Continued)

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)
	INCOME			
	TELEPHONE OPERATING INCOME			
1	Operating Revenues.....	65	\$5,175,956,679	\$5,453,306,123
2	Operating Expenses.....	72	6,292,534,222	6,212,664,189
3	Net Operating Revenues		(1,116,577,543)	(759,358,066)
	OTHER OPERATING INCOME AND EXPENSE			
4	7110 Income from Custom Work.....	--	349,858	0
5	7130 Return from Nonregulated Use of Regulated Facilities.....	--	0	0
6	7140 Gains and Losses from Foreign Exchange.....	--	0	0
7	7150 Gains or Losses from Disposition of Land and Artworks.....	--	37,560,997	40,521,427
8	7160 Other Operating Gains and Losses.....	--	(505,487)	5,737,311
9	Total Other Operating Income and Expenses		37,405,368	46,258,738
	OPERATING TAXES			
10	7210 Operating Investment Tax Credits-Net.....	45-47	(1,811,397)	(1,919,712)
11	7220 Operating Federal Income Taxes.....	73-74	(793,717,459)	(356,103,771)
12	7230 Operating State and Local Income Taxes.....	73-74	(8,832,103)	2,580
13	7240 Operating Other Taxes.....	73-74	450,691,662	464,714,537
14	7250 Provision for Deferred Operating Income Taxes-Net.....	43-47	126,980,952	(181,605,544)
15	Total Operating Taxes		(226,688,345)	(74,911,910)
16	Net Operating Income		(852,483,830)	(638,187,418)
	NONOPERATING INCOME AND EXPENSES			
17	7310 Dividend Income.....	--	0	0
18	7320 Interest Income.....	--	411,903	5,691,622
19	7330 Income from Sinking and Other Funds.....	--	0	0
20	7340 Allowance for Funds Used During Construction.....	--	16,126,829	17,558,298
21	7350 Gains or Losses from the Disposition of Certain Property.....	--	0	(423)
22	7355 Equity in Earnings of Affiliated Companies.....	50-51	563,961,041	60,164,881
23	7360 Other Nonoperating Income.....	79	(14,277,797)	1,815,285
24	7370 Special Charges.....	77	8,032,330	7,182,118
25	Total Nonoperating Income Items and Expenses		558,189,647	78,047,546
	NONOPERATING TAXES			
26	7410 Nonoperating Investment Tax Credits-Net (-).....	45-47	0	0
27	7420 Nonoperating Federal Income Taxes.....	73	(1,694,505)	175,146
28	7430 Nonoperating State and Local Income Taxes.....	73-74	(48,879)	0
29	7440 Nonoperating Other Taxes.....	73-74	3,853,004	4,748,000
30	7450 Provision for Deferred Nonoperating Income Taxes-Net.....	43-47	12,436	0
31	Total Nonoperating Taxes		2,122,056	4,923,146
32	Total Nonoperating Income		556,067,591	73,124,400
33	Income Available for Fixed Charges		(296,416,239)	(565,063,019)
	INTEREST AND RELATED ITEMS			
34	7510 Interest on Funded Debt.....	58-59	186,170,072	188,662,235
35	7520 Interest Expense-Capital Leases.....		842,527	895,067
36	7530 Amortization of Debt Issuance Expense.....	58-59	911,362	2,734,227
37	7540 Other Interest Deductions.....	78	106,834,490	103,244,506
38	Total Interest and Related Items		294,758,451	295,536,035
39	Income Before Extraordinary Items		(591,174,690)	(860,599,054)

12. INCOME AND RETAINED EARNINGS STATEMENT (Continued)					
Line No.	Item (a)	Sch. Page No. (b)	TOTAL		
			Current Year (c)	Last Year (d)	
EXTRAORDINARY ITEMS					
40	7610 Extraordinary Income Credits.....	80	0	0	
41	7620 Extraordinary Income Charges.....	80	0	0	
42	7630 Current Income Tax Effect of Extraordinary Items-Net.....	80	0	0	
43	7640 Provision for Def. Income Tax Effect of Extra. Items-Net.....	80	0	0	
44	Total Extraordinary Items		0	0	
JURISDICTIONAL DIFFERENCES AND NONREG. INCOME ITEMS					
45	7910 Income Effect of Jurisdictional Ratemaking Differences-Net...	- -	xxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxx	
46	7990 Nonregulated Net Income.....	- -	0	0	
47	Total Jurisdictional Differences and Extraordinary Items		0	0	
48	Net Income		(\$591,174,690)	(\$860,599,054)	
RETAINED EARNINGS					
49	4550.3 Unappropriated Retained Earnings (at Beginning of Period)..	63 63 64	(\$4,141,856,259)	(\$3,220,893,658)	
50	4550.4 Balance Transferred from Income.....		(1,155,135,731)	(920,763,936)	
51	4550.5 Appropriations of Retained Earnings.....				
52	4550.6 Dividends Declared-Preferred Stock.....		0	0	
53	4550.7 Dividends Declared-Common Stock.....		0	0	
54	4550.8 Adjustments to Retained Earnings.....		819,926,447	(198,665)	
55	Net Change to Unappropriated Retained Earnings		(335,209,284)	(920,962,601)	
56	4550.3 Unappropriated Retained Earnings (End of Period).....		(4,477,065,543)	(4,141,856,259)	
57	4550.1 Appropriated Retained Earnings (End of Period).....				
58	Total Retained Earnings		(\$4,477,065,543)	(\$4,141,856,259)	
UNAPPROPRIATED UNDISTRIBUTED AFFILIATE EARNINGS					
59	4550.2 Unappropriated Undistributed Affiliate Earnings (beginning of period).....	51	\$200,186,980	\$140,022,099	
60	Equity in Earnings for Period.....		563,961,041	60,164,881	
61	Dividends Received.....		556,460,689		
62	Other Changes (explain).....		255,151,186		
63	4550.2 Unappropriated Undistributed Affiliate Earnings (end of period).....		\$462,838,518	\$200,186,980	
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 \$_____					
Note 2. Line 62: To reclassify nonaffiliate retained earnings of (\$97,144,158). 2008 LD net income: (\$518,616,923); 2008 LD return of capital: \$360,609,895.					

13. STATEMENT OF CASH FLOWS			
Line No.	Items (a)	Current Year (b)	Last Year (c)
	Cash flows from operating activities:		
1	Net Income	(\$591,174,690)	(860,599,054)
	Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
2	Depreciation and depletion	1,199,286,620	1,291,248,432
3	Amortizations	29,713,577	42,217,489
4	Increase (Decrease) in deferred taxes and investment tax credits-net	125,181,991	(181,696,747)
5	Equity (AFUDC)		
6	Decrease (Increase) in receivables related to operations excluding unbilled revenues	249,908,353	(258,276,388)
7	Decrease (Increase) in inventory related to operations	75,585,675	(60,778,594)
8	Increase (Decrease) in accrued expenses and accounts payable related to operations	(389,875,710)	47,759,820
9	Unbilled revenues	730,173	(22,493,855)
10	Increase (Decrease) in current income taxes and other taxes payable	(40,175,369)	20,625,480
11	Increase (Decrease) in interest payable	(4,163,477)	(36,825,951)
12	Equity in loss(earnings) of affiliates	(563,961,041)	(60,164,881)
13	Dividends received from associated and subsidiary companies accounted for under the equity method	562,751,561	
	Other Adjustments:		
14	Other	784,094,005	439,932,921
15	Provision for losses for Accounts Receivables	69,614,040	61,768,654
16	Employee Benefit Obligations	(633,289,686)	
17	Total Adjustments	1,465,400,714	1,283,316,379
18	Net cash provided by (used in) operating activities	874,226,024	422,717,325
	Cash flows from investing activities:		
	Cash outflows for construction (-)		
	Gross additions to:		
19	Telephone plant (include capital leases)	(1,372,039,705)	(1,369,455,620)
20	Common plant		0
21	Non-utility plant		0
22	Other plant		0
	Adjustments to gross additions:		
23	Increase (Decrease) in payables related to construction		0
24	Decrease (Increase) in inventory related to construction		0
25	Capital leases	1,563,951	0
26	Equity AFUDC		0
27	Other adjustments	65,917,767	0
28	Total cash outflows for construction	(1,304,557,987)	(1,369,455,620)
29	Acquisition of other non-current assets (5)(d)		
30	Payments for the acquisition of other debt and equity securities (5)(a)	(2,877,094)	
31	Investments in and advances to subsidiary and associated companies		(24,977,320)
32	Repayments of advances by associated and subsidiary companies		26,361,050
	Net proceeds from sale or disposition of:		
33	Property, plant and equipment	49,770,000	(55,269,478)
34	Investments in subsidiary & associated companies		0
35	Other debt and equity investments	3,868,000	0
36	Other non-current assets		0
	Other:	(79,173,000)	0
37			0
38			0
39	Total of any Insert Pages		0
40	Net cash provided by (used in) investing activities	(1,332,970,081)	(1,423,341,368)

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		6,938
42	Preferred stock		
43	Long-term debt (5)(b)		
44	Net change in short-term debt (5)(c)	451,691,329	785,343,805
45	Contributions and advances from subsidiary and associated companies		
46	Principal payments under capital leases	(1,204,144)	(1,170,139)
	Payments for retirement of: (-)		
47	Common stock		
48	Preferred stock		
49	Long-term debt (5)(b)		(250,000,000)
	Dividends paid on: (-)		
50	Common stock		
51	Preferred stock		
	Other:(5)(e)	8,256,873	
52	Purchase of Short Term Investments		
53	Sale of Short Term Investments		466,443,441
54	Change in O/S Checks		0
55	Other		0
56			0
57			0
58	Total of any Insert Pages		0
59	Net cash provided by (used in) financing activities	458,744,057	1,000,624,045
60	Net increase(decrease) in cash and cash equivalents	0	3
61	Cash & cash equivalents at the beginning of the year	0	(3)
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

- 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.
- Credits to accounts listed in this schedule relating to property retired and charged to Account 2006 'Nonoperating Plant', shall be included in column (f).
- Items of a reverse or contrary character should be designated by appropriate symbols.
- 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)		
	2001 Telecommunications Plant in Service							
	General Support Assets							
1	2111 Land	\$63,806,793	\$0	(\$1,611,325)				\$62,195,468
2	2112 Motor Vehicles	243,205,951	8,906,849			7,048,821		245,063,979
3	2113 Aircraft	0						0
4	2114 Special Purpose Vehicles	174,835,824	6,683,191	(21,520)		2,071,564		179,425,931
5	2115 Garage Work Equipment	0						0
6	2116 Other Work Equipment	0						0
7	2121 Buildings	2,802,872,296	7,790,071	30,636,971		71,019,746		2,770,279,592
8	2122 Furniture	1,856,539	0			0		1,856,539
9	2123 Office Equipment	0						0
10	.1 Office Support Equipment	2,288,157	0			0		2,288,157
11	.2 Company Communications Equipment	11,756,116	1,409			319,000		11,438,525
12	2124 General Purpose Computers	192,479,823	4,166,114	(472,137)		11,036,432		185,137,368
13	Total General Support Assets	\$3,493,101,498	\$27,547,634	\$28,531,989	\$0	\$91,495,563	\$0	\$3,457,685,558
	Central Office Assets							
14	2211 Analog Electronic Switching	\$0	\$233	(\$233)				\$0
15	2212 Digital-Electronic Switching	4,618,064,709	9,531,263	35,222,564		93,291,882		4,569,526,654
16	2215 Electro-Mechanical Switching	0						0
17	.1 Step-by-Step Switching	0						0
18	.2 Crossbar Switching	0						0
19	.3 Other Electro-Mechanical Switching	0						0
20	2220 Operator Systems	39,402,208	241,436	29,751		5,561,872		34,111,523
21	2231 Radio Systems	0						0
22	.1 Satellite & Earth Station Facilities	0						0
23	.2 Other Radio Facilities	8,304,945	0	3,562		827,278		7,481,229
24	2232 Circuit Equipment	6,878,717,265	261,586,839	148,979,067		266,374,373		7,022,908,798
25	Total Central Office Assets	\$11,544,489,127	\$271,359,771	\$184,234,711	\$0	\$366,055,405	\$0	\$11,634,028,203

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)		
26	Information Org./Term. Assets							
27	2311 Station Apparatus	\$0						\$0
28	2321 Customer Premises Wiring	0						0
29	2341 Large Private Branch Exchanges	0						0
30	2351 Public Terminal Equipment	77,404,177	0			11,455,769		65,948,408
31	2362 Other Terminal Equipment	299,256,860	8,561,575	(699,788)		46,239,430		260,879,217
31	Total Information Org./Term. Assets	\$376,661,037	\$8,561,575	(\$699,788)	\$0	\$57,695,199	\$0	\$326,827,625
32	Cable and Wire Facilities							
33	2411 Poles	\$692,675,009	\$17,280,418	\$7,573,732		\$2,916,659		\$714,612,500
34	2421 Aerial Cable	7,141,723,256	218,816,027	184,406,586		12,863,123		7,532,082,746
35	2422 Underground Cable	2,911,497,765	41,319,639	44,847,003		8,315,052		2,989,349,355
36	2423 Buried Cable	1,446,644,522	51,841,533	56,649,535		1,136,104		1,553,999,486
37	2424 Submarine Cable	6,773,532	331	89				6,773,952
38	2425 Deep Sea Cable	0						0
39	2426 Intrabuilding Network Cable	573,033,524	30,061,793	92,683,505		514,219		695,264,603
40	2431 Aerial Wire	0						0
41	2441 Conduit	1,834,510,437	16,502,268	15,895,844		44,680		1,866,863,869
41	Total Cable and Wire Facilities	\$14,606,858,045	\$375,822,009	\$402,056,294	\$0	\$25,789,837	\$0	\$15,358,946,511
42	Amortizable Assets							
43	2681 Capital Leases	\$24,919,275	\$1,563,951			\$2,855,881		\$23,627,345
44	2682 Leasehold Improvements	157,998,634	3,380,409	7,880,798		2,921,155		166,338,686
45	2690 Intangibles	138,505,794	19,107,563	9,678,327		45,756,886		121,534,798
45	Total Amortizable Assets	\$321,423,702	\$24,051,923	\$17,559,125	\$0	\$51,533,922	\$0	\$311,500,828
46	Total Telecommunications Plant in Service	\$30,342,533,410	\$707,342,912	\$631,682,331	\$0	\$592,569,926	\$0	\$31,088,988,725
47	2002 Property Held for Future Telecom. Use	\$1,757,345		(\$1,757,345)				\$0
48	2003 Telecom. Plt. Under Constr.-Short Term	0		0				0
49	2004 Telecom. Plt. Under Constr.-Long Term	181,377,665	664,696,793	(629,117,161)				216,957,298
50	2005 Telecom. Plt. Acquisition Adjustment	0						0
51	.1 Tel.. Plant Acquisition Adjustment	0						0
52	.2 Other Plant Adjustments	0						0
53	2006 Nonoperating Plant	16,435,541		(3,428,254)				13,007,288
54	2007 Goodwill	0						0
55	Total Telecommunications Plant	\$30,542,103,961	\$1,372,039,705	(\$2,620,429)	\$0	\$592,569,926	\$0	\$31,318,953,310

15. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-SHORT TERM (Account 2003)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.
2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2003 Telecommunications Plant Under Construction-Short Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings			0
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers			0
	Central Office Assets			0
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching			0
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment			0
	Information Orig/Termination Assets			0
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment			0
	Cable and Wire Facilities Assets			0
22	2411 Poles			0
23	2421 Aerial Cable			0
24	2422 Underground Cable			0
25	2423 Buried Cable			0
26	2424 Submarine Cable			0
27	2425 Deep Sea Cable			0
28	2426 Intrabuilding Network Cable			0
29	2431 Aerial Wire			0
30	2441 Conduit Systems			0
31	Total Plant Accounts	0	0	0
	Other Accounts			
32				0
33				0
34				0
35	Total	\$0	\$0	\$0

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15A. TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION-LONG TERM (Account 2004)

1. This schedule is intended to show the results of a summary analysis of the work orders still open for plant in process of construction, but not ready for service, which comprise the balance in this account at the balance sheet date. Particulars of individual work orders are not requested.
2. The amounts for plant shown in the appropriate columns should represent the approximate ultimate distribution to the primary accounts as indicated by the work order estimates.

Line No.	Account Classification (a)	2004 Telecommunications Plant Under Construction-Long Term (work orders open at end of year)		
		Charges (b)	Credits (c)	Balance at End of the Year Total (d)
	General Support Assets			
1	2111 Land			\$0
2	2112 Motor Vehicles			0
3	2113 Aircraft			0
4	2114 Special Purpose Vehicles			0
5	2115 Garage Work Equipment			0
6	2116 Other Work Equipment			0
7	2121 Buildings	39,233,048	29,731,291	18,713,733
8	2122 Furniture			0
9	2123 Office Equipment			0
10	2124 General Purpose Computers	242,487	181,436	78,608
	Central Office Assets			
11	2211 Analog Electronic Switching			0
12	2212 Digital Electronic Switching	8,754,487	23,738,116	6,406,029
13	2215 Electro-Mechanical Switching			0
14	2220 Operator Systems			0
15	2231 Radio Systems			0
16	2232 Circuit Equipment	182,628,199	156,974,857	60,723,479
	Information Orig/Termination Assets			
17	2311 Station Apparatus			0
18	2321 Customer Premises Wiring			0
19	2341 Large Private Branch Exchanges			0
20	2351 Public Telephone Terminal Equip.			0
21	2362 Other Terminal Equipment	1,772,589	1,698,112	1,987,265
	Cable and Wire Facilities Assets			
22	2411 Poles	7,770,521	7,580,008	1,733,228
23	2421 Aerial Cable	188,531,271	184,472,039	55,541,475
24	2422 Underground Cable	50,763,238	44,852,675	22,878,980
25	2423 Buried Cable	56,428,105	56,643,248	13,951,954
26	2424 Submarine Cable	4	89	0
27	2425 Deep Sea Cable			0
28	2426 Intrabuilding Network Cable	90,291,873	92,694,427	29,476,652
29	2431 Aerial Wire			0
30	2441 Conduit Systems	19,895,420	15,897,974	11,978,214
31	Total Plant Accounts	646,311,242	614,464,272	223,469,617
	Other Accounts			
32	2682 Leasehold Improvements	7,437,149	7,880,798	1,727,245
33	2690 Intangibles	8,106,008	9,678,420	3,780,450
34	2700 Suspended Projects	0	(2,906,328)	(12,020,016)
35	Total	\$661,854,399	\$629,117,162	\$216,957,296

16. PROPERTY HELD FOR FUTURE TELECOMMUNICATIONS USE

1. Insert in column (a) the titles of the applicable primary accounts for telecommunications plant in service and for each show the corresponding details regarding Property Held for Future Telecommunications Use.
2. If respondent's annual operating revenues exceed \$100 million, list separately items amounting individually to \$50,000 or more; show the aggregate of all other items for each primary account listed.

