

2002 APR 30 PM 2:05

# LOCAL EXCHANGE TELEPHONE COMPANIES

For the provision of (Check all that apply):

INCUMBENT LOCAL EXCHANGE CARRIER (ILEC)

PUCO

NEW ENTRANT CARRIER (NEC)

Class A

Class B

## ANNUAL REPORT

OF

### VERIZON NORTH INC.

(Exact legal name of respondent)

If name was changed during year, show also the previous name and date of change.

**100 EXECUTIVE DRIVE**

**MARION, OH 43302**

(Address of principal business office at end of year)

TO THE

**PUBLIC UTILITIES COMMISSION OF OHIO**

FOR THE

**YEAR ENDED DECEMBER 31, 2001**

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

Name	<u>Nancy W. Heuring</u>	Title	<u>Assistant Controller</u>
Address	<u>P.O. Box 152092</u>	Mailcode	<u>HQE01J51</u>
City/State/Zip	<u>Irving, TX 75015-2092</u>	Telephone	<u>(972) 718-6892</u>

RECEIVED-DOCKETING DIV

2002 APR 30 PM 2: 05

PUCO



100 Executive Drive  
Marion, OH 43302

April 30, 2002

The Public Utilities Commission of Ohio  
Fiscal Division  
180 East Broad Street 10th Floor  
Columbus, Ohio 43215-3793

Re: In the Matter of the Filing of Annual Reports for  
Calendar Year 2001 by Regulated Public Utilities -  
Case No. 02-586-AU-UNC

Dear Madame/Sir:

Verizon is hereby filing its annual report for 2001 as ordered by the Commission in Case No. 02-586-AU-UNC, Finding (2) of that Entry dated March 14, 2002. A copy of this report has been filed with the Office of the Consumers' Counsel in compliance with Finding (3) of the Entry. ARMIS reports have also been filed with the Director of the Utilities Department in compliance with Finding (6) of the Entry.

Acknowledgement and date of receipt of this filing are requested.

Sincerely,

A handwritten signature in cursive script that reads "J. W. Kennedy".

Jack W. Kennedy  
President

JWK:dkb  
Enclosure

## TABLE OF CONTENTS

Schedule	Title	Page
	General Instructions.....	1
	Additional Filing Requirements.....	2
	Identity of Respondent.....	3
	Corporate Control Over Respondent.....	4
	Respondent's Control Over Other Corporations.....	4
	Important Changes During the Year.....	5
1	Voting Powers and Elections.....	6
2	Board of Directors.....	7
3	Principal General Officers.....	8
4	Balance Sheet.....	9-13
4A	Notes to Balance Sheet.....	14
5	Income Statement.....	15-24
5A	Notes to Income Statement.....	25
6	Statement of Retained Earnings.....	26
7	Partnership Capital Statement.....	26
8	Analysis of Plant in Service.....	27-29
9	Accumulated Depreciation.....	30-35
10	Uncollectible Accounts.....	36
11	Receivables and Investments-Affiliated and Nonaffiliated Companies.....	37-38
12	Deferred Charges.....	39
13	Other Jurisdictional Asset Net.....	40
14	Net. Cur. Def. Operating Income Tax.....	40
15	Net Noncur. Def. Operating Income Taxes.....	41
16	Net Deferred Tax Liability Adjustment.....	41
17	Other Juris. Liability & Def. Cr. - Net.....	41
18	Long-Term Debt.....	42
19	Other Deferred Credits.....	43
20	Deferred Tax Regulatory Liability.....	44
21	Capital Stock.....	45
22	General Services and Licenses.....	46
23	Taxes Other Than Income Taxes.....	47
24	Analysis of Extraordinary Items.....	48
25	Distribution of Salaries and Wages.....	49
26	Outside Plant Statistics (Wire).....	50
26A	Outside Plant Statistics (Fiber Optic).....	51
27	Detail of Ohio Exchange Access Lines In Service by Customer Class.....	52
28	Plant and Service Data - Ohio Class A and B Telephone Companies.....	53
29	Ohio Central Office Scheduled to be Upgraded.....	54
30	Projection of New or Changed Ohio Central Office Prefixes (NXX) to be placed in Service.....	55
31	Toll Usage Study Ohio Contiguous Exchanges (Form 1).....	56
31	Toll Usage Study Ohio Contiguous Exchanges (Form 2).....	56
32	Service Connection Assistance (SCA) Annual Reporting Form.....	57
32	Explanation of SCA Annual Reporting Form Fields.....	58
33	Statement of Intrastate Gross Earnings (Revenue) for the Year.....	59-62
34	Name, Address, and Phone Number of the Company's Contact Persons and to Whom Invoice Should be Directed.....	63
	Verification.....	64

**GENERAL INSTRUCTIONS**

Please read General Instructions carefully before filling out this form:

1. **Class A** -- Companies having annual revenues from regulated telecommunications operations of \$100,000,000 or more.  
**Class B** -- Companies having annual revenues from regulated telecommunications operations of less than \$100,000,000.
2. **Class B** companies may choose to use **Class A** accounts.
3. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
4. This annual report form was prepared in conformity with the Uniform System of Accounts prescribed by the PUCO for local exchange telephone companies. All accounting words and phrases are to be interpreted in accordance with said classification.
5. The schedules and questions contained in this report were developed to be generally applicable to all local exchange telephone companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answers shall appear to show that no schedule, question, or line item has been overlooked. **If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate.**
6. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "cover page" and in the "Verification" page.
7. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
8. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
9. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
10. The annual report shall be signed by a duly elected officer of the respondent.
11. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
12. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
13. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.
14. The word "affiliated companies" means companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the utility filing this report.
15. Please list all accounts and totals in whole dollars only. Make sure the rounded numbers are equal to the original totals, when the original totals are rounded to the nearest dollar amount.