Line No.	Item (a)	Anticipated In Service Date (b)	Balance at Beg. of Year (c)	Additions During Year (d)	Transfers to Tel.. Plant in Service (e)	Other Retirements During Year (f)	Adjustments During Year Debit or (Credit) (g)	Balance at End of Year (h)
1	NY (CS00BJE001) Transfer (10) Nortel MG4KS from NY 1220 Inventory to NY Project ID-2002 Accont, RTU (6BAA4E)		1,757,345		1,757,345			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
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	Totals		\$1,757,345	\$0	\$1,757,345	\$0	\$0	\$0

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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	Amount		Account No.	Amount	Account No.	Amount
1	NY Sale to MA	2112110	393,428	199,183			194,246					194,246
2	NY Sale to PA	2112110	34,637	28,291			6,347					6,347
3	NY Sale to MA	2114110	253,632	11,877			241,755					241,755
4	NY Sale to VA	2114110	3,478	2,438			1,040					1,040
5	NY Sale to WV	2114110	18,790	9,850			8,940					8,940
6	NY Sale to DC	2124110	2,340	889			1,450					1,450
7	NY Sale to DE	2124110	748	394			354					354
8	NY Sale to MA	2124110	67,978	42,291			25,687					25,687
9	NY Sale to MD	2124110	79,621	48,306			31,316					31,316
10	NY Sale to NJ	2124110	22,081	8,839			13,242					13,242
11	NY Sale to NSI	2124110	897	473			424					424
12	NY Sale to PA	2124110	28,078	16,097			11,981					11,981
13	NY Sale to VA	2124110	60,123	40,225			19,897					19,897
14	NY Sale to WV	2124110	15,301	10,604			4,697					4,697
15	NY Sale to CT	2362110	4,227	1,938			2,289					2,289
16	NY Sale to DE	2362110	130	130			0					0
17	NY Sale to MA	2362110	25,429	8,233			17,196					17,196
18	NY Sale to MD	2362110	112	2			110					110
19	NY Sale to NJ	2362110	3,050	55			2,995					2,995
20	CT Sale to NY	2362110	2,391	435			1,956					1,956
21	NY Sale to PA	2362110	2,788	1,438			1,350					1,350
22	NY Sale to RI	2362110	2,299	917			1,382					1,382
23												
24												
25												
26												
27												
28												
29												
30												
	NY tagged Assets to Affiliates		1,021,558	432,904			588,654					588,654

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 tarified rate, report this value. Indicate fair market value with an (F) and tarified 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 Tarified Rate (g)	Purchased Price (h)		Sale Price (i)	
				Amount	Account No.	Amount	Amount		Account No.	Amount	Account No.	Amount
1	NY Sale to CT	2212110	30,828	1,586			29,242					29,242
2	NY Sale to DC	2212110	6,260	1,507			4,752					4,752
3	NY Sale to DE	2212110	7,295	4,678			2,616					2,616
4	NY Sale to MA	2212110	1,308,950	449,129			859,821					859,821
5	NY Sale to MD	2212110	40,218	11,866			28,351					28,351
6	NY Sale to NJ	2212110	279,516	134,456			145,061					145,061
7	CT Sale to NY	2212110	29,538	6,534			23,004					23,004
8	NY Sale to PA	2212110	580,392	338,404			241,988					241,988
9	NY Sale to RI	2212110	89,107	28,552			60,555					60,555
10	NY Sale to VA	2212110	76,320	62,548			13,772					13,772
11	NY Sale to WV	2212110	3,875	2,501			1,374					1,374
12	NY Sale to MA	2212210	8,770	572			8,199					8,199
13	NY Sale to NJ	2212210	156,920	433			156,487					156,487
14	NY Sale to PA	2212210	58	0			58					58
15	NY Sale to RI	2212210	33,731	557			33,175					33,175
16	NY Sale to DC	2220110	54,139	43,578			10,561					10,561
17	NY Sale to CT	2232110	1,852	1,753			99					99
18	NY Sale to MA	2232110	65,084	15,053			50,031					50,031
19	NY Sale to MD	2232110	7,774	202			7,572					7,572
20	NY Sale to NJ	2232110	6,036	444			5,592					5,592
21	CT Sale to NY	2232110	950	213			738					738
22	NY Sale to PA	2232110	47,980	7,410			40,570					40,570
23	NY Sale to RI	2232110	4,652	890			3,762					3,762
24	NY Sale to VA	2232110	187	187			0					0
25	NY Sale to WV	2232110	678	20			658					658
26	NY Sale to CT	2232210	162,681	39,359			123,321					123,321
27	NY Sale to DC	2232210	8,201	314			7,887					7,887
28	NY Sale to DE	2232210	10,619	3,549			7,070					7,070
29	CT Sale to MA	2232210	887	314			573					573
30	NY Sale to MA	2232210	4,179,522	1,064,296			3,115,226					3,115,226
31	NY Sale to MD	2232210	194,328	26,397			167,931					167,931
32	NY Sale to NJ	2232210	224,283	42,276			182,008					182,008
33	CT Sale to NY	2232210	232,904	35,196			197,707					197,707
34	NY Sale to PA	2232210	1,285,989	570,727			715,262					715,262
35	CT Sale to RI	2232210	127	4			123					123
36	NY Sale to RI	2232210	558,031	100,797			457,234					457,234
37	NY Sale to VA	2232210	74,062	17,536			56,525					56,525
38	NY Sale to WV	2232210	27,665	6,236			21,429					21,429
	NY COE Sales to Affiliates		9,800,407	3,020,075			6,780,332					6,780,332

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.

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).

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

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 Purchased from MA	2112110	11,856	5,460			6,397					6,397
2	NY Purchased from DE	2114110	3,265	2,880			385					385
3	NY Purchased from MD	2114110	2,410	2,232			178					178
4	NY Purchased from PA	2114110	2,995	2,468			527					527
5	NY Purchased from VA	2114110	2,549	2,432			117					117
6	NY Purchased from C5	2124110	35,405	17,807			17,598					17,598
7	NY Purchased from CA	2124110	135,484	71,671			63,814					63,814
8	NY Purchased from DC	2124110	1,649	1,139			511					511
9	NY Purchased from DE	2124110	7,270	4,001			3,270					3,270
10	NY Purchased from FL	2124110	44,406	21,649			22,756					22,756
11	NY Purchased from IL	2124110	9,647	4,383			5,264					5,264
12	NY Purchased from IN	2124110	73,569	40,220			33,349					33,349
13	NY Purchased from MA	2124110	67,788	48,100			19,688					19,688
14	NY Purchased from MD	2124110	7,757	3,938			3,819					3,819
15	NY Purchased from NJ	2124110	38,596	23,766			14,830					14,830
16	NY Purchased from NSI	2124110	16,865	14,510			2,355					2,355
17	NY Purchased from OH	2124110	3,936	1,589			2,347					2,347
18	NY Purchased from PA	2124110	6,532	3,684			2,848					2,848
19	NY Purchased from TRG	2124110	14,982	14,337			645					645
20	NY Purchased from TX	2124110	19,138	9,458			9,680					9,680
21	NY Purchased from V2	2124110	38,201	20,369			17,832					17,832
22	NY Purchased from VA	2124110	26,313	18,667			7,646					7,646
23	NY Purchased from WA	2124110	3,548	1,416			2,131					2,131
24	NY Purchased from WV	2124110	880	471			409					409
25	NY Purchased from XN	2124110	37,735	14,126			23,609					23,609
26	CT Purchased from NY	2362110	4,227	1,938			2,289					2,289
27	NY Purchased from CT	2362110	2,391	435			0					1,956
28	NY Purchased from MA	2362110	59,632	9,603			0					50,029
29	NY Purchased from PA	2362110	27,568	1,661			0					25,907
30	NY Purchased from RI	2362110	-7,184	-1,217			0					-5,967
31	NY Purchased from VA	2362110	283	237								46
NY Tagged Asset Purchases from Affiliates			699,694	363,430			336,264					336,264

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.

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).

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

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	Amount		Account No.	Amount	Account No.	Amount
1	CT Purchased from MA	2212110	1,009	19			990					990
2	CT Purchased from NY	2212110	30,828	1,586			29,242					29,242
3	NY Purchased from CT	2212110	29,538	6,534			23,004					23,004
4	NY Purchased from DC	2212110	426	109			317					317
5	NY Purchased from DE	2212110	115	94			21					21
6	NY Purchased from MA	2212110	2,708,008	841,563			1,866,445					1,866,445
7	NY Purchased from MD	2212110	19,611	6,502			13,108					13,108
8	NY Purchased from NJ	2212110	43,738	4,285			39,453					39,453
9	NY Purchased from PA	2212110	35,489	7,793			27,696					27,696
10	NY Purchased from RI	2212110	2,864	316			2,548					2,548
11	NY Purchased from VA	2212110	224,933	109,919			115,014					115,014
12	NY Purchased from WV	2212110	1,235	683			552					552
13	NY Purchased from MA	2212210	69,908	19,831			50,077					50,077
14	NY Purchased from MA	2220110	949	26			924					924
15	CT Purchased from NY	2232110	1,852	1,753			99					99
16	NY Purchased from CT	2232110	950	213			738					738
17	NY Purchased from MA	2232110	45,180	8,864			36,317					36,317
18	NY Purchased from NJ	2232110	860	857			3					3
19	NY Purchased from PA	2232110	1,624	160			1,464					1,464
20	NY Purchased from RI	2232110	232	26			205					205
21	NY Purchased from VA	2232110	2,210	1,291			919					919
22	CT Purchased from MA	2232210	10,313	956			9,356					9,356
23	CT Purchased from NY	2232210	162,681	39,359			123,321					123,321
24	NY Purchased from CA	2232210	129	72			56					56
25	NY Purchased from CT	2232210	232,904	35,196			197,707					197,707
26	NY Purchased from DC	2232210	44,630	20,387			24,244					24,244
27	NY Purchased from DE	2232210	5,658	634			5,024					5,024
28	NY Purchased from FL	2232210	2,514	287			2,227					2,227
29	NY Purchased from IN	2232210	587	446			142					142
30	NY Purchased from MA	2232210	5,460,601	935,538			4,525,063					4,525,063
31	NY Purchased from MD	2232210	148,703	11,569			137,133					137,133
32	NY Purchased from NJ	2232210	124,956	34,464			90,492					90,492
33	NY Purchased from PA	2232210	202,553	48,828			153,725					153,725
34	NY Purchased from RI	2232210	48,929	22,713			26,216					26,216
35	NY Purchased from TX	2232210	568	239								329
36	NY Purchased from V2	2232210	170	20								150
37	NY Purchased from VA	2232210	252,597	31,211								221,386
38	NY Purchased from WV	2232210	18,748	5,371								13,376
	NY COE Purchases from Affiliates		9,938,798	2,199,713			7,739,085					7,739,085

Notes:

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	\$166,556,378	\$13,272,760	\$200,592	\$5,421
2	2113 Aircraft	0			
3	2114 Special Purpose Vehicles	0			
4	2115 Garage Work Equipment	0			
5	2116 Other Work Equipment	79,463,039	15,503,243	231,984	9,933
6	2121 Buildings	1,221,726,918	53,238,257	32,713,214	(380)
7	2122 Furniture	1,708,718	(10)	0	4
8	2123 Office Equipment	0			
9	.1 Office Support Equipment	904,377	359,284	0	
10	.2 Company Communications Equipment	10,524,770	324,313		695
11	2124 General Purpose Computers	147,027,435	16,251,596	122,308	333,513
12	Total General Support Assets	1,627,911,636	98,949,442	33,268,098	349,186
	Central Office Assets				
13	2211 Analog Electronic Switching	0			6
14	2212 Digital Electronic Switching	4,041,925,777	153,465,352	5,305,427	988,752
15	2215 Electro-Mechanical Switching	0			
16	.1 Step-by Step	0			
17	.2 Crossbar	0			
18	.3 Other Electro-Mechanical Switching	0			
19	2220 Operator Systems	35,282,595	1,267,402	189,173	32
20	2231 Radio Systems	0			
21	.1 Satellite and Earth Station Facilities	0			
22	.2 Other Radio Facilities	8,233,158	70,568	1,700	35
23	2232 Circuit Equipment	4,969,668,069	411,605,786	3,114,149	1,184,993
24	Total Central Office Assets	9,055,109,599	566,409,108	8,610,449	2,173,818
	Information Orig/Termination Assets				
25	2311 Station Apparatus	0			
26	2321 Customer Premises Wiring	0			
27	2341 Large Private Branch Exchanges	0			
28	2351 Public Telephone Terminal Equip.	74,457,822	1,270,052		(3)
28	2362 Other Terminal Equipment	251,179,227	10,650,134	490,670	11,391
29	Total Information Orig/Termination Assets	325,637,049	11,920,186	490,670	11,388
	Cable and Wire Facilities Assets				
30	2411 Poles	398,777,446	20,257,015	1,572,920	(6,969,334)
31	2421 Aerial Cable	4,432,923,353	290,780,672	2,069,913	(7,766,500)
32	2422 Underground Cable	2,126,159,668	93,967,345	3,864,475	(2,066,356)
33	2423 Buried Cable	997,990,581	54,580,556	57,008	(218,065)
34	2424 Submarine Cable	5,235,989	359,007	0	0
35	2425 Deep Sea Cable	0		0	0
36	2426 Intrabuilding Network Cable	332,564,194	25,101,030	84,675	(281,158)
36	2431 Aerial Wire	0		0	0
37	2441 Conduit Systems	711,217,546	36,962,259	22,388	(379,009)
38	Total Cable and Wire Facilities Assets	9,004,868,778	522,007,884	7,671,379	(17,680,422)
39	3100 Other - Explain				
40	3100 Other - Explain				
41	3100 Total Accumulated Depreciation - TPIS	20,012,470,735	1,199,286,620	50,040,596	(15,146,030)
42	3200 Held for Future Communications Use				
43	3300 Nonoperating	(1,056,330)			
44	Total Accumulated Depreciation	20,012,470,735	1,199,286,620	50,040,596	(15,146,030)
45	3410 Capital Leases	13,911,882	1,480,333	13	17
46	3420 Leasehold Improvements	111,517,188	8,512,599		9,205
47	Accumulated Amortization - Tangible	125,429,070	9,992,932	13	9,222
48	3500 Accumulated Amortization - Intangible	64,790,632	19,720,646		0
49	3600 Accumulated Amortization - Other	0			
50	Total Accumulated Amortization	190,219,702	29,713,578	13	9,222
51	Total Accumulated Depreciation & Amortization	\$20,202,690,437	\$1,229,000,198	\$50,040,609	(\$15,136,807)

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		\$7,048,821		(\$103,062)	\$173,089,393
2					0
3					0
4					0
5		2,071,564	0	(47,857)	93,184,492
6		71,019,746	7,343,255	196,425	1,229,118,583
7		0		0	1,708,712
8					0
9		0		(1)	1,263,662
10		319,000		0	10,530,778
11		11,036,432	791,171	350,901	151,556,349
12	0	91,495,563	8,134,426	396,406	1,660,451,968
13				6	0
14		93,291,882	9,426,605	12,307,697	4,086,659,124
15					0
16					0
17					0
18					0
19		5,561,872	26,267	(32,565)	31,183,628
20					0
21					0
22		827,278	0	(1,785)	7,479,968
23		266,374,373	16,835,624	2,100,070	5,100,262,930
24	0	366,055,405	26,288,496	14,373,423	9,225,585,650
25					0
26					0
27					0
28		11,455,769	871,961	(2,524,676)	65,924,817
28		46,239,430	276,130	841,353	214,974,509
29	0	57,695,199	1,148,091	(1,683,323)	280,899,326
30		2,916,659	420,974	(6,917,001)	417,217,415
31		12,863,123	1,514,842	(7,823,871)	4,711,453,344
32		8,315,052	148,317	(387,297)	2,213,849,060
33		1,136,104	20,080	(279,798)	1,051,533,694
34		0			5,594,996
35					0
36		514,219	125,690	(370,709)	357,199,541
36					0
37		44,680	692,685	(884,577)	747,970,396
38	0	25,789,837	2,922,588	(16,663,253)	9,504,818,447
39					0
40					0
41	0	541,036,004	38,493,601	(3,576,747)	20,671,755,391
42				2	(2)
43				(799,418)	(256,912)
44	0	541,036,004	38,493,601	(4,376,163)	20,671,498,478
45		2,855,881	0	2	12,536,362
46		2,921,155	579,081	(676,095)	117,214,851
47	0	5,777,036	579,081	(676,093)	129,751,213
48		45,756,886		(1)	38,754,393
49					0
50	0	51,533,922	579,081	(676,094)	168,505,605
51	\$0	\$592,569,926	\$39,072,682	(\$5,052,257)	\$20,840,004,083

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20. BASIS OF CHARGES FOR DEPRECIATION

- 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.
- 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.
- 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)
General Support Assets					
1	2112 Motor Vehicles	8	15.00%	5.50%	5.50%
2	2113 Aircraft				
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment	12	0.00%	9.34%	8.80%
6	2121 Buildings	45	0.00%	1.91%	1.90%
7	2122 Furniture	15	0.00%	0.00%	0.00%
8	2123 Office Equipment				
9	.1 Office Support Equipment	8	0.00%	15.70%	15.70%
10	.2 Company Communications Equipment	8	0.00%	2.79%	2.80%
11	2124 General Purpose Computers	5	0.00%	8.60%	8.60%
Central Office Assets					
12	2211 Analog Electronic Switching				
13	2212 Digital Electronic Switching	11	0.00%	3.33%	3.33%
14	2215 Electro-Mechanical Switching				
15	.1 step-by-step				
16	.2 Crossbar				
17	.3 Other Electro-Mechanical Switching				
18	2200 Operator Systems	10	0.00%	3.40%	3.40%
19	2231 Radio Systems	5	0.00%	0.90%	0.90%
20	.1 Satellite and Earth Station Facilities				
21	.2 Other Radio Facilities				
22	2232 Circuit Equipment	9	2.00%	6.00%	5.90%
Information Origination/Termination Assets					
23	2311 Station Apparatus				
24	2321 Customer Premises Wiring				
25	2341 Large Private Branch Exchanges				
26	2351 Public Telephone Terminal Equipment	5	0.00%	1.71%	3.20%
27	2362 Other Terminal Equipment	8	0.00%	3.61%	3.60%
Cable and Wire Facilities Assets					
28	2411 Poles	30	0.00%	2.89%	2.90%
29	2421 Aerial Cable	n/a	0.00%	3.97%	3.97%
30	2422 Underground Cable	n/a	0.00%	3.19%	3.19%
31	2423 Buried Cable	n/a	0.00%	3.66%	3.66%
32	2424 Submarine Cable	15	0.00%	5.30%	5.30%
33	2425 Deep Sea Cable				
34	2426 Intrabuilding Network Cable	n/a	0.00%	3.98%	3.98%
35	2431 Aerial Wire				
36	2441 Conduit Systems	50	0.00%	2.00%	2.00%
37					
38	Composite rate for all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	3.97%	
39	Composite rate for all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	4.01%	
40	Ratio to all depreciable accounts	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	
41	Ratio to all plant accounts included in account 2001	XXXXXXXXXX	XXXXXXXXXXXXXX	XXXXXXXXXX	

20. BASES OF CHARGES FOR DEPRECIATION (Continued)

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

Section II. Subclasses of Depreciable Plant

Line No.	Primary Acct. No. (f)	Name or Description of Subclass (g)	Estimated Service Life in Years (h)	Estimated Net Salvage Factor (i)	Annual Rate End of the Year (j)	Plant Balances Used in Computing Composite Rates (k)	Est. Annual Depreciation for Compositing Purposes (j)x(k) (l)
1	2421	Aerial Cable					
2		Aerial Cable Met.	15	0.00%	3.70%	5,335,740,244	197,147,293
3		Aerial Cable Nmet.	25	0.00%	4.70%	1,992,400,788	93,633,379
4		Total	n/a	n/a	3.97%	7,328,141,032	290,780,672
5	2422	Underground Cable					
6		U.G. Cable Met.	15	0.00%	3.10%	1,936,103,113	59,666,599
7		U.G. Cable Nmet.	25	0.00%	3.40%	1,009,006,336	34,300,746
8		Total	n/a	n/a	3.19%	2,945,109,449	93,967,345
9	2423	Buried Cable					
10		Buried Cable Met.	15	0.00%	3.40%	1,137,473,054	38,666,117
11		Buried Cable Nmet.	25	0.00%	4.50%	353,967,209	15,914,439
		Total	n/a	n/a	3.66%	1,491,440,263	54,580,556
12	2426	Intrabuilding Network Cable					
13		Intrabuilding Cable Met	15	0.00%	3.50%	381,354,455	13,345,882
14		Intrabuilding Cable Nmet	25	0.00%	4.70%	250,111,149	11,755,148
15		Total	n/a	n/a	3.98%	631,465,604	25,101,030
16							
17							
18							
19							
20							
21							
22							
23							
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40							
41							

**21. TELECOMMUNICATIONS ACCOUNTS RECEIVABLE AND ACCOUNTS
RECEIVABLE ALLOWANCE**

Line No.	Item (a)	Number of Accounts (b)	Amount at End of the Year (c)
1	Customers and Agents-Receiving Service	5,565,129	
2	Customers and Agents-Service Discontinued	799,389	
3	Total*	6,364,518	826,922,973
4	Less Reserve for Uncollectible Accounts-Cr.	xxxx	82,461,583
5	Balance	xxxx	\$744,461,389

Explain in a note the basis used to determine the accruals charged to account 5301.

Line No.	Particulars (a)	Amount (b)
6	Balance at beginning of the year	104,619,393
7	Accruals charged to account 5300	66,609,686
8	Collection of amounts previously written off	11,289,455
9	Other Credits (explain in a note)	37,596,994
10	Total credits	115,496,135
11	Uncollectible written off during the year	137,653,945
12	Other debits (explain in a note)	
13	Total debits	137,653,945
14	Balance at end of year	\$82,461,583
15	Total operating revenues for the year	\$5,175,956,679
16	Net write offs during the year (line 11 minus line 8)	\$126,364,490
17	Ratio of line 16 to line 15	2.44%
18	Ratio of line 7 to line 15	1.29%
19	Interstate Uncollectible Revenues (Account 5301.1)	\$21,112,407
20	Intrastate Uncollectible Revenues (Account 5301.2)	\$41,844,871

* Breakout of dollar amounts for Lines 1 and 2 no longer available due to change in accounting system.

Note: Other includes estimated Uncollectable activity for interexchange carriers under B&C agreements

**22. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES AND
OTHER ACCOUNTS RECEIVABLE**

1. List the information for each affiliate and also the ten largest nonaffiliate debtors at end of year. Aggregate all other nonaffiliate receivables.

2. Report in column (f) the average of the twelve month-end balances for each item in column (a).

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
	Account 1190.1 Accounts Receivable from Affiliated Companies:					
1	VERIZON WASHINGTON, DC INC	\$13,346	\$3,824,962	\$3,611,268	\$227,041	\$120,193
2	VERIZON MARYLAND INC	308,729	29,012,673	28,403,964	917,437	\$613,083
3	VERIZON VIRGINIA INC	102,684	24,419,651	23,681,128	841,207	\$471,946
4	VERIZON WEST VIRGINIA INC	1,007,007	6,585,604	7,392,287	200,324	\$603,666
5	VERIZON NEW JERSEY INC	24,654	145,665,758	141,242,858	4,447,554	\$2,236,104
6	VERIZON PENNSYLVANIA INC	183,025	50,091,688	45,910,676	4,364,037	\$2,273,531
7	VERIZON DELAWARE INC	8,233	4,915,631	4,424,572	499,292	\$253,762
8	VERIZON SERVICE CORP	364,273,082	436,249,478	789,998,956	10,523,605	\$187,398,344
9	VERIZON COMMUNICATIONS	70,755	203,189	359,458	(85,514)	(\$7,379)
10	VERIZON TELEPRODUCTS	40,632	161	40,793	0	\$20,316
11	VERIZON GLOBAL NETWORK, INC	16,484,056	118,229,254	127,893,424	6,819,886	\$11,651,971
12	VERIZON LONG DIST-CONSUMER	2,431,716	53,224,390	48,623,174	7,032,932	\$4,732,324
13	VERIZON INTERNET SERVICES INC (VOL)	(2,842,433)	548,212,927	488,687,313	56,683,181	\$26,920,374
14	VERIZON NETWORK INTEGRATION	0	0	376,363	(376,363)	(\$188,182)
15	VERIZON NEW ENGLAND INC	4,343,693	94,768,931	91,089,540	8,023,083	\$6,183,388
16	VERIZON WIRELESS HQ	35,335,478	515,779,161	508,097,621	43,017,017	\$39,176,247
17	VERIZON CORP SERVICES CORP	198	0	198	(0)	\$99
18	VERIZON EMPIRE CITY	24,348	16,066	0	40,414	\$32,381
19	VERIZON CORPORATE SERVICES GROUP	0	568,683	500,853	67,829	\$33,915
20	VERIZON CALIFORNIA INC	0	12,144,569	11,576,843	567,726	\$283,863
21	VERIZON NORTHWEST INC	0	1,617,747	1,598,561	19,185	\$9,593
22	VERIZON NORHTWEST INC	0	438	438	0	\$0
23	VERIZON SOUTHWEST INC	0	2,038,649	1,985,996	52,653	\$26,326
24	VERIZON SOUTH INC	0	1,088,553	1,006,273	82,280	\$41,140
25	VERIZON FLORIDA INC	0	2,459,779	2,366,360	93,419	\$46,709
26	VERIZON NORTH INC	0	7,707,809	7,608,421	99,387	\$49,694
27	VERIZON MIDSTATES	0	80	27	53	\$26
28	GS VERIZON SELECT SERVICES.	208,328	0	0	208,328	\$208,328
29	VERIZON LOGISTICS (SUPPLY)	0	5,190	5,190	0	\$0
29	VERIZON ADMIN SERVICES	109,132	695,060	695,060	109,132	\$109,132
30	VSSI - LONG DISTANCE	7,291,655	2,786,117	10,077,773	0	\$3,645,828
31	VERIZON CORPORATE RESOURCES GROUP	0	33,135	33,135	0	\$0
32	VERIZON SERVICE ORG, INC	0	3,728	3,728	\$0	\$0
33	VERIZON SVCS OPERATION INC	0	20,369	20,369	0	\$0
34	DISCONTINUED OPERATIONS	0	795,019	795,019	0	\$0
35	VERIZON BUSINESS	0	23,133,367	5,632,044	17,501,322	\$8,750,661
36	VERIZON ENTERPRISE SOLUTIONS	3,970,412	23,414,945	24,648,969	2,736,388	\$3,353,400
37	Aggregate of all Other Items					
38	Total Accounts Receivable from Affiliated Companies	\$433,388,728	\$2,109,712,760	\$2,378,388,653	\$164,712,835	\$299,050,782

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**22. ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES AND
OTHER ACCOUNTS RECEIVABLE**

1. List the information for each affiliate and also the ten largest nonaffiliate debtors at end of year. Aggregate all other nonaffiliate receivables.

2. Report in column (f) the average of the twelve month-end balances for each item in column (a).

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)	Average Month-end Balance (f)
	Account 1190.2 Other Accounts Receivable:					
39	Miscellaneous Debtors	(\$5,733,850)	\$7,851,466	\$6,944,502	(\$4,826,886)	(\$5,280,368)
40	AT&T and Subsidiaries	0	0	0	0	\$0
41	Loans Secured by Wages	0	0	0	0	\$0
42	Other Telephone and Telegraph Companies	1,602,042	84,607,641	87,110,805	(901,122)	\$350,460
43	Employee Group Insurance	0	0	0	0	\$0
44	Miscellaneous Receivables	43,367,586	1,333,331,360	1,384,505,697	(7,806,751)	\$17,780,417
45	Unbilled Custom Work	(173,953)	1,343,772	1,183,014	(13,195)	(\$93,574)
46	PCC Carriers	3,291,345	4,617,823	5,910,316	1,998,852	\$2,645,099
47					0	\$0
48					0	\$0
49					0	\$0
50					0	\$0
51					0	\$0
52					0	\$0
53					0	\$0
54					0	\$0
55					0	\$0
56					0	\$0
57					0	\$0
58					0	\$0
59					0	\$0
60					0	\$0
61					0	\$0
62					0	\$0
63					0	\$0
64					0	\$0
65					0	\$0
66	Aggregate of all Other Items				0	\$0
67	Total Other Accounts Receivable	\$42,353,170	\$1,431,752,063	\$1,485,654,334	(\$11,549,102)	\$15,402,034
					\$0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
					0	\$0
		\$0	\$0	\$0	\$0	\$0

23. ACCOUNTS RECEIVABLE ALLOWANCE - AFFILIATED AND OTHER

Line No.	Particulars (a)	Affiliate (b)	Other (c)
1	Balance at beginning of the year	\$0	\$11,869,620
2	Accruals charged to account 5302		
3	Collection of amounts previously written off		
4	Other credits (explain in a note)		2,078,001
5	Total credit	0	2,078,001
6	Uncollectibles written off during the year		916,141
7	Other debits is (explain in a note)		
8	Total debits	0	916,141
9	Balance at end of the year	\$0	\$13,031,480

Explain in a note the basis used to determine the accruals charged to account 5302.

For this schedule the uncollectible accrual is based on open A/R that is less than one year old. The uncollectible allowance amount of the accrual is based on the collection history in the state of New York.

Note for Line 4: Special Projects Billings uncollectibles are charged to Account 6728.

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.

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	Account 1200.1 Notes Receivable from Affiliated Companies:				0	%
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	Total				\$0	xxx
13	Account 1200.2 Other Notes Receivable:				0	
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	Aggregate of all other items					xxx
24	Total				\$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

25. INVENTORIES

1. Report the amount of inventories at the beginning and at the end of the year under titles which are indicative of the character of the material included.

2. Summarize inventorying practices, indicating particularly the program therefor and the accounting for overages and shortages.

Line No.	Class of Material (a)	Amount at Beginning of Year (b)	Amount at End of Year (c)
	Subaccount 1220.1, Material and Supplies:		
1	Exempt Material	\$10,400,136	\$9,822,941
2	Non-Exempt Material	9,896,189	7,187,528
3	Central Office Supplies	57,266,080	22,349,040
4	ONTs non-exempt	11,632,302	3,911,479
5	Motor Vehicle supplies	51	51
6	Reserve for Supplies	(602,099)	(768,081)
7	INVENTORY - TOOLS & SUPPLIES	195,533	0
8	Equipment Retired in Place		
9	Equipment Held for Sale		
10	Personal Computers and Supplies		
11	Other	110,255	3,816
12	Total	\$88,898,448	\$42,506,773
	Subaccount 1220.2, Property Held for Sale or Lease:		
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total	\$0	\$0
27	Grand Total	\$88,898,448	\$42,506,773

Explanations:

Line #

1 Exempt / Minor Material (not subject to inventory) distributed to final account based on target balance and non-exempt disbursal activity. Target balance (supply on hand) reduced.

5 MV supplies are expensed

26. PREPAID TAXES AND TAX ACCRUALS

1. List in column (a) and furnish appropriate data with respect to each type of tax for which the company was liable on its own behalf during the year. When entries with respect to any type of tax are applicable to more than one year, the required information for all columns shall be shown separately for each such year.

2. Taxes should be grouped so as to show whether the taxes are federal, state or local.

Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
1	Federal:								
2	Income Taxes								
3	2009			7220	(652,909,255)	(671,373,705)	(30,826,467)		49,290,917
4	2009			7400	(1,694,505)	0	0		(1,694,505)
5	2008		73,778,325	7220	(122,897,061)	(79,945,178)	30,826,442		0
6									
7									
8									
9									
10	Social Security		2,746,629	8101			2,746,629		0
11									
12									
13	Unemployment								0
14									
15									
16									
17	Other								0
18									
19									
20									
21									
22									
23									
24									
25									
26									
27	Subtotal	\$0	\$76,524,954		(\$777,500,821)	(\$751,318,883)	\$2,746,604	\$0	\$47,596,412

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26. PREPAID TAXES AND TAX ACCRUALS (Continued)

26. PREPAID TAXES AND TAX ACCRUALS (Continued)									
Line No.	Particulars (a)	Balance at Beginning of the Year		Taxes Accrued or Charged During the Year		Taxes Paid During the Year (f)	Adjustments Debit or (Credit) (g)	Balance at End of Year	
		Prepaid Taxes (Acct. 1300) (b)	Tax Accruals (Accts. 4070 and 4080) (c)	Acct. Chg.. (d)	Amount (e)			Prepaid Taxes (Acct. 1300) (h)	Tax Accruals (Accts. 4070 and 4080) (i)
28	State:								
29	State & Local Income Tax								
30	2009	0	0	7230	(9,074,502)	(9,753,377)	101	0	678,774
31	2009			7400	0	0		0	0
32	2008			7230	2,864	2,864		0	0
33	Gross Earnings		3,110,694	7240	26,826,000	26,358,383	3,960,336		(382,025)
34	Gross Income		4,366,373	7240	112,729,000	96,723,035	20,012,972		359,366
35	Franchise (NY CAPSTOCK)		4,053,058	7240	3,700,000	2,282,192	5,470,866		(0)
36	Unemployment		20,354	8101			19,950		404
37	Disability Insurance								
38	NY PSC Assessment	1,846,166		7240	10,527,489	6,222,896	2,393,504	(64,923)	
39	Coin, Commercial Rent Tax, etc.		69,635	7240	1,103,339	794,954	691,729		(313,709)
40	Capital Stock		60,000	7240	107,346	59,578			107,768
41	Communications Sales Tax		123			123			(0)
42	Other		(1,511)			0			(1,511)
43									
44									
45									
46	Local:								
47	Gross Receipts (NYC EXCISE TAX)		2,385,084	7240	26,701,897	25,586,689	1,182,601		2,317,691
48	Property	46,555,526	10,446,815	7240	267,144,254	278,310,765	3,062,546	55,393,505	11,180,829
49	Other (NY LGRT)		994,572	7240	2,732,960	2,133,311	1,283,436		310,785
50									
51									
52									
53									
54									
55									
56	Total	\$48,401,692	\$102,030,151	xxxx	(\$335,000,174)	(\$322,597,470)	\$40,824,646	\$55,328,582	\$61,854,782