### ADDITIONAL FILING REQUIREMENTS

The following list is intended only as a reminder to local exchange companies with less than 15,000 access lines of additional information required to be filed with the Commission and when such information is due.

- (1) Major Outage Reports (Rule 4901:1-5-03 O.A.C.) - when a major outage occurs, the local area news media and the Commission's Emergency Outage Coordinator must be notified within two hours. If such outage affects 9-1-1 service, the 9-1-1 PSAP for each affected county must be notified immediately with an estimate of when 9-1-1 service will be restored.
- (2) Emergency Services Coordinator Names and Telephone Numbers (Rule 4901:1-5-22, O.A.C.) - the list of a company's Emergency Services Coordinator and appropriate phone numbers shall be updated as necessary and submitted to the Commission's Emergency Services Coordinator in the Consumer Services Department.
- (3) Directories (Rule 4901:1-5-06 (C), O.A.C.) - three copies of each directory shall be provided to the Commission's Library.

**IDENTITY OF RESPONDENT**

1. Give the location (including street and number) of (a) the main Ohio business office of respondent at the close of the year, and (b) if respondent is a foreign corporation, the main business office if not in this state.

(a) Verizon North Inc.  
100 Executive Drive  
Marion, Ohio 43302

(b) 8001 W. Jefferson Boulevard  
Fort Wayne, IN 46804

2. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. Indicate date of incorporation or date of formation of partnership.

Corporation  
June 18, 1992

3. If a consolidated or merged company, name all constituent and all merged companies absorbed during the year.

None

4. Date and authority of each consolidation and for each merger effected during the year.

N/A

5. If a reorganized company, give name of original corporation. State the occasion for any reorganization effected during the year.

N/A

6. For new entrant carrier (NEC); give PUCO Certification approval date \_\_\_\_\_, and Case No. \_\_\_\_\_.

N/A

7. For NEC's only describe current serving area.

N/A

**CORPORATE CONTROL OVER RESPONDENT**

1. Did any corporation or corporations, telephone or other, hold control over the respondent at the close of the year? Yes. If control was so held, state:
- |   |  |
|---|--|
| a. The name and address of the controlling corporation or corporations.                         | GTE Corporation<br>1095 Avenue of the Americas<br>New York, NY 10036 |
| b. The form of control, whether sole or joint.  | Sole   |
| c. The manner in which control was established.   | Ownership of common stock  |
| d. The extent of control.   | 100%   |
| e. Whether control was direct or indirect.  | Direct   |
| f. If indirect, the name and address of the intermediary through which control was established. |  |
2. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? No. If control was so held, state:
- The name and address of the trustee.
  - The name and address of the beneficiary or beneficiaries for whom the trust was maintained, if available.

**RESPONDENT'S CONTROL OVER OTHER CORPORATIONS**

3. Did the respondent hold control over other corporations at the close of the year? No. If so state:
- The name and address of corporation or corporations controlled.
  - The form of control, whether sole or joint.
  - Other parties, if any, to joint agreement for control.
  - The manner in which control was established.
  - The extent of control.
  - Whether control is direct or indirect.
  - If indirect, the name and address of the intermediary through which control was established.

### 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 answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of other party, date, consideration, and Commission authorization.

None

2. 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.

None

3. Securities issued during the year: Identify the securities, give purpose 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.

None

4. Changes in articles of incorporation: Give brief particulars of each change and date.

None

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

See Verizon North Inc. FCC Report 4302, Table C-5 for other important changes.

**SCHEDULE: 1**

**VOTING POWERS AND ELECTIONS**

1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and notes of all stockholders.

Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
GTE Corporation, New York, NY	978,350	978,350	
Total Listed Above	978,350	978,350	
Total All Stockholders	978,350	978,350	

**SCHEDULE: 2**

**BOARD OF DIRECTORS**

1. Give the name of each person who was a member of the Board of Directors at any time during the year.
2. Columns (d) and (e) relate to Board meetings only.

Name of Director and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)	Number of Meetings Attended During the Year (d)	Fees Paid During Year (e)
John O. Dudley, Indianapolis, IN	10-31-2000 to Present	2001	0	0
A. Randall Vogelzang, Irving, TX	10-31-2000 to Present	2001	0	0
Edward J. Weise, Fort Wayne, IN	10-31-2000 to Present	2001	0	0

Name of Chairman of the Board : None  
 Name of Secretary of Board : None  
 Number of Meetings of Board during the year : All action was adopted by unanimous consent.  
 Number of directors provided for by charter of by-laws, as amended to the end of the year : Minimum of 2 and no more than 33.  
 Number of directors required to constitute a quorum : Majority of the Directors.



## SCHEDULE: 4

BALANCE SHEET						
ASSETS AND OTHER DEBITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" No.	Class "B" No.					
<b>CURRENT ASSETS:</b>						
.....	1120	Cash and Equivalents				
1130	.....	Cash		See Note 1	See Note 1	See Note 1
1140	.....	Special Cash Deposits		See Note 1	See Note 1	See Note 1
1150	.....	Working Cash Advances		See Note 1	See Note 1	See Note 1
1160	.....	Temporary Investments	37	See Note 1	See Note 1	See Note 1
1180	1180	Telecommunications Accounts Receivable	37	See Note 1	See Note 1	See Note 1
1181	1181	Acts. Receivable Allowance-Telecom.(Cr.)	37	7,387,593	12,122,944	4,735,351
1190	1190	Other Accounts Receivable	37	See Note 1	See Note 1	See Note 1
1191	1191	Accounts Receivable Allowance-Other (Cr.)	37	480,051	706,856	226,805
1200	1200	Notes Receivable	38	See Note 1	See Note 1	See Note 1
1201	1201	Notes Receivable Allowance (Cr.)	38	See Note 1	See Note 1	See Note 1
1210	1210	Interest and Dividends Receivable	38	See Note 1	See Note 1	See Note 1
1220	1220	Material and Supplies		10,823,210	13,245,560	2,422,350
.....	1280	Prepayments				
1290	.....	Prepaid Rents		0	0	0
1300	.....	Prepaid Taxes		10,798,086	3,648,073	(7,150,013)
1310	.....	Prepaid Insurance		See Note 1	See Note 1	See Note 1
1320	.....	Prepaid Directory Expenses		0	0	0
1330	.....	Other Prepayments		1,089,810	1,089,810	0
1350	1350	Other Current Assets		7,788,770	13,804,355	6,015,585
(1130-1135)	(1120-1350)	<b>TOTAL CURRENT ASSETS</b>		See Note 1	See Note 1	See Note 1