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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)
	Property Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
1		\$0		\$0	\$0	\$0	\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						
10							\$0
11							0
12							0
13			4550				0
14							0
15							0
16							0
17							0
18	Total	\$0	7250	\$0	\$0	\$0	\$0
19	Total Property Related Deferred Operating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
	Nonproperty Related						
	Current Deferred Operating Income Taxes-Dr. (Account 1360)						
20							\$0
21							0
22							0
23			4550				0
24							0
25							0
26							0
27							0
28	Total	\$0	7250	\$0	\$0	\$0	\$0

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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	Nonproperty Related						
30	Noncurrent Deferred Operating Income Taxes-Dr. (Account 1510)						\$0
31							0
32							0
33							0
34							0
35							0
36	Total	\$0	7250	\$0	\$0	\$0	\$0
37	Total Nonproperty Related Deferred Operating Income Taxes - Dr.	\$0		\$0	\$0	\$0	\$0
38	Property Related						
39	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)		7450				\$0
40							0
41							0
42	Deferred Income Tax Effect of Extraordinary Items		7640				0
43	Total	\$0		\$0	\$0	\$0	\$0
44	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)		7450				\$0
45							0
46							0
47							0
48	Deferred Income Tax Effect of Extraordinary Items		7640				0
49	Total	\$0		\$0	\$0	\$0	\$0
50	Total Property Related Deferred Nonoperating Income Taxes-Dr.	\$0		\$0	\$0	\$0	\$0
51	Nonproperty Related						
52	Current Deferred Nonoperating Income Taxes-Dr. (Account 1360)		7450				\$0
53							0
54							0
55	Deferred Income Tax Effect of Extraordinary Items		7640				0
56	Total	\$0		\$0	\$0	\$0	\$0
57	Noncurrent Deferred Nonoperating Income Taxes-Dr. (Account 1510)		7450				\$0
58							0
59							0
60	Deferred Income Tax Effect of Extraordinary Items		7640				0
61	Total	\$0		\$0	\$0	\$0	\$0
62	Total Nonproperty Related Deferred Nonoperating Income Taxes - Dr.	\$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)
	Property Related						
	Current Deferred Operating Income Taxes-Cr. (Account 4100)						
1							\$0
2							0
3							0
4							0
5							0
6							0
7							0
8							0
9	Total	\$0	7250	\$0	\$0	\$0	\$0
	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
10		\$1,378,776,581	7250	\$690,444,955	\$450,272,951	\$107,318,815	\$1,726,267,400
11	Unrecognized Tax Benefits (FIN48)		4360			2,283,960	2,283,960
12							0
13							0
14							0
15							0
16							0
17							0
18	Total	\$1,378,776,581	7250	\$690,444,955	\$450,272,951	\$109,602,775	\$1,728,551,360
19	Total Property Related Deferred Operating Income Taxes-Cr.	\$1,378,776,581		\$690,444,955	\$450,272,951	\$109,602,775	\$1,728,551,360
	Nonproperty Related						
	Current Deferred Operating Income Taxes-Cr. (Account 4100)						
20		(\$118,139,133)		\$24,747,651	\$4,628,889	\$1,881,227	(\$96,139,144)
21							0
22							0
23							0
24							0
25							0
26							0
27							0
28	Total	(\$118,139,133)	7250	\$24,747,651	\$4,628,889	\$1,881,227	(\$96,139,144)

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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	Nonproperty Related						
30	Noncurrent Deferred Operating Income Taxes-Cr. (Account 4340)						
31		(\$1,401,580,306)		\$85,169,861	\$220,105,830	(\$107,573,888)	(\$1,644,090,162)
32							0
33							0
34							0
35							0
36	Total	(\$1,401,580,306)	7250	\$85,169,861	\$220,105,830	(\$107,573,888)	(\$1,644,090,162)
37	Total Nonproperty Related Deferred Operating Income Taxes - Cr.	(\$1,519,719,439)		\$109,917,512	\$224,734,719	(\$105,692,661)	(\$1,740,229,306)
38	Operating Investment Tax Credit (Account 4320)						
39		\$19,180,550			\$1,811,397		\$17,369,153
40							0
41							0
42							0
43							0
44	Total	\$19,180,550	7210	\$0	\$1,811,397	\$0	\$17,369,153
45	Property Related						
46	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)						
47			7450				\$0
48							0
49							0
50	Deferred Income Tax Effect of Extraordinary Items		7640				0
51	Total	\$0		\$0	\$0	\$0	\$0
52	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)						
53		\$3,689,423	7450	\$12,436		\$17,420	\$3,719,279
54							0
55							0
56							0
57	Deferred Income Tax Effect of Extraordinary Items		7640				0
58	Total	\$3,689,423		\$12,436	\$0	\$17,420	\$3,719,279
59	Total Property Related Deferred Nonoperating Income Taxes-Cr.	\$3,689,423		\$12,436	\$0	\$17,420	\$3,719,279

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)
60	Nonproperty Related						
61	Current Deferred Nonoperating Income Taxes-Cr. (Account 4110)		7450				\$0
62							0
63							0
64							0
65	Deferred Income Tax Effect of Extraordinary Items		7640				0
66	Total	\$0		\$0	\$0	\$0	\$0
67	Noncurrent Deferred Nonoperating Income Taxes-Cr. (Account 4350)		7450				\$0
68		(\$1,312,999)				(17,420)	(1,330,419)
69							0
70							0
71							0
72	Deferred Income Tax Effect of Extraordinary Items		7640				0
73	Total	(\$1,312,999)		\$0	\$0	(\$17,420)	(\$1,330,419)
74	Total Nonproperty Related Deferred Nonoperating Income Taxes - Cr.	(\$1,312,999)		\$0	\$0	(\$17,420)	(\$1,330,419)
75	Nonoperating Investment Tax Credit (Account 4330)						
76							\$0
77							0
78							0
79							0
80							0
81	Total	\$0	7410	\$0	\$0	\$0	\$0

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29. EXCESS/DEFICIENT DEFERRED FEDERAL INCOME TAX BALANCES *

1. Report below the specified excess/deficient accumulated deferred Federal income taxes as of December 31 of the reporting year.
2. Protected amounts are those accumulated deferred taxes that are depreciation related and are protected from rapid write-back by Section 203 (E) of the Tax Reform Act of 1986.
3. Unprotected amounts are those accumulated deferred taxes that are not subject to Section 203(e) of the Tax Reform Act of 1986.
4. Excess/deficient deferred taxes result when there is a reduction/increase in the statutory income tax rate (e.g. TRA-86 and (Revenue Reconciliation Act of 1993) and the deferred tax balances provided are greater/less than the enacted tax rate, all calculated on a vintage year basis.

Line No.	Item (a)	Debits			Credits		
		Account 1360 (b)	Account 1510 (c)	Total (d)	Account 4100 (e)	Account 4340 (f)	Total (g)
1	Protected Excess Deferred FIT Balance			\$0			\$0
2	Unprotected Excess Deferred FIT Balance			0			0
3	Total Excess Deferred FIT Balance	\$0	\$0	\$0	\$0	\$0	\$0
	Excess Deferred FIT Balance Related to:						
4	1986 and Prior Vintage Assets			\$0			\$0
5	1987 to Current Vintage Assets			0			0
6	Deficient Deferred FIT Balance			0			0
	Average Remaining Amortization Period for:						
7	Protected Excess Deferred FIT Balance						
8	Unprotected Excess Deferred FIT Balance						
9	Deficient Deferred FIT Balance						
10	Total Embedded Deferred FIT			\$0			\$0

* NOTE: Do not include deferred Federal income taxes recorded purely from the implementation of FAS-109, "Accounting for Income Taxes"

29A. TEMPORARY INCOME TAX DIFFERENCES - SFAS 109

1. Report below the accumulated deferred Federal income tax assets/liabilities, as of December 31 of the reporting year, that result purely from the implementation of SFAS - 109, "Accounting for Income Taxes", and in accordance with the Commission's associated Policy Statement (Issued January 15, 1993) in Case 92-M-1005.

Line No.	Item (a)	Debits			Credits		
		Account 1360 (b)	Account 1510 (c)	Total (d)	Account 4100 (e)	Account 4340 (f)	Total (g)
	<u>AFUDC</u>						
1	AFUDC - Net of Tax - Plant			\$0			\$0
2	AFUDC - Equity Component - Plant			0			0
3	Other Net of Tax Items (specify)			0			0
				0			0
				0			0
				0			0
				0			0
	<u>Prior Flow-Through Items</u>						
4	Depreciation			0			0
5	Asset Base Difference (non - ITC)			0			0
6	Other (specify)			0			0
				0			0
				0			0
				0			0
				0			0
	<u>ITC</u>						
7	Section 46(f)(1) ITC			0			0
8	Section 46(f)(2) ITC			0			0
	<u>Other Items</u>						
9				0			0
10				0			0
11				0			0
12	Total	\$0	\$0	\$0	\$0	\$0	\$0
13	Gross-up of above amounts for income tax effects, etc.			\$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).
2. Data for each investment should continue on the same numbered line on all pages of this schedule.
3. Investments in affiliated companies must be reported using the Equity Method of accounting if the affiliate meets the definition as contained in the Glossary to the USOA at Item 4.
4. Identify the type of security in column (d), by using a (C) for common stock, (P) for preferred, and (L) for long term debt. Additionally, indicate by (*) and describe in a foot note those securities pledged as collateral.
5. Under the cost method, indicate in column (m) any temporary decline in the value of an investment which has been charged to account 4540, Other Capital. A permanent decline in the value of an investment, which has been charged to current period income, should be recorded in column (n).
6. If the respondent considers the information requested on this schedule to be propriety, this schedule as included in the report form may be filed with totals only. However, the respondent is required to file one complete copy of this schedule, including all detail by affiliate, accompanied by a request for proprietary treatment in accordance with General Instruction 2 of this report form.

Line No.	Item (A)	Date of Acquisition (B)	Acquisition Cost (C)	Type Of Security (D)	Amount of Inv. Beg of Year (E)	Invests Retired During Year (F)	Gain or loss on disposition (G)
1	Account 1401, Investment in Affiliated Companies				\$0		
2							
3	Empire City Subway (Limited) - Common	June 1896	36,591,009	C	119,429,692		
4							
5	NYNEX Telesector Resources Group (Verizon Services Group)	Jan. 1985	19,245,036	C	233,737,491		
6							
7							
8							
9							
10	Empire City Subway (Limited) - Promissory Notes	*			10,000,000		
11							
12							
13	Verizon Long Distance LLC	Dec. 2008			101,307,197		
14							
15	Verizon Enterprise Solutions LLC	Dec. 2008			56,699,831		
16							
17							
18	Note: The last two items (LD and Enterprise Solutions) were						
19	acquired on 12/31/2008 and were recorded as part of Verizon -						
20	New York's opening balances for 2009. They are shown in the						
21	"Amt of Inv. Beg of Year" column for end-of-year 2009 calculation						
22	purposes, but they have been removed from the beginning-of-year						
23	amount for Account 1401.1 in Schedule 11 (Balance Sheet) in						
24	order to match last year's end-of-year amount.						
25							
26	Total	XXXXXXXX	\$55,836,045	XXXXXXXX	\$521,174,211	\$0	\$0

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

		Equity Method			Cost Method			
Line No.	Percent of Ownership (H)	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		Amount of Investments End of Year (O)
						Temporary Account 4540 (M)	Permanent (N)	
1								\$0
2								0
3	100.00%	2,861,447						122,291,140
4								0
5	66.67%	2,818,124	15,460,689					221,094,926
6								0
7								0
8								0
9								0
10								10,000,000
11								0
12								0
13	100.00%	377,791,484	364,000,000					115,098,681
14								0
15	100.00%	180,489,986	177,000,000					60,189,817
16								0
17								0
18								0
19								0
20								0
21								0
22								0
23								0
24								0
25								0
26	XXXXXXXX	\$563,961,041	\$556,460,689	\$0	\$0	\$0	\$0	\$528,674,563

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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)	Book Cost of Investment at Beginning of the Year (c)	Book Cost of Investment Made During the Year (d)
(a)	(b)			
1		<u>Account 1401.2, Advances to Affiliated Companies:</u>		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18		Total Account 1401.2	\$0	\$0
19		<u>Account 1402, Investments in Nonaffiliated Companies:</u>		
20	A-3	New York Business Development Corporation - Capital	50,000	
21	B	New York Equity Fund	2,000,000	
22	B	US Treasury Bond - Phone Book Advertising	50,000	
23				
24	C	New York City Investment Fund - Diffusion Fund	666,667	
25	C	Stewart Mueller Contracting Company - Advance	400,000	
26				
27	D	Aggregate of all Special Deposits of Cash	0	
28				
29				
30				
31				
32				
33				
34				
35				
36				
37		Total Account 1402	\$3,166,667	\$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.

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		50,000					
21		2,000,000					
22		50,000					
23		0					
24		666,667					
25		400,000					
26		0					
27		0					
28		0					
29		0					
30		0					
31		0					
32		0					
33		0					
34		0					
35		0					
36		0					
37	\$0	\$3,166,667				\$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.

Line No.	Subaccount (a)	Balance Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
1	Subaccount 1406.1 Permanent Investment				\$0
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
11					0
12	Subaccount 1406.2 Receivable/Payable				0
13					0
14					0
15					0
16					0
17					0
18					0
19					0
20					0
21					0
22					0
23	Subaccount 1406.3 Current Net Income or Loss				0
24					0
25					0
26					0
27					0
28					0
29					0
30					0
31					0
32					0
33					0
34	Total	\$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						
2	Adoption of SAB 101	57,129,218	5,163,893		4,208,438	58,084,673
3	Empire City Subway Billed & Unbilled Accruals	10,792,084	128,609,853		130,525,162	8,876,775
4	Year end accruals for materials	0	583,142			583,142
5	Special Bills	(2,197)	2,197			0
6	Non Current Deferred SIT Asset Val	(411,606)	411,606			0
7	Realized Uncollectible Billing	2,000,000				2,000,000
8	Engineering Planned Orders	20,549,594	5,343,352		10,318,538	15,574,408
9	Payroll Defaults	(401,753)	4,137,868		3,674,987	61,129
10	Deferred Costs I/c/w Purchase of Various Properties	(133,032)	636,783		33,910	469,842
11	Real Estate Fees - Professional Services	1,309,711			0	1,309,711
12	Capital Lease Payments	(0)			124,960	(124,960)
13	Clearance of Labor & Engineering Wage	(871,536)	873,754		729	1,489
14	Tax Gross-up Deferral	(0)	570,061			570,061
15	Clear Clearing Accounts	2,862,395	13,855,596		14,303,433	2,414,558
16	Performance Comp Payment	147,675			147,675	0
17	Inter Unit Transfer	17,082	2,128,415		2,160,700	(15,202)
18	FAS 143 Copper mining Accrual	(1,185,027)	1,185,027			0
19	Depreciation Issues	(2,180,776)	2,180,776			0
20	MCI Merger Costs	29,902			29,902	0
21	Aggregate of All Other	28,122	31,118		28,172	31,068
22						
23						
24						
25						
26						
27	Totals from Insert Pages	0				0
28	Total	\$89,679,857	\$165,713,441		\$165,556,605	\$89,836,693

34. ACCOUNTS PAYABLE

1. List the information for each affiliate.
2. List the information for each nonaffiliate creditor whose individual balance is 5% or more of the total Other Accounts Payable balance at year end.
Do not report more than ten nonaffiliate creditors.
3. Aggregate all other nonaffiliate creditors.

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Account 4010.1 Accounts Payable to Affiliated Companies:				
1	Verizon Services Group (VSG)	\$100,429,384	\$100,430,029	\$645	\$0
2	Verizon Services Corp (VSC)	256,482,786	3,098,835,486	2,884,368,770	42,016,069
3	Verizon New England, Inc.	72,577,502	230,111,990	163,584,586	6,050,097
4	Empire City Subway Co., Ltd	16,618,975	231,127,982	214,509,008	0
5	VZ California	0	4,114,672	4,293,002	178,330
6	Verizon Virginia Inc.	6,798,751	25,775,123	20,306,802	1,330,429
7	Verizon Government Relations (ZGR)	6,642,077	332,948,168	359,904,734	33,598,643
8	Verizon New Jersey Inc.	3,103,668	22,981,901	21,656,957	1,778,724
9	VZ Logistics	0	0	0	0
10	Verizon Pennsylvania Inc.	3,000,158	21,223,474	19,078,994	855,679
11	Verizon Maryland Inc.	3,517,186	15,427,312	12,859,697	949,572
12	Verizon West Virginia Inc.	23,883	3,964,532	4,129,356	188,707
13	VZ North (fGTE)	152	100,426,544	110,099,393	9,673,001
14	Verizon Business	707,724	8,158,318	8,058,100	607,507
15	Verizon Washington, DC Inc.	25,777	697,590	678,380	6,567
16	Verizon Delaware, Inc.	567	10,374,105	10,391,092	17,553
17	Verizon Communications Inc.	(0)	14,712	14,712	(0)
18	Verizon Select Services Inc. - CARD	0	0	0	0
19	Verizon Corporate Svcs Group	1,108,503	227,195,386	247,850,507	21,763,624
20	Verizon Ntwk Funding Corp.	0	3,417,291	3,417,291	0
21	Verizon Data Services Inc.	(482,224)	160,668,454	183,633,046	22,482,368
22	NYNEX Corporation	0	0	0	0
23	Verizon Corp Resources Grp LLC	389,460	64,268,332	63,935,722	56,850
24	Verizon Service Operations	1,062,585	21,947,118	22,933,537	2,049,003
25	VERIZON FINANCIAL SERVICES LLC	0	0	0	0
26	VERIZON Admin. Services	\$0	\$355,394,052	\$355,833,000	438,949
27	VZ Services Organization	0	86,449,937	92,497,590	6,047,653
28	VZ Mid-States	0	2,249	2,420	170
29	VZ Discontinued Ops	0	4,112,884	4,112,884	0
30	VZ Advanced Data	0	852	852	0
31	VZ Northwest	0	1,097,366	1,137,629	40,263
32	VZ Southwest	0	5,280,160	5,555,256	275,096
33	VZ South	0	2,795,559	2,874,599	79,040
34	VZ Florida	0	5,215,071	5,430,945	215,874
35	VZ New York	0	(24,390)	(24,390)	0
36					
37					
38					
39					
40					
41					
42	Aggregate of all other items	27,319,681	32,176,578	0	(4,856,897)
43	Total Accounts Payable to Affiliated Companies	\$499,326,594	\$5,176,608,837	\$4,823,125,114	\$145,842,872

34. ACCOUNTS PAYABLE

1. List the information for each affiliate.
2. List the information for each nonaffiliate creditor whose individual balance is 5% or more of the total Other Accounts Payable balance at year end.
Do not report more than ten nonaffiliate creditors.
3. Aggregate all other nonaffiliate creditors.

Line No.	Name of Debtor (a)	Balance at Beginning of Year (b)	Debits During Year (c)	Credits During Year (d)	Balance End of Year (e)
	Account 4010.2 Other Accounts Payable:				
44	Verizon TeleProducts Corp.	(\$544)	\$57,876	\$44,796	(\$13,624)
45	Verizon Long Distance	90,109,515	3,345,607,819	3,330,194,368	74,696,064
46	Verizon Internet Services Inc.	50,988,151	1,328,817,408	1,332,036,492	54,207,235
47	Verizon Ntwk Integration Corp.	1,766,005	26,509,616	26,022,845	1,279,235
48	Verizon Wireless HQ	52,977,087	666,287,093	674,066,656	60,756,650
49	VZ Select Services Inc.(Cust. Networks)	83,279,979	905,569,130	909,689,898	87,400,747
50	Audited Payrolls and Miscellaneous Voucher Refunds	4,613,496	4,879,713,343	4,877,741,558	2,641,711
51	Deposits Due under Zero Balance Bank accounts	0		0	0
52	Interexchange Common Carrier Companies	19,503,621	161,838,893	161,481,366	19,146,094
53	Per Call Compensation & Commissions	2,520,867	4,015,105	2,480,019	985,781
54	Federal, State and Local Taxes	17,828,775	94,696,745	79,860,547	2,992,576
55	Federal Tax on Telephone Facilities	2,737,026	33,873,245	32,740,852	1,604,633
56	Sales and Use Tax	17,394,543	202,871,131	201,825,756	16,349,168
57	Interconnect Agreements	(0)		0	0
58	BVAPP	0	0	0	0
59					0
60					0
61					0
62					0
63					0
64					0
65					0
66					0
67					0
68					0
69					0
70					0
71					0
72					0
73					0
74					0
75					0
76					0
77					0
78					0
79					0
80					0
81					0
82					0
83					0
84					0
85	Aggregate of all other items	25,059,050	764,340,184	770,156,476	30,875,343
86	Total Other Accounts Payable	\$368,777,573	\$12,414,197,590	\$12,398,341,629	\$352,921,613

35. NOTES PAYABLE

1. List the information for each affiliate note.

2. List the information for each nonaffiliate note whose balance is 5% or more of the Other Notes Payable balance at year end.
Do not include more than the ten largest nonaffiliate creditors.

3. Aggregate all other nonaffiliate notes.

Line No.	Name of Creditor (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	Account 4020.1 Notes Payable to Affiliated Companies:					
2	Verizon Financial Services LLC	Monthly Advances	N/A	N/A	\$3,300,469,580	0.73%
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Total				\$3,300,469,580	xxxxx
17	Account 4020.2 Other Notes Payable:					
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30	Aggregate of all other items					
31	Total				\$0	xxxxx

36. Long Term Debt

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	Account 4050, Current Maturities - Debt											
2	12 Year 6 1/8% Debenture	01/15/98	01/15/10	\$250,000,000	6.13%	15,312,500	0		0	143,863	84,621	
3	21 Year 8 5/8% Debenture	11/15/69	11/15/10	149,947,423	8.63%	12,937,500	115,749		0	86,878	20,193	
4												
5												
6												
7												
8												
9												
10												
11	Total			\$399,947,423								
12	Account 4210, Funded Debt											
13	10 Year 6.875% Debenture	04/01/02	04/01/12	1,000,000,000	6.88%	68,750,000	1,337,974		(1,671,655)	530,000	662,360	
14	20 Year 7% Debenture	05/01/93	05/01/13	100,000,000	7.00%	7,000,000	110,301		(373,509)	25,156	92,764	
15	20 Year 7% Debenture	06/15/93	06/15/13	100,000,000	7.00%	7,000,000	104,576		(275,917)	20,493	62,774	
16	30 Year 6.7% Debenture	11/08/93	11/01/23	250,000,000	6.70%	16,750,000	695,780		(445,948)	27,288	16,620	
17	30 Year 6.5% Debenture	04/15/98	04/15/28	100,000,000	6.50%	6,500,000	246,688		(372,704)	6,452	9,935	
18	30 Year 7.375% Debenture	04/01/02	04/01/32	500,000,000	7.38%	36,875,000	3,596,932		(5,074,061)	61,904	87,052	
19	40 Year 7% Debenture	12/01/93	12/01/33	200,000,000	7.00%	14,000,000	754,850		(718,141)	9,328	8,752	
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38	Subtotal			\$2,250,000,000		\$185,125,000	\$6,962,850	\$0	(\$8,931,934)	\$911,362	\$1,045,072	\$0

36. Long Term Debt

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
38	Account 4210, Funded Debt (Continued)											
39												
40												
41												
42												
43												
44												
45	Total			\$2,250,000,000								
46												
47	Account 4260, Advances from Affiliated Companies											
48												
49												
50												
51												
52												
53												
54	Total			\$0								
55												
56	Account 4270, Other Long-Term Debt											
57												
58												
59												
60												
61												
62												
63												
64												
65												
66												
67												
68												
69												
70												
71												
72												
73												
74												
75	Total			\$0								
76												
77												
78												
79	Grand Total			\$2,250,000,000		\$185,125,000	\$6,962,850	\$0	(\$8,931,934)	\$911,362	\$1,045,072	\$0

37. CAPITAL STOCK AND FUNDED DEBT REACQUIRED OR RETIRED DURING THE YEAR

1. In column (a) the description of the security should include, as appropriate, the dividend rate (if any) or the interest rate, term and maturity date.
2. In columns (b) and (c) report the cost per unit of the reacquired securities, i.e., the call rate per unit in the case of called securities, the face amount per unit of matured debt, or the average purchase price per unit in the case of other securities required.
3. If securities are reacquired in one year and retired in another, only the data called for in columns (a), (f), and (g) shall be reported for the year in which they are retired.
4. With respect to columns (i) to (n), inclusive: (a) Report disposition of discounts, premiums, and expenses in the year in which the dispositions are made. Do not report normal amortization of amounts includible in accounts 1407, Unamortized Debt Issuance Expense, or 4220, Premium on Long-Term Debt, and 4230, Discount on Long Term Debt, Through charges or credits to accounts 7530, 7510.3 and 7510.2 and (b) if any amounts are to be amortized, state the fact in a note, describe the plan of amortization (including the period thereof), and give references to (1) the public authorities (if any) having jurisdiction over each transaction, (2) their authorization (e.g., case or docket number), and (3) this Commission's approval of the proposed accounting.
5. In the case of securities reacquired or retired in connection with refinancing, identify in a note the year and schedule of the annual report in which the refunding issue is described.

Line No.	Description of Security (a)	REACQUIRED DURING THE YEAR				RETIRED DURING YEAR	
		REACQUISITION COST		Book or Face Amount (d)	No. of Shares of Stock (e)	Book or Face Amount (f)	No. of Shares of Stock (g)
		Per \$100 of Debt (b)	Per Share of Stock (c)				
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12	Total	xxxxxx	xxxxx	\$0	xxxxx	\$0	xxx

Line No.	Effective Date of Call (if any) (h)	DISPOSITION OF						Remarks (o)
		Unamortized Discount (D) or Premium (P)		Redemption Premium (P) or Discount (D) and Expense		Reacquisition or Redemption Expenses		
		Acct. (i)	Amount (j)	Acct (k)	Amount (l)	Acct (m)	Amount (n)	
1	xxxx							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12		xxxx	\$0	xxxx	\$0	xxxx	\$0	

38. 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	Service Pensions & Death Benefits	\$47,550,938		\$22,891,799		\$70,442,737	(\$0)
2	Post Retirement Benefits Other Than						
3	Pensions (SFAS #106)	3,645,489,151		326,419,506		63,003,251	3,908,905,406
4	SFAS #112	404,000,713		129,087,740		64,070,668	469,017,784
5	Income Deferral Plan	3,310,074		36,701		242,993	3,103,782
6	Founders Grant Restricted Stock	10,993,977		4,475,855		5,874,098	9,595,734
7	Stock Options	1,910,554				0	1,910,554
8	Executive Deferral Plan	1,802,529		1,011,619		6,043	2,808,105
9	Tax Contingencies	161,749,421		11,208,210		124,440,457	48,517,174
10	Accrued Operating Rents - Non affiliated	(222,481)		1,526,272		3,253	1,300,538
11	Prepayment of PSI NET Contract	863,333		0		863,333	0
12	Recording of Franchise Fees	2,954,748		30,700,001		11,273,730	22,381,020
13	Phone Booth Advertising	155,585		0		155,585	(0)
14	LT-Environmental Remediation	7,199,155				1,439,486	5,759,669
15	LT-Reserve for Litigation	1,520,355		0		1,520,355	0
16	Material/Supply Variance	(251,190)		1,302,224		1,051,034	0
17	Aggregate of All Other	3,563					3,563
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36	Totals	\$4,289,030,427		\$528,659,927		\$344,387,022	\$4,473,303,329

39. OTHER DEFERRED CREDITS

1. For any deferred credit being amortized, show the period of amortization and the date of Commission authorization.
 2. For all other items, report the indicated particulars of each item amounting individually to \$100,000 or more for Class A companies, or \$10,000 or more for Class B companies.
 3. Show the number and aggregate amount of all other items.
 4. Where numerous accounts are affected in the disposition of these credits, the designation "various" may be inserted in column (c) 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)		
1	UR Tax Ben-Fed N-Current-Fin48	\$117,117,631		\$33,243,225	\$27,329,413	\$111,203,819
2	UR Tax Ben-Int N-Current-Fin48	32,856,697		17,348,853	5,351,522	20,859,366
3	UR Tax Ben-State N-Current-Fin48	0		0	190,656	190,656
4	Deferred Tax Regulatory Liability	0		0	(14,419)	(14,419)
5	Special Projects Billing Misc Charges	4,396,211		586,623	114,311	3,923,900
6	Special Projects Billing Loss of Use	1,535,195		154,138	589,357	1,970,414
7	Deposits Received in connection with Custom Work Jobs	32,100,556				32,100,556
8	Survey and/or Make Ready Work	(14,046)				(14,046)
9	Misc Interexchange Carrier Billing Adjustments	16,415,362		13,621,455	19,248,830	22,042,737
10	Other Booked by Revenue Accounting	2,398		2,398	0	(0)
12	Sale of Property - Various Locations	4,255,155		2,225,626	1,082,731	3,112,260
13	Adoption of SAB 101	57,129,218		4,208,438	5,163,893	58,084,673
14	Aggregate of All Other	(251,240)		341,039	251,240	(341,039)
15						0
16						0
17						0
18						0
19						0
20						0
21						0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30		\$265,543,136	x x x	\$71,731,794	\$59,307,535	\$253,118,877

40. CAPITAL STOCK

1. Report below the particulars called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show totals separately for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give particulars concerning shares of any class and series of stock authorized to be issued by the Commission which have not yet been issued.
4. The designation of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. Give particulars of any issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.
6. For columns (g) and (h) indicate by footnote if stock held by respondent is held in sinking or other funds.

Line No.	Class and Series of Stock (a)	Number of shares authorized by Articles of Incorporation (b)	OUTSTANDING PER BALANCE SHEET*				HELD BY RESPONDENT		DIVIDENDS DURING YEAR	
			Number of shares (c)	Par or stated value per share (d)	Amount (e)	Additional Paid in Capital (Acct. 4520) (f)	Shares (g)	Cost (Account 4530) (h)	Declared (i)	Paid (j)
1	<u>Account 4510.1 Capital Stock-Common</u>	1	1	no par	\$1,000,010	\$4,783,857,776			\$0	
2										
3										
4										
5										
6										
7										
8										
9	TOTALS (Account 4510.1)	1	1	xxxxxxx	\$1,000,010	\$4,783,857,776	0	\$0	\$0	\$0
10	<u>Account 4510.2 Capital Stock-Preferred</u>									
11										
12										
13										
14										
15										
16										
17										
18	TOTALS (Account 4510.2)	0	0	xxxxxxx	\$0	\$0	0	\$0	\$0	\$0

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	VZ-NY Long Distance Equity Investment	4520	360,609,895	0
2				
3	Total		360,609,895	0
4				
5				
6	Dividends received	4550		556,460,689
7	Reclassify nonaffiliate retained earnings	4550	97,144,158	
8	Mark-to-market adjustment	4550		21
9	2008 LD return of capital	4550		360,609,895
10			97,144,158	917,070,605
11				
12			255,151,186	1,075,077,633
13				
14				
15				
16				
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42. OPERATING REVENUES

Line No.	Item (a)	This Year Total (b)	Last Year Total (c)
LOCAL NETWORK SERVICES REVENUES			
1	5001 Basic Area	1,431,319,969	\$1,611,426,857
2	5002 Optional Extended Area Service	0	0
3	5003 Cellular Mobile	56,698,365	66,827,797
4	5004 Other Mobile Services	0	0
5	5010 Public Telephone	0	0
6	5040 Local Private Line	95,461,427	99,125,063
7	5050 Customer Premises	0	2,155,811
8	5060 Other Local Exchange	393,123,418	459,834,987
9	5069 Other Local Exchange Settlements	0	0
10	Total Local Network Services Revenues	1,976,603,179	2,239,370,515
NETWORK ACCESS SERVICES REVENUES			
11	5081 End User	450,904,038	501,362,756
12	5082 Switched Access	159,663,458	164,313,609
13	5083 Special Access	1,339,680,356	1,293,349,556
14	5084 State Access	170,533,345	214,888,551
15	Total Access Services Revenues	2,120,781,198	2,173,914,471
LONG DISTANCE NETWORK SERVICES REVENUES			
16	5100 Long Distance Message	58,969,770	62,415,493
17	5111 Long Distance Inward-Only	(3,856)	(19,407)
18	5112 Long Distance Outward-Only	1,432,552	2,011,683
19	5121 Subvoice Grade Long Distance Private Network	3,152,009	5,026,597
20	5122 Voice Grade Long Distance Private Network	11,540,009	13,816,584
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	54,885,203	53,680,071
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	0	0
28	5169 Other Long Distance Settlements	297,119	655,442
29	Total Long Distance Network Services Revenues	130,272,806	137,586,464
MISCELLANEOUS REVENUES			
30	5230 Directory	32,378,047	37,680,396
31	5240 Rent	356,442,477	443,725,468
32	5250 Corporate Operations	0	0
33	5261 Special Billing Arrangements	(585,581)	52,253
34	5262 Customer Operations	1,275	91
35	5263 Plant Operations	769,792	1,125,240
36	5264 Other Incidental Regulated	39,244,701	35,582,397
37	5269 Other Settlements	0	0
38	5270.1 Interstate Billing and Collection	58,882,499	0
39	5270.2 Intrastate Billing and Collection	20,451,444	82,855,142
40	5280 Nonregulated	507,324,528	363,182,341
41	Total Miscellaneous Revenues	1,014,909,181	964,203,327
UNCOLLECTIBLE REVENUES			
42	5301 Uncollectible-Telecommunications	52,374,352	48,742,901
43	5302 Uncollectible-Other	14,235,334	13,025,753
44	Total Uncollectible Revenues	66,609,686	61,768,654
45	TOTAL OPERATING REVENUES	5,175,956,679	\$5,453,306,123
46	FOOTNOTE: USF Revenues \$.....	XXXXXXXXXX	XXXXXXXXXX
47	Recorded in Account:	XXXXXXXXXX	XXXXXXXXXX

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44. OPERATING EXPENSES BY CATEGORY

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
<u>Plant Specific Operations</u>				
<u>Network Support Expenses</u>				
1	6112 Motor Vehicle	0	0	3,007,287
2	Clearance	0	0	2,977,990
3	Net Balance	0	0	29,297
4	6113 Aircraft	0	0	11
5	Clearance	0	0	0
6	Net Balance	0	0	11
7	6114 Special Purpose Vehicles	169,720	0	399
8	Clearance	0	0	0
9	Net Balance	169,720	0	399
10	6115 Garage Work Equipment	0	0	0
11	6116 Other Work Equipment	0	0	0
12	Clearance	0	0	0
13	Net Balance	0	0	0
14	6110 Network Support Expenses	169,720	0	29,707
<u>General Support Expenses</u>				
15	6121 Land and Building	11,170	6,160	30,218,896
16	6122 Furniture and Artworks	6,743	3,907	81,313
17	6123 Office Equipment	2,378,503	1,815,841	1,578,602
18	6124 General Purpose Computers	8,055,511	6,271,182	2,384,233
19	6120 General Support Expenses	10,451,926	8,097,090	34,263,043
<u>Central Office Switching Expenses</u>				
20	6211 Analog Electronic	4,118,986	3,042,001	3,808
21	6212 Digital Electronic	121,506,028	80,995,875	50,498
22	6215 Electro-Mechanical	0	0	0
23	6210 Central Office Switching Expenses	125,625,014	84,037,875	54,306
24	6220 Operator Systems Expense	74,527	47,184	0
<u>Central Office Transmission Expenses</u>				
25	6231 Radio Systems	1,096,845	819,039	2,088
26	6232 Circuit Equipment	67,511,038	48,882,714	1,341,696
27	6230 Central Office Transmission Expenses	68,607,883	49,701,753	1,343,784
<u>Information Origination/Termination Expenses</u>				
28	6311 Station Apparatus	0	0	0
29	6321 Customer Premises Wiring	0	0	0
30	6341 Large Private Branch Exchange	0	0	0
31	6351 Public Telephone Terminal Equipment	5,873,617	4,084,173	24,823
32	6362 Other Terminal Equipment	208,348,803	159,509,693	466,121
33	6310 Information Origination/Termination Expenses	214,222,419	163,593,866	490,944