## SCHEDULE: 4

BALANCE SHEET						
ASSETS AND OTHER DEBITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" No.	Class "B" No.					
<b>NONCURRENT ASSETS:</b>						
1401	1401	Investments in Affiliated Companies	38	See Note 1	See Note 1	See Note 1
1402	1402	Investments in Nonaffiliated Companies	38	See Note 1	See Note 1	See Note 1
1406	1406	Nonregulated Investments		0	0	0
1407	1407	Unamortized Debt Issuance Expense		See Note 1	See Note 1	See Note 1
1408	1408	Sinking Funds		See Note 1	See Note 1	See Note 1
1410	1410	Other Noncurrent Assets		See Note 1	See Note 1	See Note 1
1437	1437	Deferred Tax Regulatory Asset		See Note 2	See Note 2	See Note 2
1438	1438	Deferred Maintenance and Retirements	39	See Note 1	See Note 1	See Note 1
1439	1439	Deferred Charges	39	See Note 1	See Note 1	See Note 1
1500	1500	Other Jurisdictional Assets-Net	40	See Note 2	See Note 2	See Note 2
(1401-1500)	(1401-1500)	<b>TOTAL NONCURRENT ASSETS</b>		See Note 1	See Note 1	See Note 1
<b>PROPERTY, PLANT AND EQUIPMENT</b>						
<b>(See Note3)</b>						
2001	2001	Telecom. Plant in Service	27-29	1,931,127,259	2,027,144,253	96,016,994
2002	2002	Property Held for Future Telecom. Use	29	0	0	0
2003	2003	Telecom. Plant Under Construction-Short Term	29	4,839,487	15,205,214	10,365,727
2004	2004	Telecom. Plant Under Construction-Long Term	29	68,290	62,963	(5,327)
2005	2005	Telecom. Plant Adjustment	29	0	0	0
2006	2006	Nonoperating Plant	29	684,071	673,282	(10,789)
2007	2007	Goodwill	29	0	0	0
(2001-2007)	(2001-2007)	<b>TOTAL PROP. PLANT &amp; EQUIP.</b>		1,936,719,107	2,043,085,712	106,366,605

SCHEDULE: 4

BALANCE SHEET ASSETS AND OTHER DEBITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" No.	Class "B" No.					
<b>DEPRECIATION AND AMORTIZATION:</b>						
3100	3100	Accum. Deprec. (See Note 3)	30-35	1,054,248,724	1,138,738,421	84,489,697
3200	3200	Accum. Deprec.-Held for Future Tele. Use		0	0	0
3300	3300	Accum. Deprec.-Nonoper.		464,145	488,016	23,871
.....	3400	Accum. Deprec.-Tangible				0
3410	.....	Accum. Amort.-Capit. Leases		653,981	1,214,536	560,555
3420	.....	Accum. Amort.-Lsehd. Imprv.		381,970	301,995	(79,975)
3500	3500	Accum. Amort.-Intangible		9,506,824	19,709,151	10,202,327
3600	3600	Accum. Amort.-Other		0	0	0
(3100-3600)	(3100-3600)	<b>TOTAL DEPREC. AND AMORT.</b>		1,065,255,644	1,160,452,119	95,196,475
		<b>NET PLANT (2001-2007) Less (3100-3600)</b>		871,463,463	882,633,593	11,170,130
		<b>TOTAL ASSETS (1120-2007) less (3100-3600)</b>		See Note 1	See Note 1	See Note 1

## SCHEDULE: 4

BALANCE SHEET						
LIABILITIES AND OTHER CREDITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" No.	Class "B" No.					
<b>CURRENT LIABILITIES:</b>						
4010	4010	Accounts Payable		See Note 1	See Note 1	See Note 1
4020	4020	Notes Payable		See Note 1	See Note 1	See Note 1
4030	4030	Advanced Billing and Payments		14,485,209	15,477,559	992,350
4040	4040	Customer Deposits		68,824	25,127	(43,697)
4050	4050	Cur. Maturities - Long Term Debt		See Note 1	See Note 1	See Note 1
4060	4060	Cur. Maturities - Cap. Leases		0	0	0
4070	4070	Income Taxes - Accrued		51,962,512	80,055,575	28,093,063
4080	4080	Other Taxes - Accrued		56,130,972	45,304,375	(10,826,597)
4100	4100	Net Cur. Def. Oper. Income Taxes	40	(11,059,277)	(7,449,243)	3,610,034
4110	4110	Net Cur. Def. Nonoper. Income Taxes		0	0	0
4120	4120	Other Accrued Liabilities		(76,015)	2,053,298	2,129,313
4130	4130	Other Current Liabilities		(9,140,000)	13,225,019	22,365,019
(4010-4130)	(4010-4130)	<b>TOTAL CURRENT LIABILITIES</b>		See Note 1	See Note 1	See Note 1
<b>LONG-TERM DEBT</b>						
4210	4210	Funded Debt	42	See Note 1	See Note 1	See Note 1
4220	4220	Premium on Long-Term Debt	42	See Note 1	See Note 1	See Note 1
4230	4230	Discount on Long-Term Debt	42	See Note 1	See Note 1	See Note 1
4240	4240	Reacquired Debt		See Note 1	See Note 1	See Note 1
4250	4250	Obligations under Capital Leases	42	0	(457)	(457)
4260	4260	Advances from Affiliated Companies	42	See Note 1	See Note 1	See Note 1
4270	4270	Other Long-Term Debt	42	See Note 1	See Note 1	See Note 1
(4210-4270)	(4210-4270)	<b>TOTAL LONG-TERM DEBT</b>		See Note 1	See Note 1	See Note 1