44. OPERATING EXPENSES BY CATEGORY (Continued)

Item (a)		Other Expenses (e)	This Year Total (f)	Last Year Total (g)	Line No.
<u>Plant Specific Operations</u>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle	60,816,623	63,823,910	94,900,082	1
	Clearance	57,250,724	60,228,714	91,267,495	2
	Net Balance	3,565,898	3,595,195	3,632,587	3
6113	Aircraft	1,277,695	1,277,706	1,402,794	4
	Clearance	0	0	0	5
	Net Balance	1,277,695	1,277,706	1,402,794	6
6114	Special Purpose Vehicles	1,553,184	1,723,302	17,754,622	7
	Clearance	0	0	0	8
	Net Balance	1,553,184	1,723,302	17,754,622	9
6115	Garage Work Equipment	0	0	0	10
6116	Other Work Equipment	0	0	0	11
	Clearance	0	0	0	12
	Net Balance	0	0	0	13
6110	Network Support Expenses	6,396,777	6,596,203	22,790,003	14
<u>General Support Expenses</u>					
6121	Land and Building	180,057,902	210,294,127	247,556,044	15
6122	Furniture and Artworks	3,895,420	3,987,383	6,441,326	16
6123	Office Equipment	5,136,354	10,909,300	11,657,350	17
6124	General Purpose Computers	154,369,389	171,080,315	155,064,808	18
6120	General Support Expenses	343,459,065	396,271,124	420,719,528	19
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic	269,192	7,433,986	9,033,471	20
6212	Digital Electronic	8,633,335	211,185,736	198,402,805	21
6215	Electro-Mechanical	0	0	0	22
6210	Central Office Switching Expenses	8,902,527	218,619,722	207,436,276	23
6220	Operator Systems Expense	16,830	138,541	182,913	24
<u>Central Office Transmission Expenses</u>					
6231	Radio Systems	83,985	2,001,956	1,814,284	25
6232	Circuit Equipment	16,501,977	134,237,425	121,110,689	26
6230	Central Office Transmission Expenses	16,585,961	136,239,381	122,924,973	27
<u>Information Origination/Termination Expenses</u>					
6311	Station Apparatus	0	0	0	28
6321	Customer Premises Wiring	0	0	0	29
6341	Large Private Branch Exchange	0	0	0	30
6351	Public Telephone Terminal Equipment	1,545,203	11,527,816	17,612,009	31
6362	Other Terminal Equipment	241,934,069	610,258,686	484,143,953	32
6310	Information Origination/Termination Expenses	243,479,273	621,786,502	501,755,962	33

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	Plant Specific Operations (cont.)			
	<u>Cable and Wire Facilities Expenses</u>			
34	6411 Poles	2,345,537	1,588,753	7,119,485
35	6421 Aerial Cable	386,135,659	353,512,184	822,116
36	6422 Underground Cable	76,178,092	58,135,368	340,736
37	6423 Buried Cable	38,857,449	29,464,997	144,312
38	6424 Submarine Cable	15,734	9,743	10
39	6425 Deep Sea Cable	0	0	0
40	6426 Intrabuilding Network Cable	5,920,664	4,476,570	13,417
41	6431 Aerial Wire	0	0	0
42	6441 Conduit Systems	359,023	212,481	40,226,297
43	6410 Cable and Wire Facilities Expenses	509,812,157	447,400,096	48,666,373
44	Total Plant Specific Operations Expense	928,963,646	752,877,864	84,848,156
	Plant Nonspecific Operations			
	<u>Other Property, Plant & Equipment Expenses</u>			
45	6511 Property Held for Future Telephone Use	19,279	8,907	0
46	6512 Provisioning	38,412	10,840	3,116
47	Clearance	0	0	0
48	Net Balance	38,412	10,840	3,116
49	6510 Total Other Property, Plant & Equipment Expenses	57,691	19,747	3,116
	<u>Network Operations Expenses</u>			
50	6531 Power	0	0	0
51	6532 Network Administration	36,175,918	18,966,592	2,104
52	6533 Testing	104,316,568	76,175,481	29,889
53	6534 Plant Operations Administration	73,976,351	24,827,984	1,795,317
54	Clearance	0	0	0
55	Net Balance	73,976,351	24,827,984	1,795,317
56	6535 Engineering	20,507,013	10,264,047	4,533
57	Clearance	0	0	0
58	Net Balance	20,507,013	10,264,047	4,533
59	6530 Network Operations Expense	234,975,850	130,234,105	1,831,843
60	6540 Access Expense	0	0	
	<u>Depreciation & Amortization Expenses</u>			
61	6561 Depreciation-TPIS			
62	6562 Depreciation-Property Held for Future Tel.. Use			
63	6563 Amortization-Tangible			
64	6564 Amortization-Intangible			
65	6565 Amortization-Other			
66	6560 Depreciation & Amortization Expenses			
67	Total Plant Nonspecific Operations Expense	235,033,541	130,253,852	1,834,959

44. OPERATING EXPENSES BY CATEGORY (Continued)				
Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (f)	Line No.
Plant Specific Operations (cont.)				
<u>Cable and Wire Facilities Expenses</u>				
6411 Poles	23,145,981	34,199,756	39,319,841	34
6421 Aerial Cable	59,455,267	799,925,226	553,187,315	35
6422 Underground Cable	22,210,707	156,864,903	136,285,213	36
6423 Buried Cable	16,878,508	85,345,266	66,773,126	37
6424 Submarine Cable	4,975	30,461	23,367	38
6425 Deep Sea Cable	0	0	0	39
6426 Intrabuilding Network Cable	1,840,416	12,251,067	13,802,964	40
6431 Aerial Wire	0	0	0	41
6441 Conduit Systems	59,371,014	100,168,815	109,168,893	42
6410 Cable and Wire Facilities Expenses	182,906,868	1,188,785,494	918,560,718	43
Total Plant Specific Operations Expense	801,747,300	2,568,436,967	2,194,370,373	44
Plant Nonspecific Operations				
<u>Other Property, Plant & Equipment Expenses</u>				
6511 Property Held for Future Telephone Use	2,823	31,009	0	45
6512 Provisioning	11,358,287	11,410,656	12,074,259	46
Clearance	0	0	0	47
Net Balance	11,358,287	11,410,656	12,074,259	48
6510 Total Other Property, Plant & Equipment Expenses	11,361,110	11,441,664	12,074,259	49
<u>Network Operations Expenses</u>				
6531 Power	137,620,877	137,620,877	121,901,634	50
6532 Network Administration	19,694,480	74,839,095	58,810,885	51
6533 Testing	6,467,919	186,989,857	195,055,290	52
6534 Plant Operations Administration	58,459,374	159,059,026	314,355,200	53
Clearance	0	0	0	54
Net Balance	58,459,374	159,059,026	314,355,200	55
6535 Engineering	13,587,567	44,363,159	55,577,963	56
Clearance	0	0	0	57
Net Balance	13,587,567	44,363,159	55,577,963	58
6530 Network Operations Expense	235,830,215	602,872,014	745,700,972	59
6540 Access Expense	110,362,863	110,362,863	112,634,258	60
<u>Depreciation & Amortization Expenses</u>				
6561 Depreciation-TPIS	1,199,286,623	1,199,286,623	1,291,248,432	61
6562 Depreciation-Property Held for Future Tel.. Use	(2)	(2)	0	62
6263 Amortization-Tangible	9,992,931	9,992,931	9,890,019	63
6564 Amortization-Intangible	19,720,646	19,720,646	32,327,470	64
6565 Amortization-Other	0	0	0	65
6560 Depreciation & Amortization Expenses	1,229,000,198	1,229,000,198	1,333,465,921	66
Total Plant Nonspecific Operations Expense	1,586,554,386	1,953,676,738	2,203,875,410	67

44. OPERATING EXPENSES BY CATEGORY (Continued)

Line No.	Item (a)	Salaries & Wages (b)	Benefits (c)	Rents (d)
	<u>Customer Operations</u>			\$
	<u>Marketing</u>			
68	6611 Product Management	77,910,293	29,506,442	
69	6612 Sales	0	0	
70	6613 Product Advertising	2,753,543	1,369,214	
71	6610 Marketing	80,663,836	30,875,657	
	<u>Services</u>			
72	6621 Call Completion Services	6,101,438	4,596,880	
73	6622.1 Number Services-Directory Assistance	20,431,845	14,586,409	
74	6622.2 Number Services-Directory Publishing	0	0	
75	6623.1 Customer Services-Order Processing & Instruction	185,875,670	128,805,991	
76	6623.2 Customer Services-Billing and Collections	72,617,753	50,321,818	
77	6623.3 Customer Services-Public Telephone Expenses	2,859,220	1,981,350	
78	6620 Services	287,885,925	200,292,447	
79	Total Customer Operations Expense	368,549,761	231,168,104	
	<u>Corporate Operations Expense</u>			
	<u>Executive and Planning</u>			
80	6711 Executive	4,194,647	2,953,027	
81	6712 Planning	309,736	94,302	
82	6710 Executive and Planning	4,504,383	3,047,330	
	<u>General & Administrative</u>			
83	6721 Accounting & Finance	14,671,329	2,196,547	
84	6722 External Relations	3,472,203	842,223	
85	6723 Human Resources	8,804,022	2,600,687	
86	6724 Information Management	735,831	198,788	
87	6725 Legal	962,439	154,078	
88	6726 Procurement	(2,934,142)	(147,073)	
89	6727 Research and Development	46,824	10,724	
90	6728 Other General & Administrative	46,268,645	204,009,993	
91	6720 General & Administrative	72,027,150	209,865,967	
92	6790 Provision for Uncollectible Notes Receivable			
93	Total Corporate Operations Expenses	76,531,532	212,913,297	
94	TOTAL OPERATING EXPENSES	\$1,609,078,481	\$1,327,213,117	\$86,683,116

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44. OPERATING EXPENSES BY CATEGORY (Continued)

Item (a)	Other Expenses (e)	This Year Total (f)	Last Year Total (f)	Line No.
<u>Customer Operations</u>				
<u>Marketing</u>				
6611 Product Management	84,161,528	191,578,264	186,642,711	68
6612 Sales	0	0	0	69
6613 Product Advertising	131,429,058	135,551,815	155,574,530	70
6610 Marketing	215,590,586	327,130,078	342,217,241	71
<u>Services</u>				
6621 Call Completion Services	8,492,509	19,190,827	19,771,018	72
6622.1 Number Services-Directory Assistance	8,851,958	43,870,212	39,756,459	73
6622.2 Number Services-Directory Publishing	0	0	0	74
6623.1 Customer Services-Order Processing & Instruction	43,724,573	358,406,233	378,199,916	75
6623.2 Customer Services-Billing and Collections	17,082,280	140,021,851	136,039,509	76
6623.3 Customer Services-Public Telephone Expenses	672,590	5,513,160	6,909,113	77
6620 Services	78,823,910	567,002,282	580,676,014	78
Total Customer Operations Expense	294,414,496	894,132,361	922,893,255	79
<u>Corporate Operations Expense</u>				
<u>Executive and Planning</u>				
6711 Executive	22,449,557	29,597,231	44,232,746	80
6712 Planning	18,585,252	18,989,290	14,421,312	81
6710 Executive and Planning	41,034,809	48,586,521	58,654,058	82
<u>General & Administrative</u>				
6721 Accounting & Finance	35,932,571	52,800,447	53,982,009	83
6722 External Relations	18,385,703	22,700,129	31,465,637	84
6723 Human Resources	13,212,451	24,617,160	33,984,893	85
6724 Information Management	131,315,088	132,249,707	144,114,546	86
6725 Legal	21,876,364	22,992,881	28,546,689	87
6726 Procurement	5,280,750	2,199,535	7,566,764	88
6727 Research and Development	94,458	152,006	2,204,434	89
6728 Other General & Administrative	319,711,134	569,989,771	531,006,120	90
6720 General & Administrative	545,808,518	827,701,635	832,871,093	91
6790 Provision for Uncollectible Notes Receivable	0	0	0	92
Total Corporate Operations Expenses	586,843,327	876,288,156	891,525,150	93
TOTAL OPERATING EXPENSES	\$3,269,559,509	\$6,292,534,222	\$6,212,664,189	94

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45. TAXES CHARGED DURING YEAR

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

Line No.	Kind of Tax (a)	Total taxes charged during year (b)	Account 7220 (c)	Account 7420 (d)	Account 7630 (e)	Account 7240 Intrastate (f)	Account 7240 Interstate (g)
	Federal Taxes:						
1	Income	(795,411,964)	(793,717,459)	(1,694,505)		\$0	
2	FICA-Contribution						
3	Unemployment						
4	Other:	5,691,596				3,601,532	2,090,064
5							
6	Total	(\$789,720,368)	(\$793,717,459)	(\$1,694,505)	\$0	\$3,601,532	\$2,090,064
	State Taxes:						
7	Franchise-Gross Income-186a	\$88,875,996				\$55,707,474	\$33,168,522
8	Franch.-Gross Inc.-Access Charges						
9	Franchise-Gross Earnings-184	23,247,688				14,571,651	8,676,037
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	16,376,345				10,264,693	6,111,652
18	Other	6,086,092				3,814,763	2,271,330
19							
20	Total	\$134,586,121	\$0	\$0	\$0	\$84,358,581	\$50,227,540
21	Local Taxes:						
22	Real Estate	\$110,686,680				69,378,411	41,308,269
23	Special Franchise	165,880,681				107,490,714	58,389,967
24	Municipal Gross Income	1,449,523				908,561	540,962
25	NYC-Spec. Franchise	32,397,060				22,873,259	9,523,801
26	Motor Vehicle						
27	Other						
28							
29	Total	\$310,413,944	\$0	\$0	\$0	\$200,650,945	\$109,762,999
30	Other (list):						
31							
32							
33	Totals	(\$344,720,302)	(\$793,717,459)	(\$1,694,505)	\$0	\$288,611,058	\$162,080,603

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	3,853,004				
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					
19	Other				7230	(8,832,103)
20	Total	\$3,853,004	\$0	\$0	7430 XXXXXXX	(48,879) (\$8,880,982)
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	\$3,853,004	\$0	\$0	XXXXXXX	(\$8,880,982)

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	Date	Category	Tax Yr / Municipality	
2	01/2009	LITIGATION SETTLEMENT	2005-2007 / NEW ROCHELLE CITY	87,945
3	01/2009	LITIGATION SETTLEMENT	2008 / ONEIDA CITY CSD	1,315
4	01/2009	LITIGATION SETTLEMENT	2007 / ONONDAGA COUNTY	3,697
5	01/2009	MISCELLANEOUS REFUND	2007 / NEW YORK CITY	1,769
6	02/2009	LITIGATION SETTLEMENT	2005-2007 / NASSAU COUNTY	32,837
7	02/2009	MISCELLANEOUS REFUND	2008 / HYDE PARK CSD	4,798
8	02/2009	MISCELLANEOUS REFUND	2008 / OTSEGO COUNTY	9
9	02/2009	MISCELLANEOUS REFUND	2008 / NEW YORK CITY	326,093
10	02/2009	LITIGATION SETTLEMENT	2008 / SCHOHARIE COUNTY	8,750
11	02/2009	LITIGATION SETTLEMENT	2008 / WEST GENESEE CSD	3,532
12	02/2009	MISCELLANEOUS REFUND	2008 / SOUTHERN CAYUGA CSD	9,087
13	03/2009	LITIGATION SETTLEMENT	2008 / JORDAN-ELBRIDGE CSD	6,573
14	03/2009	LITIGATION SETTLEMENT	2008 / CORNING CITY CSD	573
15	03/2009	LITIGATION SETTLEMENT	2007 / SOLVAY UNION FREE SD	4,469
16	03/2009	MISCELLANEOUS REFUND	2008 / UNION SPRINGS CSD	1,174
17	03/2009	LITIGATION SETTLEMENT	2008 / AUBURN ENLARGED CSD	3,487
18	03/2009	LITIGATION SETTLEMENT	2003-2008 / FLORAL PARK VILLAGE	65,000
19	03/2009	LITIGATION SETTLEMENT	2008 / NEW YORK CITY	10,671,911
20	04/2009	ASSESSMENT REDUCTION	2008 / ROCKVILLE CENTRE VILLAGE	1,056
21	04/2009	MISCELLANEOUS REFUND	2008 / FOWLER TWP.	265
22	04/2009	LITIGATION SETTLEMENT	2008 / CORNING CSD	6,320
23	04/2009	LITIGATION SETTLEMENT	2008 / NEW YORK CITY	2,312,091
24	04/2009	LITIGATION SETTLEMENT	2008 / ONONDAGA COUNTY	7,537
25	04/2009	LITIGATION SETTLEMENT	2008 / SALAMANCA CSD	1,936
26	04/2009	LITIGATION SETTLEMENT	2008 / VERNON-VERONA-SHERRILL CSD	3,216
27	04/2009	LITIGATION SETTLEMENT	2008 / GOUVERNEUR CSD	3,282
28	04/2009	LITIGATION SETTLEMENT	2008 / CAYUGA COUNTY	7,110
29	04/2009	LITIGATION SETTLEMENT	2008 / CAYUGA COUNTY	1,823
30	05/2009	MISCELLANEOUS REFUND	2008 / TIOGA COUNTY	2,456
31	05/2009	MISCELLANEOUS REFUND	2008 / ERIE COUNTY	3,833
32	05/2009	LITIGATION SETTLEMENT	2008 / CAMPBELL-SAVONA CSD	2,889
33	05/2009	LITIGATION SETTLEMENT	2008 / RENSSELAER COUNTY	6,255
34	05/2009	LITIGATION SETTLEMENT	2008 / ERIE COUNTY	562
35	Total			