## SCHEDULE: 4

BALANCE SHEET						
LIABILITIES AND OTHER CREDITS						
Account No.		Account Title	Page No.	Balance at End of Previous Year (in dollars)	Balance at End of Current Year (in dollars)	Increase or (Decrease) (in dollars)
Class "A" No.	Class "B" No.					
<b><u>OTHER LIAB. &amp; DEF. CREDITS:</u></b>						
4310	4310	Other Long-Term Liabilities		See Note 1	See Note 1	See Note 1
4320	4320	Unamort. Oper. ITC-Net		(133,358)	(135,002)	(1,644)
4330	4330	Unamort. Nonoper. ITC-Net		0	0	0
4340	4340	Net Noncur. Def. Oper. Income Taxes	41	200,399,177	215,731,316	15,332,139
4341	4341	Net Deferred Tax Liability Adjustment	41	(861,137)	(505,158)	355,979
4350	4350	Net Noncur. Def. Nonoper. Income Taxes		0	0	0
4360	4360	Other Deferred Credits	43	32,167,114	30,631,323	(1,535,791)
4361	4361	Deferred Tax Regulat. Liability	44	3,085,237	392,199	(2,693,038)
4370	4370	Other Juris. Liab. & Def. Cr.-Net	41	See Note 2	See Note 2	See Note 2
(4310-4370)	(4310-4370)	<b>TOTAL OTHER LIAB. &amp; DEF. CR.</b>		See Note 1	See Note 1	See Note 1
<b><u>STOCKHOLDER'S EQUITY</u></b>						
4510	4510	Capital Stock	45	See Note 1	See Note 1	See Note 1
4520	4520	Additional Paid-in Capital	45	See Note 1	See Note 1	See Note 1
4530	4530	Treasury Stock	45	See Note 1	See Note 1	See Note 1
4540	4540	Other Capital		See Note 1	See Note 1	See Note 1
4550	4550	Retained Earnings	26	See Note 1	See Note 1	See Note 1
(4510-4550)	(4510-4550)	<b>TOTAL STOCKHOLDERS' EQUITY</b>		See Note 1	See Note 1	See Note 1
(4010-4550)	(4010-4550)	<b>TOTAL LIAB. &amp; STOCKHOLDERS' EQUITY</b>		See Note 1	See Note 1	See Note 1

## SCHEDULE: 4A

## NOTES TO BALANCE SHEET

Amounts that are provided on the Balance Sheet are representative of state specific amounts, refer to Verizon North Inc. FCC ARMIS 4302 Report for total company information.

Note 1:

This account is reported on a consolidated basis only, refer to Verizon North Inc. FCC ARMIS 4302 Report.

Note 2:

The effects of jurisdictional booking differences between the FCC and the Public Utilities Commission of Ohio (PUCO) are detailed below.

Note 3:

Property, Plant and Equipment and Accumulated Depreciation amounts are reported on a pure state basis.

**Footnote Disclosure of State Jurisdictional Booking Differences**

The following amounts represent jurisdictional booking differences resulting from regulation differences between the FCC and the Public Utilities Commission of Ohio. The booking differences pertain to the following items:

- Normalization of tax timing differences associated with interest during construction and certain construction overheads (intrastate only).
- Differences between authorized FCC and PUCO depreciation rates.
- Normalization of tax timing differences associated with gains resulting from the Company's 1987 adoption of FASB 87 and 88 for accounting for its pension costs.
- Reversal of deferred tax balances for miscellaneous schedule M adjustments.
- Indirect flow-through of state and federal income tax associated with accelerated depreciation.

The effect on the FCC accounts, increase (decrease), is shown below:

Balance Sheet:	<u>Account</u>	<u>2001 (Whole Dollars)</u>
Deferred Charges	1439	(5,148,275)
Telephone Plant in Service	2001	0
Accumulated Depreciation	3100	764,529
Noncurrent Deferred Operating FIT	4340	(1,351,967)
Deferred Tax Regulatory Liability	4361	(964,598)
 Income Statement:		
Depreciation Expense	6561	(767,235)
Deferred FIT Expense - Property	7250	6,274,749

## SCHEDULE: 5

INCOME STATEMENT (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
<b>LOCAL NETWORK SERVICES REVENUES:</b>			
5001	.....	Basic Area Revenue	227,625,300
5002	.....	Optional Extended Area Revenue	(247,379)
5003	.....	Cellular Mobile Revenue	0
5004	.....	Other Mobile Service Revenue	20,387
5000	.....	Basic Local Service Revenue	
(5001-5004)			227,398,308
5010	.....	Public Telephone Revenue	0
5040	.....	Local Private Line Revenue	811,598
5050	.....	Customer Premises Revenue	0
5060	.....	Other Local Exchange Revenue	57,379,105
5069	.....	Other Local Exchange Revenue Settlements	0
(5001-5069)	5000	<b>LOCAL NETWORK SERVICES REVENUE</b>	285,589,011
<b>NETWORK ACCESS SERVICES REVENUES:</b>			
5081	5081	End User Revenue	69,654,422
5082	5082	Switched Access Revenue	42,596,426
5083	5083	Special Access Revenue	34,731,137
5084	5084	State Access Revenue	72,074,597
5080	5080	<b>NETWORK ACCESS REVENUE</b>	
(5081-5084)	(5081-5084)		219,056,582
<b>LONG DISTANCE NETWORK SERVICES REVENUE:</b>			
5100	5100	Long Distance Message Revenue	18,182,299
5111	5111	Long Distance Inward-Only Revenue	45,043

## SCHEDULE: 6

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
5112	.....	Long Distance Outward-Only Revenue	3,865
5121	.....	Subvoice Grade Long Distance Private Network Revenue	0
5122	.....	Voice Grade Long Distance Private Network Revenue	4,638
5123	.....	Audio Program Grade Long Distance Private Network Revenue	0
5124	.....	Video Program Grade Long Distance Private Network Revenue	0
5125	.....	Digital Transmission Long Distance Private Network Revenue	0
5126	.....	Long Distance Private Network Switching Revenue	0
5128	.....	Other Long Distance Private Network Revenue	0
5129	.....	Other Long Distance Private Network Revenue Settlements	3,020,931
5160	.....	Other Long Distance Revenue	40,834
5169	.....	Other Long Distance Revenue Settlements	0
<b>(5100-5169)</b>	<b>5100</b>	<b>TOTAL LONG DISTANCE NETWORK SERVICES REVENUES</b>	<b>21,297,610</b>
<b>MISCELLANEOUS REVENUES:</b>			
5230	.....	Directory Revenue	3,893,381
5240	.....	Rent Revenue	712,208
5250	.....	Corporate Operations Revenue	464
5261	.....	Special Billing Arrangements Revenue	23,639
5262	.....	Customer Operations Revenue	0
5263	.....	Plant Operations Revenue	3,281,676
5264	.....	Other Incidental Regulated Revenue	1,243,793
5269	.....	Other Revenue Settlements	55
5270	.....	Carrier Billing and Collection Revenue	4,295,293
<b>(5230-5270)</b>	<b>6200</b>	<b>MISCELLANEOUS REVENUES</b>	<b>13,450,509</b>

**SCHEDULE: 6**

<b>INCOME STATEMENT</b>			
(in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
<b><u>NONREGULATED REVENUES:</u></b>			
5280	5280	Nonregulated Operating Revenue	50,768,210
<b><u>UNCOLLECTIBLE REVENUES:</u></b>			
5301	.....	Uncollectible Revenue - Telecommunications	12,465,000
5302	.....	Uncollectible Revenue - Other	2,020,000
<b>5300</b>	<b>5300</b>	<b>UNCOLLECTIBLE REVENUE</b>	<b>14,485,000</b>
<b>(5301-5302)</b>			
<b>TOTAL OPERATING REVENUES (5001-5302)</b>			<b>575,676,922</b>

## SCHEDULE: 6

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
<b>PLANT SPECIFIC OPERATIONS EXPENSE:</b>								
6112	.....	Motor Vehicle Expense	305,469	8,391	263,119	598,034	0	1,175,013
6113	.....	Aircraft Expense	1,410	9,434	2,181	185,284	0	198,309
6114	.....	Special Purpose Vehicle Expense	0	0	3	5,090	0	5,093
6115	.....	Garage Work Equipment Expense	145	1	9,433	31,958	0	41,537
6116	.....	Other Work Equipment Expense	89,224	5,987	2,494	269,417	0	367,122
6110	6110	<b>NETWORK SUPPORT EXPENSE</b>	396,248	23,813	277,230	1,089,783	0	1,787,074
(6112-6116)								
6121	.....	Land and Building Expense	1,275,755	88,666	4,058,851	5,786,407	0	11,209,679
6122	.....	Furniture and Artworks Expense	7,042	2,030	18,628	343,824	0	371,524
6123	.....	Office Equipment Expense	221,458	1,882	204,601	534,739	0	962,680
6124	.....	General Purpose Computers Expense	394,629	(3,011)	277,247	9,363,401	0	10,032,266
6120	6120	<b>GENERAL SUPPORT EXPENSE</b>	1,898,884	89,567	4,559,327	16,028,371	0	22,576,149
(6121-6124)								
6211	.....	Analog Electronic Expense	34,393	(150)	494	2,773	0	37,510
6212	.....	Digital Electronic Expense	6,110,497	(53,120)	129,801	1,908,531	0	8,095,709
6215	.....	Electro-Mechanical Expense	36,593	(969)	532	3,121	0	39,277
6210	6210	<b>CENTRAL OFFICE SWITCH.EXPENSE</b>	6,181,483	(54,239)	130,827	1,914,425	0	8,172,496
(6211-6215)								
6220	6220	Operator Systems Expense	8,273	(141)	112	81,140	0	89,384
6231	.....	Radio Systems Expense	755	54	7	2,745	0	3,581
6232	.....	Circuit Equipment Expense	1,252,666	(24,122)	28,938	925,799	0	2,183,281
6230	6230	<b>CENTRAL OFFICE TRANSM. EXPENSE</b>	1,253,421	(24,068)	28,945	928,544	0	2,186,842
(6231-6232)								
6311	.....	Station Apparatus Expense	979,531	(25,366)	22,723	2,644,152	0	3,621,040
6341	.....	Large Private Branch Exchange Expense	890,477	(12,773)	14,635	881,466	0	1,773,805
6351	.....	Public Telephone Terminal Equipment Expense	342,760	4,634	12,368	782,770	0	1,142,532
6362	.....	Other Terminal Equipment Expense	3,890,319	(62,334)	147,110	4,867,158	0	8,842,253
6310	6310	<b>INFO. ORIG/TERM.EXPENSE</b>	6,103,087	(95,839)	196,836	9,175,546	0	15,379,630
(6311-6362)								