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	Date	Category	Tax Yr / Municipality	
2	06/2009	LITIGATION SETTLEMENT	2008 / ERIE COUNTY	3,156
3	06/2009	LITIGATION SETTLEMENT	2003-2007 / NASSAU COUNTY	77,701
4	06/2009	LITIGATION SETTLEMENT	2003-2006 / NASSAU COUNTY	9,861
5	06/2009	LITIGATION SETTLEMENT	2006-2008 / VESTAL CSD	30,603
6	07/2009	LITIGATION SETTLEMENT	2008 / ELIZABETHTOWN-LEWIS CSD	697
7	07/2009	LITIGATION SETTLEMENT	2009 / LANCASTER VILLAGE	574
8	07/2009	LITIGATION SETTLEMENT	2008 / HARTFORD CENTRAL CSD 1	125
9	07/2009	LITIGATION SETTLEMENT	2009 / WASHINGTON COUNTY	1,108
10	07/2009	LITIGATION SETTLEMENT	2009 / BROOME COUNTY	15,610
11	07/2009	LITIGATION SETTLEMENT	2002-2007 / NASSAU COUNTY	70,893
12	08/2009	MISCELLANEOUS REFUND	2009 / CHESTNUT RIDGE VILLAGE	440
13	08/2009	LITIGATION SETTLEMENT	2008 / GRANVILLE CSD	1,535
14	08/2009	LITIGATION SETTLEMENT	VARIOUS / FREEPORT VILLAGE	84,224
	08/2009	LITIGATION SETTLEMENT	VARIOUS / MINEOLA VILLAGE	55,250
	09/2009	MISCELLANEOUS REFUND	2009 / NEW YORK CITY	82,376
15	09/2009	LITIGATION SETTLEMENT	2008 / ORANGE COUNTY	6,014
16	10/2009	MISCELLANEOUS REFUND	2009 / CROTON-ON-HUDSON VILLAGE	6,102
17	10/2009	LITIGATION SETTLEMENT	2008 / NEWBURGH ENLARGED CSD	13,634
18	11/2009	LITIGATION SETTLEMENT	2002-2008 / HEMPSTEAD VILLAGE	104,000
19	11/2009	LITIGATION SETTLEMENT	2008-2009 / GREENBURGH TWP.	513,513
20	11/2009	LITIGATION SETTLEMENT	2008 / GENESEE VALLEY CSD	2,474
21	11/2009	LITIGATION SETTLEMENT	2006-2008 / STEUBEN COUNTY	8,886
22	11/2009	LITIGATION SETTLEMENT	2009 / SCIO CSD	3,189
23	11/2009	LITIGATION SETTLEMENT	2008 / BINGHAMTON CSD	16,568
24	11/2009	LITIGATION SETTLEMENT	2009 / BINGHAMTON CITY	20,235
	12/2009	LITIGATION SETTLEMENT	2009 / HORNELL CITY CSD	25,515
26	12/2009	LITIGATION SETTLEMENT	2009 / WILLIAMSVILLE CSD	11,365
27	12/2009	MISCELLANEOUS REFUND	2009 / MONTICELLO CSD	3,338
28	12/2009	MISCELLANEOUS REFUND	2009 / MONROE-WOODBURY CSD	5,591
29	12/2009	MISCELLANEOUS REFUND	2009 / CORNING CITY CSD	889
30	12/2009	MISCELLANEOUS REFUND	2009 / SENECA FALLS CSD	5,103
31				
32				
33	Total			\$14,774,218

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)	(\$591,174,690)
	Income Taxes Accrued:	
2	7210	(1,811,397)
3	7220	(793,717,459)
4	7230	(8,832,103)
5	7250 & 7240	126,980,951
6	7400	(1,730,949)
7	7430	0
8	7450	0
9	7630	0
10	Less: Nonregulated Income	
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	300,000
19	Dues	100,000
20	Fines	5,200,000
21	Audit Interest	0
22	Other	171
23		
24	Additional Deductions & Non-Taxable Income:	xxxxxxxxxxxx
25	Equity in Subsidiary	\$563,961,041
26	Section 199	0
27	Medicare Subsidy	62,215,000
28		
29		
30		
31		
32		
33	Federal tax net income	(\$1,890,861,517)
	Computation of tax:	xxxxxxxxxxxx
34	Tax @ 35%	(\$661,801,531)
35	Deferred Tax on ITC	633,989
36	Amortization of Investment Tax Credit	(1,811,397)
37	2008 True-ups & Prior Year Audit	(6,895,505)
38	Federal Benefit on State Tax	4,953,802
39	Computed Federal Income Tax	(\$664,920,642)

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.

Line No.	Description of Item (a)	Amount (b)
1	Charitable contributions - voided check	(1,000)
2		
3	Membership Fees and Dues:	
4	Expense Accrual Adjustment	(3,440)
5		
6	Penalties and Fines	6,374,015
7		
8	Abandoned Construction Projects	1,502,900
9		
10		
11	Entertainment	159,855
12		
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21		
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40		
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42		
43		
44	Totals from Insert Pages	
45	Total	\$8,032,330

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)
1	Account 7540.1 Other Interest Deductions-Affiliated Companies	
2	Other Interest Expense - Affiliates*	\$104,437,476
3		
4	* Interest expense to VZ Financial Services LLC: \$102M	
5	Interest expense to VZ Network Funding Corp.: \$ 2M	
6		
7		
8		
9		
10		
11		
12		
13	Total Other Interest Deductions-Affiliated Companies	\$104,437,476
	Account 7540.2 Other Interest Deductions	
14	Other Interest Deduction - Customer Deposits	\$2,378,153
15	Other Interest Expense - Non-Affiliates	18,862
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33	Total Other Interest Deductions	\$2,397,015

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.

Line No.	Description of Item (a)	Amount (b)
1	RAO force reduction costs reclassified from nonoperating to operating	35,530
2	Affiliate Interest Income - Network Funding Company	389,282
3	Reclassify markup from Operating to Nonoperating for USOA	(14,702,626)
4	Other less than \$25,000	17
5		
6		
7		
8		
9		
10		
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30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45	Total	(\$14,277,797)

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	None				
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

52. MEMBERSHIP FEES AND DUES

Line No.	Particulars (a)	NUMBER OF		Amounts (d)
		Organizations (b)	Memberships (c)	
EXPENDITURES CHARGED TO OPERATING EXPENSES				
1	Associations of telecommunications companies			
2	Trade, technical and professional associations	4	7	\$16,677
3	Other organizations (specify types):			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14	Total	4	7	\$16,677
EXPENDITURES CHARGED TO ACCOUNT 7370				
15	Social and athletic clubs	0	0	\$0
16	Service clubs	0	0	\$0
17	Other organizations (specify type):			
18	Expense accrual adjustment	1	1	-\$3,440
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Total	1	1	(\$3,440)

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	2009 YTD Incurred
MANAGEMENT	NON-MANAGEMENT	PROVIDED	AMOUNT
Sickness & Accident Disability Benefits Plan	Verizon Sickness & Accident Disability Benefit Plan for New York Associates	The Company	54,846,736
The Plan for Group Insurance	Verizon Long Term Disability Plan for New York and New England Associates	The Company	22,323,124
The Plan for Group Insurance	Verizon Group Life Insurance Plan for New York and New England Associates	Insurance Carrier	2,656,443
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	303,037,706
Verizon Management Pension Plan	Verizon Pension Plan for New York and New England Associates	Trusteed Plan	111,853,657
Verizon Savings Plan for Management Employees	Verizon Savings and Security Plan for New York and New England Associates	Trusteed Plan	66,219,982

53. Employee Protective Plans (Continued)

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

*Discount rate changed from 6.00% in 2007 to 6.50% in 2008

*Lump sum conversion rate changed from 4.75% in 2007 to 5.25% in 2008

*Lump sum election rate changed from 70% in 2007 to 65% in 2008

Projected Benefit Obligation	\$(429,200,000)
Unrecognized Gains / (Losses)	\$429,200,000
Service Cost	\$(17,300,000)
Interest Cost	\$16,000,000
Actual Return on Plan Assets	\$2,800,000
Amortization of Gains or Losses	<u>\$(12,500,000)</u>
Total Pension Cost	\$(11,000,000)

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

*Discount rate changed from 6.00% in 2007 to 6.50% in 2008

*Cash Balance Interest Credits changed from 3.75% in 2007 to 5.25% in 2008

*Lump sum conversion rate changed from 4.75% in 2007 to 5.25% in 2008

*Lump sum election rate changed from 70% in 2007 to 95% in 2008

Projected Benefit Obligation \$(156,800,000)

Unrecognized Gains / (Losses) \$156,800,000

Service Cost \$200,000

Interest Cost \$37,000,000

Actual Return on Plan Assets \$5,300,000

Amortization of Gains or Losses \$(3,800,000)

Total Pension Cost \$38,700,000

54. ANALYSIS OF PENSION COST (Continued)		
Non-Management Pension Plan		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 8,626,504,000
2	Projected Benefit Obligation	\$ 8,936,291,000
3	Fair Value of Plan Assets	\$ 7,156,705,000
4	Unrecognized Transition Amount	\$ (73,000)
5	Unrecognized Prior Service Costs	\$ 606,776,000
6	Unrecognized Gains or (Losses)	\$ 4,629,287,000
7	Date of Valuation Reported on Lines 1 through 6	1/1/2009
8	Discount Rate	6.75% %
9	Expected Long-Term Rate of Return on Assets	8.50% %
10	Salary Progression Rate (if applicable)	N/A %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 147,752,000
12	Interest Cost	569,826,000
13	Actual Return on Plan Assets [(Gain) or Loss]	(1,322,868,000)
14	Deferral of Asset Gain or (Loss)	543,564,000
15	Amortization of Transition Amount	(55,000)
16	Amortization of Unrecognized Prior Service Cost	50,075,000
17	Amortization of Gains or Losses	84,997,000
18	Total Pension Cost	\$ 73,291,000
19	Number of Active Employees Covered by Plan	30,437
20	Number of Retired Employees Covered by Plan	45,854
21	Number of Previous Employees Vested but Not Retired	19,112
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution ¹	\$ 0
23	Actual Contribution	\$ 127,351,000
24	Maximum Amount Deductible ¹	\$ 3,743,203,645
25	Benefit Payments ²	\$ N/A
26	Total Pension Cost	\$ 44,954,000
27	Pension Cost Capitalized	\$ 7,299,333
28	Accumulated Pension Asset/Liability at Close of Year	\$ (34,846,058)
29	Total Number of Company Employees at Beginning of Policy Year	56,017
30	Number of Active Employees Covered by Plan.	18,555
31	Number of Retired Employees Covered by Plan.	27,146
32	Number of Previous Employees Vested but Not Retired.	10,316
<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p> <p>¹Total Plan</p> <p>²Annuity benefit payments are not available for plans that pay lump sum cashouts.</p>		

54. ANALYSIS OF PENSION COST (Continued)		
Management Pension Plan		
Line No.	Item (a)	Current Year (b)
	<u>PLAN</u>	
1	Accumulated Benefit Obligation	\$ 12,250,519,000
2	Projected Benefit Obligation	\$ 12,250,519,000
3	Fair Value of Plan Assets	\$ 9,973,550,000
4	Unrecognized Transition Amount	\$ 0
5	Unrecognized Prior Service Costs	\$ 14,347,000
6	Unrecognized Gains or (Losses)	\$ 4,152,165,000
7	Date of Valuation Reported on Lines 1 through 6	1/1/2009
8	Discount Rate	6.75% %
9	Expected Long-Term Rate of Return on Assets	8.50% %
10	Salary Progression Rate (if applicable)	N/A %
	Net Periodic Pension Cost:	
11	Service Cost	\$ 853,000
12	Interest Cost	763,536,000
13	Actual Return on Plan Assets [(Gain) or Loss]	(1,380,322,000)
14	Deferral of Asset Gain or (Loss)	351,377,000
15	Amortization of Transition Amount	-
16	Amortization of Unrecognized Prior Service Cost	2,077,000
17	Amortization of Gains or Losses	(13,409,000)
18	Total Pension Cost	\$ (275,888,000)
19	Number of Active Employees Covered by Plan	30,573
20	Number of Retired Employees Covered by Plan	46,097
21	Number of Previous Employees Vested but Not Retired	27,704
	<u>REPORTING COMPANY</u>	
22	Minimum Required Contribution ¹	\$ 0
23	Actual Contribution	\$ 0
24	Maximum Amount Deductible ³	\$ 5,497,444,429
25	Benefit Payments ²	\$ N/A
26	Total Pension Cost	\$ (54,894,000)
27	Pension Cost Capitalized	\$ (8,913,324)
28	Accumulated Pension Asset/Liability at Close of Year	\$ (397,489,624)
29	Total Number of Company Employees at Beginning of Policy Year	16,509
30	Number of Active Employees Covered by Plan.	2,072
31	Number of Retired Employees Covered by Plan.	12,053
32	Number of Previous Employees Vested but Not Retired.	2,384
<p>* Specify in the space below the reason(s) for any difference between the amounts reported on lines 23(b) and 24(b).</p> <p>¹Minimum Required Contribution under PPA for the Verizon Management Pension Plan of \$37,488,366 is covered by the plan's Funding Standard Carryover Balance.</p> <p>²Annuity benefit payments are not available for plans that pay lump sum cashouts.</p> <p>³Plan Total</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 SFAS-87, 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 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 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.
SEE INSERT (PAGE 86-A)

55. ANALYSIS OF PENSION SETTLEMENTS, CURTAILMENTS, AND TERMINATIONS

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).

In 1997, as a result of planned work force reductions, the Company incurred additional pension costs of \$65,903,618 for management employees comprised of a charge for special termination benefits of \$126,309,427 and a curtailment gain of \$(60,405,809). In 1997, as a result of planned work reductions, the Company incurred additional pension costs of \$106,658,356 for nonmanagement employees comprised of a charge for special termination benefits of \$130,875,716 and a curtailment gain of \$(24,217,360).

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

Line No.	ESTIMATE OF SETTLEMENT GAIN OR LOSS (a)	(b)	(c)
PLAN			
1	Unrecognized net asset		1. _____
2	Unrecognized net actuarial gain or (loss)		2. <u>(4,412,306,000)</u>
	Year-to-date asset gain or (loss):		
3	Actual return	3. <u>1,028,727,000</u>	
4	Expected return	4. <u>946,703,000</u>	
5	Gain or (loss): (3)-(4)		5. <u>82,024,000</u>
	Year-to-date liability gain or (loss):		
6	PBO at settlement date	6. <u>12,055,121,000</u>	
7	Year-to-date increase (or decrease) in actuarial discount rate	7. <u>-100</u>	basis points
8	Percentage decrease in PBO for each 100 basis-point increase in the discount rate	8. <u>5.02%</u>	
9	Liability gain or (loss): {(6) x (7) x (8)} x 100 -- see instructions		9. <u>(604,781,000)</u>
	Settlement gain or (loss):		
10	Accounting value of obligation which was settled	10. <u>185,561,000</u>	
11	Settlement cost (e.g., price of purchased annuity contract)	11. <u>199,274,000</u>	
12	Settlement gain or (loss): (10)-(11)		12. <u>(13,713,000)</u>
13	Total accumulated gain or (loss): (1)+(2)+(5)+(9)+(12)		13. <u>(4,948,777,000)</u>
14	Settlement ratio: (10)/(6)		14. <u>1.54%</u>
15	Pretax gain recognizable in current income: (13) x (14)		15. <u>(76,211,000)</u>
REPORTING COMPANY			
16	Portion of amount on line 15 allocated to reporting company		16. <u>(4,300,000)</u>
	Tax-affected gain:		
17	Tax rate	17. <u>35.40%</u>	
18	Gain or (loss) after provision for income tax: 16 x [100% - (17)]		18. <u>(2,777,800)</u>

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

The amount on line 16 was determined based on the proportion of New York's actual lump sum payouts compared to the total plan lump sum payouts.

For the amount reported on line 16 specify:

- | | |
|--|--------------------|
| a. the amount recorded as income for the current year | <u>(4,300,000)</u> |
| b. the amount deferred on the balance sheet | <u>(4,300,000)</u> |
| c. amortization period for the deferred amount (specify beginning and ending dates). | <u>N/A</u> |

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

In 2009, Verizon's Management Non-Parco pension plan lump sum pension distributions surpassed the settlement threshold equal to the sum of service cost and interest cost requiring settlement recognition per SFAS 88.

In addition, (\$ 73.4M) and (\$ 6.0M) were allocated to Verizon New York in Q4 2009 as Curtailment and Special Termination Benefit charges and a settlement charge of (\$38.7M) was allocated in Q3 09.

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

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

- | | |
|---------------------------------|-------|
| a. number of employees affected | _____ |
| b. the cost of the settlement | _____ |
| c. the amount of PBO settled | _____ |

56. ANALYSIS OF OPEB COSTS, FUNDING, AND DEFERRALS

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

For each plan, specify and explain in the space below any accounting changes or changes in assumptions or elected options made during the reporting year. Quantify the effects of each revision on each of the amounts reported on Page 89. Use a separate insert sheet if more space is necessary.