## SCHEDULE: 5

INCOME STATEMENT								
(in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
6411	.....	Poles Expense	169,649	(611)	2,834,213	328,986	0	3,332,237
6421	.....	Aerial Cable Expense	9,130,211	(111,998)	393,359	4,164,206	0	13,575,778
6422	.....	Underground Cable Expense	359,428	(1,844)	13,490	84,873	0	455,947
6423	.....	Buried Cable Expense	7,253,363	(109,032)	275,833	5,453,555	0	12,873,719
6424	.....	Submarine Cable Expense	544	(21)	23	753	0	1,299
6425	.....	Deep Sea Cable Expense	0	0	0	0	0	0
6426	.....	Intrabuilding Network Cable Expense	61,677	(1,160)	1,334	10,495	0	72,346
6431	.....	Aerial Wire Expense	103,742	(1,863)	5,223	26,653	0	133,755
6441	.....	Conduit Systems Expense	(1,628)	(2,046)	72	44,622	0	41,020
6410 (6411-6441)	6410	<b>CABLE AND WIRE FACIL. EXPENSE</b>	17,076,986	(228,575)	3,523,547	10,114,143	0	30,486,101
(6112-6441)	(6110-6410)	<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSES</b>	32,918,382	(289,482)	8,716,824	39,331,952	0	80,677,676
		<b><u>PLANT NONSPECIFIC OPERATIONS EXPENSE:</u></b>						
6511	.....	Property Held for Future Telecommunications Use Expense	0	0	0	0	0	0
6512	.....	Provisioning Expense	128,242	3,467	0	251	0	131,960
6510 (6511-6512)	6510	<b>OTHER PROP., PLANT &amp; EQUIP. EXPENSE</b>	128,242	3,467	0	251	0	131,960
6531	.....	Power Expense	0	0	0	4,802,873	0	4,802,873
6532	.....	Network Administration Expense	2,681,409	408,828	182	243,995	0	3,334,414
6533	.....	Testing Expense	6,174,699	567,352	8,353	725,377	0	7,475,781
6534	.....	Plant Oper. Admin. Expense	5,051,445	765,663	5,120	2,648,420	0	8,470,648
6535	.....	Engineering Expense	2,535,098	359,975	90,502	359,014	0	3,344,589
6530 (6531-6535)	6530	<b>NETWORK OPERATIONS EXPENSE</b>	16,442,651	2,101,818	104,157	8,779,679	0	27,428,305
6540	6540	Access Expense	6,941	(450)	41,318	17,552,731	0	17,600,540
6561	.....	Depreciation Expense-Telecommunications Plant in Service	(64)	0	0	143,420,325		143,420,261

## SCHEDULE: 5

INCOME STATEMENT (in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
6562	.....	Depreciation Expense-Property Held for Future Telecommunications Use	0	0	0	0	0	0
6563	.....	Amortization Expense-Tangible	0	0	0	968,652	0	968,652
6564	.....	Amortization Expense-Intangible	0	0	0	10,448,521	0	10,448,521
6565	.....	Amortization Expense-Other	0	0	0	2,572	0	2,572
6560 (6561-6565)	6560	<b>DEP'N &amp; AMORT. EXPENSE</b>	(64)	0	0	154,840,070	0	154,840,006
(6511-6565)	(6510-6560)	<b>TOTAL PLANT NONSPECIFIC OPERATIONS</b>	16,577,770	2,104,835	145,475	181,172,731	0	200,000,811
		<b>CUSTOMER OPERATIONS EXPENSE:</b>						
6611	.....	Product Management	1,988,089	261,743	2,873	1,545,389	0	3,798,094
6612	.....	Sales	8,701,262	34,414	20,764	1,578,745	0	10,335,185
6613	.....	Product Advertising	91,457	19,115	6,820	2,115,116	0	2,232,508
6610 (6611-6613)	6610	<b>MARKETING</b>	10,780,808	315,272	30,457	5,239,250	0	16,365,787
6621	.....	Call Completion Services	389,919	(10,965)	871	1,421,274	0	1,801,099
6622	.....	Number Services	2,819,800	206,036	331	3,207,509	0	6,233,676
6623	.....	Customer Services	15,971,649	2,009,895	32,409	19,788,022	0	37,801,975
6620 (6621-6623)	6620	<b>SERVICES</b>	19,181,368	2,204,966	33,611	24,416,805	0	45,836,750
(6610-6620)	(6610-6620)	<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	29,962,176	2,520,238	64,068	29,656,055	0	62,202,537
		<b>CORPORATE OPERATIONS EXPENSE:</b>						
6711	.....	Executive	1,533,344	215,066	1,055	121,810	0	1,871,275
6712	.....	Planning	314,873	(24,033)	152	316,818	0	607,810
6710 (6711-6712)	6710	<b>EXECUTIVE AND PLANNING</b>	1,848,217	191,033	1,207	438,628	0	2,479,085
6721	.....	Accounting and Finance	1,931,857	328,001	685	893,028	0	3,153,571

## SCHEDULE: 5

INCOME STATEMENT								
(in dollars)								
Account No.		Account Title	Salaries and Wages (a)	Benefits (b)	Rents (c)	Other Expenses (d)	Clearances (e)	Total (f)
Class "A" Company	Class "B" Company							
6722	.....	External Relations	1,526,839	136,800	(1,015)	2,410,387	0	4,073,011
6723	.....	Human Resources	1,920,073	227,182	6,597	1,400,761	0	3,554,613
6724	.....	Information Management	487,348	157,068	6,241	15,393,022	0	16,043,679
6725	.....	Legal	228,162	17,358	1,483	1,260,004	0	1,507,007
6726	.....	Procurement	488,632	61,425	101	422,573	0	972,731
6727	.....	Research and Development	134,113	49,428	34	(10,045)	0	173,530
6728	.....	Other General and Administrative	1,360,912	2,367,402	384,811	16,659,317	0	20,772,442
6720 (6721-6728)	6720	<b>GENERAL AND ADMINISTRATIVE</b>	8,077,936	3,344,664	398,937	38,429,047	0	50,250,584
6790	6790	Provision for Uncollectible Notes Receivable	0	0	0	(13,396)	0	(13,396)
(6710-6790)	(6710-6790)	<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	9,928,153	3,535,697	400,144	38,854,279	0	52,716,273
(6112-6790)	(6110-6790)	<b>TOTAL OPERATING EXPENSES</b>	89,384,481	7,871,288	9,326,511	289,015,017	0	395,597,297

## SCHEDULE: 6

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
<b>OPERATING TAXES:</b>			
7210	.....	Operating Investment Tax Credits-Net	(1,644)
7220	.....	Operating Federal Income Taxes	26,604,263
7230	.....	Operating State & Local Income Taxes	0
7240	.....	Operating Other Taxes	23,916,900
7250	.....	Provision for Deferred Operating Income Tax-Net	26,424,309
7200 (7210-7260)	7200	<b>TOTAL OPERATING TAXES</b>	76,943,828
<b>NET OPERATING INCOME (5001-5302)</b> Less (6110-7200)			103,135,797
<b>OTHER OPERATING INCOME AND EXPENSE:</b>			
7110	.....	Income from Custom Work	5,072
7130	.....	Return from Nonreg. Use of Regulated Facilities	0
7140	.....	Gains and Losses from Foreign Exchange	0
7150	.....	Gains or Losses from Disposition of Land & Artwork	1,798
7160	.....	Other Operating Gains & Losses	5,702
7100 (7110-7160)	7100	<b>TOTAL OTHER OPERATING INCOME AND EXPENSE</b>	12,572
<b>NONOPERATING INCOME AND EXPENSE:</b>			
7310	.....	Dividend Income	0
7320	.....	Interest Income	178,732
7330	.....	Income from Sinking and Other Funds	0
7340	.....	Allowance for Funds Used During Construction	212,661

## SCHEDULE: 5

<b>INCOME STATEMENT</b>			
(in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
7350	.....	Gains or Losses from Disposition of Certain Prop.	(68,940)
7360	.....	Other Nonoperating Income	2,159,790
7370	.....	Special Charges	760,998
<b>7300</b>	<b>7300</b>		
<b>(7310-7370)</b>		<b>TOTAL NONOPERATING INCOME AND EXPENSE</b>	<b>1,721,245</b>
		<b><u>NONOPERATING TAXES:</u></b>	
7410	.....	Nonoperating Investment Tax Credits-Net	0
7420	.....	Nonoperating Federal Income Taxes	1,413,016
7430	.....	Nonoperating State and Local Income Taxes	0
7440	.....	Nonoperating Other Taxes	0
7450	.....	Provision for Deferred Nonoperating Income Tax-Net	0
<b>7400</b>	<b>7400</b>		
<b>(7410-7450)</b>		<b>TOTAL NONOPERATING TAXES</b>	<b>1,413,016</b>
		<b><u>INTEREST AND RELATED ITEMS:</u></b>	
7510	.....	Interest on Funded Debt	27,012,755
7520	.....	Interest Expense-Capital Leases	100,911
7530	.....	Amortization of Debt Issuance Expense	131,140
7540	.....	Other Interest Deductions	2,153,875
<b>7500</b>	<b>7500</b>		
<b>(7510-7540)</b>		<b>TOTAL INTEREST AND RELATED ITEMS (7510-7540)</b>	<b>29,398,681</b>

**SCHEDULE: 5**

<b>INCOME STATEMENT</b> (in dollars)			
Account No.		Account Title	Amount
Class "A" Company	Class "B" Company		
<b><u>EXTRAORDINARY ITEMS:</u></b>			
7610	.....	Extraordinary Income Credits	0
7620	.....	Extraordinary Income Charges	0
7630	.....	Current Income Tax Effect of Extraord. Items-Net	0
7640	.....	Prov. for Def. Inc. Tax Effect of Extraord. Items-Net	0
<b>7600</b>	<b>7600</b>	<b>TOTAL EXTRAORDINARY ITEMS</b>	<b>0</b>
<b>(7610-7640)</b>			
<b><u>JURISDICTIONAL DIFFERENCES &amp; NONREGULATED</u></b>			
<b><u>INCOME ITEMS:</u></b>			
7910	7910	Income Effect of Juris. Ratemaking Dif.-Net	0
7990	7990	Nonregulated Net Income	0
<b>NET INCOME</b>			<b>74,057,917</b>

**SCHEDULE: 5A**

<b>NOTES TO INCOME STATEMENT</b>
None

**SCHEDULE: 6**

<b>STATEMENT OF RETAINED EARNINGS</b>			
Account No.	Item	Page No.	Amount
	Balance-First of Year	13	
	Changes:		
	Balance Transferred from Income	24	
	Dividends Declared		
	Miscellaneous Debits to Retained Earnings		
	Miscellaneous Credits to Retained Earnings		
	Balance-End of Year	13	
	Notes to Statement of retained Earnings:		
	This information is not maintained on a state specific basis.		

**Schedule: 7**

<b>PARTNERSHIP CAPITAL STATEMENT (1)</b>			
Account No.	Item	Page No.	Amount
	Partnership Capital-Beginning of Year	13	
	Net Income (Loss) for Year	24	
	Partners' Capital Contributions		
	Miscellaneous Credits		
	<b>Total Credits</b>		
	Partners' Drawings		
	Prior Period Adjustment(s)		
	Miscellaneous Debits		
	<b>Total Debits</b>		
	Partnership Capital-End of Year	13	
	Not Applicable		

(1) This statement should also be used by sole proprietors.