The medical trend assumption increased from (Pre-65/Post-65): 9.50%/10.50% in 2008, 8.00%/9.00% in 2009, 6.75%/7.75% in 2010, 5.75%/6.75% in 2011, 5.25%/5.75% in 2012, and 5.00%/5.00% ultimate in 2013 to the following schedule (Pre-65/Post-65): 8.50%/9.50% in 2009, 7.50%/8.50% in 2010, 6.50%/7.50% in 2011, 5.50%/6.50% in 2012, 5.00%/5.50% in 2013, and 5.00%/5.00% ultimate in 2014.

The discount rate was increased from 6.50% in 2008 to 6.75% in 2009.

The mortality rates changed from the RP-2000 Combined Healthy Mortality Table projected to 2008 using Scale AA and the 1977 Railroad Board Mortality Table in 2008 to the RP-2000 Combined Healthy Mortality Table projected to 2009 using Scale AA and the RP-2000 Disabled Retiree Mortality Table in 2009.

These changes had the following effects on page 89:

Accumulated Postretirement Benefit Obligation (APBO)	\$	223,464,000
Unrecognized Gains/(Losses)		(223,464,000)
Service Cost	\$	(261,000)
Interest Cost	\$	47,182,000
Expected Return on Assets (EROA)	\$	-
Amortization of (Gains)/Losses	\$	15,844,000
Total OPEB Cost	\$	62,765,000

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

Line No.	Item (a)	Total Company (b)
	<u>ANALYSIS OF OPEB COSTS</u>	
	Accumulated Benefit Obligation Attributable to:	
1	Retirees Covered by the Plan	\$ 10,385,923,000
2	Other Fully Eligible Plan Participants	\$ 1,123,290,000
3	Other Active Plan Participants	\$ 2,007,820,000
4	Fair Value of Plan Assets Held in an Exterior Fund or Trust	\$ 1,108,233,000
	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	\$ 1,534,258,000
10	Unrecognized Gains or (Losses)	\$ (4,167,049,000)
11	Gains or (Losses) Unrecognized in Market Related Value of Assets	\$ (539,815,000)
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.	1/1/2009
14	Discount Rate	6.75%
15	Expected Long-Term Rate of Return on Assets (Exterior Fund)	8.25%
16	Interest Rate Applied to NYS Jurisdiction Internal Reserve Balance	
17	Salary Progression Rate (if applicable)	
	<u>NET PERIODIC OPEB COST</u>	
18	Service Cost	\$ 134,122,000
19	Interest Cost	878,804,000
20	Actual Return on Plan Assets [(Gain) or Loss]	(274,329,000)
21	Deferral of Asset Gain or (Loss)	143,250,000
22	Amortization of Transition Amount	0
23	Amortization of Unrecognized Prior Service Cost	161,548,000
24	Amortization of (Gains) or Losses from Earlier Periods	196,646,000
25	(Gain) or Loss Due to a Temporary Deviation From a Substantive Plan	0
26	Net Periodic OPEB Cost	\$ 1,240,041,000

¹ Note: This analysis includes the former Bell Atlantic South Management plan which merged with the North Management plan as of January 1, 1999.

Jurisdictional Breakdown of Net Periodic OPEB Cost:

	Intrastate	Interstate	Other
Service Cost	49,500,543	24,401,223	9,435,071
Interest Cost	250,562,948	123,514,656	47,758,653
Return On Assets	(20,027,281)	(9,872,420)	(3,817,308)
Amortization of Prior Service Cost	68,660,983	33,846,336	13,087,155
Amortization of Net (Gain) Loss	36,925,720	18,202,482	7,038,242
Total	385,622,912	190,092,277	73,501,812

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
2. Report on Line 5 items of income (e.g., dividends and interest).
3. The amount reported on Line 9 should be the same amount as that reported on Line 4 on Page 89.

Line No.	Item (a)	Total Company (b)
EXTERNALLY HELD OPEB DEDICATED FUNDS OR TRUSTS		
1	Fair Value of Plan Assets at Beginning of Period	\$1,108,233,000
	Contributions to the Fund:	
2	Deposits of Company Funds	0
3	Transfers from Pension Related Funds	0
4	Other *	0
5	Income or (Loss) Earned on Fund Assets	53,500,000
6	Capital Appreciation or (Depreciation) of Fund Assets	240,143,000
7	Cost Benefits Paid from the Fund To or For Plan Participants	(82,788,000)
8	Other Expenses Paid By the Fund **	(19,314,000)
9	Fair Value of Plan Assets at End of the Period	\$1,503,978,000

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

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

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

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

Line No.	Item (a)	New York State Jurisdiction (b)
	OPEB RELATED ASSETS RECORDED IN AN INTERNAL RESERVE	
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
	ACCUMULATED DEFERRED OPEB EXPENSE	
13	Accumulated Deferred Balance Beginning of Period - [Debit / (Credit)]	N/A
14	Deferral Applicable to Current Year Variation	N/A
15	Amortization of Previous Deferrals	N/A
16	Accumulated Deferred Balance at End of Period	N/A
17	Balance of Deferred Income Tax Applicable to Deferred OPEB Expense at the End of Period	N/A
	* Briefly explain any amounts reported on Line 8.	

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

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

Line No.	Name of Affiliate or Other Company (a)	Valuation Method (b)	Account No. (c)	Service Provided For/To (d)	Amount (e)
	Affiliates:				
1	Cellco Partnership			Provided to Affiliates	\$ 13,838,965
2	Empire City Subway Co			Provided to Affiliates	1,149,559
3	Vz Avenue Corp			Provided to Affiliates	117,011
4	Vz Business Global LLC			Provided to Affiliates	32,057,545
5	Vz Business Network Services Inc			Provided to Affiliates	360,978
6	Vz Corporate Services Corp			Provided to Affiliates	16,035,904
7	Vz Corporate Services Group			Provided to Affiliates	152,905
8	Vz Data Services Inc			Provided to Affiliates	4,831,139
9	Vz Capital Corp			Provided to Affiliates	900,929
10	Vz Enterprise Solutions LLC			Provided to Affiliates	19,759,996
11	Vz Global Network Inc			Provided to Affiliates	1,236,071
12	Vz Online LLC			Provided to Affiliates	645,093,534
13	Vz Long Distance LLC			Provided to Affiliates	51,930,618
14	Vz Network Integration Corp			Provided to Affiliates	(556,198)
15	Vz Select Services Inc			Provided to Affiliates	5,617,299
16	Vz Services Corp			Provided to Affiliates	20,571,899
17	Vz California Inc			Provided to Affiliates	275,964
18	Vz Washington DC Inc			Provided to Affiliates	171,484
19	Vz Delaware LLC			Provided to Affiliates	380,956
20	Vz New England Inc			Provided to Affiliates	19,356,223
21	Vz Maryland Inc			Provided to Affiliates	1,057,546
22	Vz New Jersey Inc			Provided to Affiliates	1,077,510
23	Vz Pennsylvania Inc			Provided to Affiliates	19,654,366
24	Vz Virginia Inc			Provided to Affiliates	1,718,764
25	Vz Florida LLC			Provided to Affiliates	101,562
26	Vz North Inc			Provided to Affiliates	146,718
27	All Other Affiliates under 100K			Provided to Affiliates	215,480
28					
29	Total Affiliates				\$ 857,254,727
30					
31					
32	Other Companies:				
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43	Aggregate of All Other Items				
44	Total Other Companies				0
	Total General Services and Licenses				\$ 857,254,727

**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	Cellco Partnership			Purchased from Affiliates	\$6,205,407
2	Empire City Subway Co			Purchased from Affiliates	90,564,841
3	Exchange Indemnity Co			Purchased from Affiliates	59,343,205
4	Telesector Resources Group Inc			Purchased from Affiliates	268,574
5	Vz Business Global LLC			Purchased from Affiliates	614,391
6	Vz Business Network Services Inc			Purchased from Affiliates	71,762,672
7	Vz Corporate Services Corp			Purchased from Affiliates	358,584,345
8	Vz Corporate Services Group			Purchased from Affiliates	254,764,391
9	Vz Corporate Resources Group			Purchased from Affiliates	230,037,512
10	Vz Data Services Inc			Purchased from Affiliates	239,250,488
11	Vz Online Inc			Purchased from Affiliates	113,141
12	Vz Network Funding Corp			Purchased from Affiliates	364,689
13	Vz Select Services Inc			Purchased from Affiliates	3,248,160
14	Vz Services Corp			Purchased from Affiliates	1,038,121,364
15	Vz Services Operations Inc			Purchased from Affiliates	18,154,621
16	Vz Services Organization Inc			Purchased from Affiliates	97,729,238
17	Vz North Inc			Purchased from Affiliates	122,062,957
18	GTE Southwest Incorporated			Purchased from Affiliates	1,495,212
19	Vz California Inc			Purchased from Affiliates	511,731
20	Vz Northwest Inc			Purchased from Affiliates	100,495
21	Vz South Inc			Purchased from Affiliates	557,680
22	Vz Florida LLC			Purchased from Affiliates	1,388,444
23	Vz New England Inc			Purchased from Affiliates	92,699,259
24	Vz Maryland Inc			Purchased from Affiliates	321,801
25	Vz New Jersey Inc			Purchased from Affiliates	3,429,135
26	Vz Pennsylvania Inc			Purchased from Affiliates	4,550,982
27	Vz Virginia Inc			Purchased from Affiliates	9,618,128
28	Vz West Virginia Inc			Purchased from Affiliates	271,223
29	All Other Affiliates under 100K			Purchased from Affiliates	-
30					
31	Total Affiliates				2,706,134,086
32	Other Companies:				
33	BI PERFORMANCE SERVICES			Advertising	148,166
34	COMFORCE TELECOM INC			Professional Svcs	182,929
35	CRESCENT UTILITIES			Professional Svcs	405,025
36	EXAMINATION MANAGEMENT SERVICES INC			Legal	106,991
37	FOLEY,SMIT,OBOYLE AND WEISMAN			Legal	469,711
38	GIBBONS PC			Legal	472,710
39	GIBSON DUNN & CRUTCHER LLP			Legal	195,224
40	LOURDES INDUSTRIES LLC			Professional Svcs	159,280
41	RJE TELECOM LLC			Professional Svcs	621,723
42	ROBSON FORENSIC INC			Professional Svcs	387,398
	(Continued on Page 94-B)				

**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)
43	SCHLAM STONE & DOLAN			Professional Svcs	\$459,654
44	SOLOMON & SOLOMON PC			Legal	310,499
45	STEWART GREENBLATT MANNING & BAEZ			Legal	173,323
46	TEK SYSTEMS			Professional Svcs	111,812
47	THIRD PARTY SOLUTIONS LLC			Legal	258,257
48	VAN WAGNER KIOSK ADVERTISING LLC			Advertising	148,784
49	VENTANTONIO & WILDENHAIN			Legal	966,257
50					
51					
52					
53					
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56					
57					
58					
59					
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77					
78					
79					
80					
81					
82					
83					
	Aggregate of All Other Items				
	Total Other Companies				5,577,743
	Total General Services and Licenses				\$ 2,711,711,829

60. LIFELINE TELEPHONE SERVICES

1. Show separately, by month, the amount of customers for each Lifeline service.
2. The total shown in column (d) is the total customers receiving Lifeline services, column (a)+(b)+(c).

	Number of Customers				
	Flat Rate (a)	Basic Message Rate (b)	Locality Waivers (c)	Total Lifeline (d)	Link-Up Customers (e)
January	49,860	207,945		257,805	1,234
February	49,987	209,310		259,297	1,452
March	49,232	207,405		256,637	1,184
April	49,015	207,847		256,862	1,198
May	48,794	208,103		256,897	1,250
June	48,250	207,111		255,361	1,288
July	47,774	206,803		254,577	1,228
August	47,784	207,495		255,279	1,429
September	47,036	205,754		252,790	1,132
October	46,785	206,367		253,152	1,249
November	39,194	177,289		216,483	1,067
December	40,022	182,805		222,827	1,023

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		Trade Secret	Trade Secret	Trade Secret	Trade Secret
2					
3					
4					
5					
6					
7					
8					
9					
10		5,987,660	730,569	1,447,577	5,277,272

NUMBER AT END OF THE YEAR

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	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret
2								
3								
4								
5								
6								
7								
8								
9								
10	0	2,080,647	61,213	3,130,649	1,853	2,910	0	228,784

62. TELEPHONE CALLS

1. Show the particulars called for concerning telephone calls originating from respondent's stations in each of the general divisions of territory in which telephone service is given by the respondent within the State of New York. Divisions of territory lying wholly outside the State of New York may be grouped under one heading.
2. The numbers shown in column (c) may be based on an actual count taken periodically during the year. Describe in a note the general characteristics of the methods employed in arriving at the numbers shown.
3. As used in this schedule, a "local call" means one between two points, both of which are within the local service area of the calling telephone; and a "toll call" means one to a point outside of the local service area of the calling telephone.

2008		NUMBER OF CALLS ORIGINATING FROM COMPANY PROVIDED SWITCHED ACCESS LINES							
Line No.	State or Territory (a)	Total Local Calls (b)	IntraLATA Intrastate Toll Calls		InterLATA Intrastate Toll Calls		InterLATA Interstate Toll Calls		Total Calls (i)
			Messages (c)	Billed Minutes (d)	Messages (e)	Billed Minutes (f)	Messages (g)	Billed Minutes (h)	
1		Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret	Trade Secret
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10		7,110,962,279	128,553,997	730,884,892	4,177,315,565	9,667,810,014	1,655,181,166	9,979,251,240	13,072,013,007

63. STATISTICS RELATING TO TELEPHONE SERVICE QUALITY

1. To calculate the Average for the Year for column (b) below, add together each of the monthly company-wide results and divide by 12.
2. Measurement Opportunities are the total number of monthly measurements for the year taken at the appropriate entity reporting level (e.g., central office entity for Customer Trouble Report Rate; Maintenance Center for Percent Out-of-Service Over 24 Hours, etc.).
3. "Objective Level", "Weakspot Level", and "Surveillance Level Failure" are defined in the Commission's Telephone Service Standards (Section 603 of 16NYCRR). Certain smaller companies may not be required to report on all of the following service measurements. Please refer to the Service Standards before completing the following schedule.
4. For Business Office Answer, Repair Service Answer, Directory Assistance Answer, Intercept Answer, and Toll & Assistance Answer specify which of the two alternative standards the company used during the year. (See Section 603.12 (d) of 16 NYCRR.)

Line No.	Service Measurement (a)	TOTAL COMPANY SERVICE QUALITY DATA						Number of Surveillance Level Failures (h)
		Average for the Year (b)	Measurement Opportunities					
			Cumulative Annual Total (c)	At Objective Level		At Weakspot Level		
				Number (d)	Percent (e)	Number (f)	Percent (g)	
1	Customer Trouble Report Rate Per 100 Access Lines	2	6468	5608	86.7%*	*	18	
2	Percent Missed Repair Appointments	17	336	270	80.4%		35	
3	Percent Out-of-Service Over 24 Hours	28	336	147	43.8%		143	
4	Percent Regular Orders Installed Within 5 Days	89	300	288	96.0%		2	
5	Percent Installation Appointments Not Met	6	300	282	94.0%		4	
6	Business Office Answer (Standard:_____)	75	96	41	42.7%		45	
7	Repair Service Answer (Standard:_____)	78	48	37	77.1%		3	
8	Directory Assistance Answer (Standard:_____)							
9	Intercept Answer (Standard:_____)							
10	Toll and Assistance Answer (Standard:_____)	2	12	12	100.0%		0	
11	Dial Tone Speed							
12	Blockages and Failures							
13	Orders for Regrades Held Over 30 Days							
14	TOTAL		7896	6685		0	250	
15	Number of Customer Complaints to the Public Service Commission During the Year:				556			

64. PLANT EXTENSIONS TO SERVE NEW RESIDENTIAL SUBDIVISIONS

Report on telephone facilities constructed during the year to serve new residential subdivisions pursuant to 16 NYCRR Part 604.

Line No.	Underground Plant Constructed Within Subdivisions (a)	Amount (b)
	A. Direct Buried (Plowed) Lines	
1	Total Length	0 ft.
2	Cost of Plowing Only	\$0.00
3	Average Cost of Plowing Only	/ft.
	B. Sole Occupancy Trenched Lines	
4	Total Length	5,814 ft.
5	Cost of Trenching Only	\$61,940.00
6	Average Cost of Trenching Only	\$10.65 /ft.
	C. Shared Occupancy Trenched Lines	
7	Total Length	67,836 ft.
8	Cost of Trenching (telephone portion) Only	\$ 1,318,206.00
9	Average Cost of Trenching (telephone portion) Only	\$19.43 /ft.
II. Plant Constructed To Connect Subdivisions To The Existing Telephone Distribution System		
	A. Facilities Placed Underground	
10	Total Length	768 ft.
11	Total Cost	\$ 13,756.40
12	Average Total Cost	17.91 /ft.
	B. Facilities Placed Overhead	
13	Total Length	0 ft.
14	Total Cost	0
15	Average Total Cost	/ft.
	NOTE: The data reported in Part II of this Schedule is based on data for one region. Data for other regions, and the information requested in lines 13-15 of Part II, are not available at this time.	

65. DISTRIBUTION OF TOTAL COMPENSATION OF EMPLOYEES

Line No.	Account Group (a)	Amount (b)
1	Operating Expenses	\$1,609,078,481
2	Telecommunications Plant In Service	196,335,796
3	Telecommunications Plant Under Construction	149,195,342
4	Accumulated Depreciation	53,321,963
5	Other (specify): Billed Custom Work	0
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	Total Compensation of Officers and Employees	\$2,007,931,582
65A. NUMBER OF EMPLOYEES		
21	Network Operations	303
22	Operator Services & Business Office	3,976
23	Accounting & Finance	10
24	Engineering	806
25	General & Administrative	129
26	Plant	14,449
27		
28		
29		
30		
31		
32	Total Employees	19,673