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (in dollars)							
Account No		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) PLANT ACCOUNTS (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f)=(b)+(c)+ (d)+(e)
*Class "A" Company	Class "B" Company						
<b>GENERAL SUPPORT ASSETS:</b>							
	2110	Land and Support Assets					
2111		Land	4,916,215		0	8,589	4,924,804
2112		Motor Vehicles	19,522,621	1,897,111	(1,575,911)	176,313	20,020,134
2113		Aircraft	0	0	0	0	0
2114		Special Purpose Vehicles	0	0	0	0	0
2115		Garage Work Equipment	967,851	0	(2,192)	0	965,659
2116		Other Work Equipment	15,036,707	693,944	(562,885)	35,041	15,202,807
2121		Buildings	117,822,918	3,363,802	(2,463,614)	2,009,517	120,732,623
2122		Furniture	547,732	0	0	0	547,732
2123.1		Office Support Equipment	23,190,909	69,405	(478,790)	0	22,781,524
2123.2		Company Comm. Equipment	0	0	0	0	0
2124		General Purpose Computers	27,158,742	66,084	(1,073,009)	114,312	26,266,129
(2111-2124)	2110	<b>TOTAL GENERAL SUPPORT ASSETS</b>	<b>209,163,695</b>	<b>6,090,346</b>	<b>(6,156,401)</b>	<b>2,343,772</b>	<b>211,441,412</b>
<b>CENTRAL OFFICE ASSETS:</b>							
2211		Analog Electronic Switching	0	0	0	0	0
2212		Digital Electronic Switching	392,804,128	28,656,581	(20,548,378)	2,159,936	403,072,267
2215		Electro-Mechanical Switching	0	0	0	0	0
2215.1		Step-by-step Switching	0	0	0	0	0
2215.2		Crossbar Switching	0	0	0	0	0
2215.3		Other Elec.-Mech Switching	0	0	0	0	0
(2211-2215.3)	2210	<b>CENTRAL OFFICE SWITCHING</b>	<b>392,804,128</b>	<b>28,656,581</b>	<b>(20,548,378)</b>	<b>2,159,936</b>	<b>403,072,267</b>
2220	2220	Operator Systems	459,021	1,820	(378,695)	(77,634)	4,512
2231		Radio Systems	741,463	17,970	(18,752)	(233,216)	507,465
2232		Circuit Equipment	349,107,992	31,671,270	(21,239,756)	11,220,897	370,760,403
(2231-2232)	2230	<b>CENTRAL OFFICE TRANSMISSION</b>	<b>350,308,476</b>	<b>31,691,060</b>	<b>(21,637,203)</b>	<b>10,910,047</b>	<b>371,272,380</b>

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (In dollars)							
Account No		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) PLANT ACCOUNTS (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f)=(b)+(c)+ (d)+(e)
*Class "A" Company	Class "B" Company						
		<b>INFORMATION ORIGINATION/TERMINATION ASSETS:</b>					
2311		Station Apparatus	116,019	0	(108,709)	0	7,310
2321		Customer Premise Wire	0	0	0	0	0
2341		Large Private Branch Exch	0	0	0	0	0
2351		Public Tele. Terminal Equipment	932,939	0	(543,702)	(1)	389,236
2362		Other Terminal Equipment	46,957,085	4,414,986	(1,864,821)	0	49,507,250
(2311-2362)	2310	<b>INFORMATION ORIGINATION/TERMINATION</b>	48,006,043	4,414,986	(2,517,232)	(1)	49,903,796
		<b>CABLE AND WIRE FACILITY ASSETS:</b>					
2411		Poles	73,865,075	7,395,430	(1,167,626)	105,223	80,198,102
2421		Aerial Cable	338,166,076	22,944,922	(5,455,721)	849,876	356,505,153
2422		Underground Cable	54,971,898	2,818,406	(306,512)	39,670	57,523,462
2423		Buried Cable	398,972,030	30,548,527	(5,660,239)	548,166	424,408,484
2424		Submarine Cable	140,178	0	0	0	140,178
2425		Deep Sea Cable	0	0	0	0	0
2426		Intra-Building Network Cable	1,256,942	0	(7,477)	(220)	1,249,245
2431		Aerial Wire	12,443,429	99,544	(867,569)	265	11,675,669
2441		Conduit Systems	23,556,932	564,671	(29,388)	(3,228)	24,088,967
(2411-2441)	2410	<b>CABLE AND WIRE FACILITIES</b>	903,372,560	64,371,500	(13,494,532)	1,539,752	965,789,280
		<b>AMORTIZABLE ASSETS:</b>					
2681		Capital Leases	2,802,776	0	0	0	2,802,776
2682		Leasehold Improvements	587,243	31,197	(283,796)	27,665	362,309
(2681-2682)	2680	<b>AMORTIZABLE TANGIBLE ASSET</b>	3,390,019	31,197	(283,796)	27,665	3,165,085
2690	2690	Intangibles	24,082,338	9,568,195	0	(1,150,500)	32,500,033
2001 (2110-2690)	2001 (2110-2690)	<b>TOTAL TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,931,127,259</b>	<b>144,823,866</b>	<b>(64,637,542)</b>	<b>15,830,671</b>	<b>2,027,144,253</b>

## SCHEDULE: 8

ANALYSIS OF PLANT IN SERVICE (in dollars)							
Account No.		TELECOMMUNICATIONS PLANT IN SERVICE (ACCT. 2001) PLANT ACCOUNTS (a)	Balance at End of Previous Year (b)	Additions (c)	Retirements (d)	Transfers & Adjustments (e)	Balance at End of Current Year (f)=(b)+(c)+ (d)+(e)
"Class "A" Company	Class "B" Company						
2001	2001	Telecommunications Plant in Service	1,931,127,259	144,823,865	(64,637,542)	15,830,671	2,027,144,253
2002	2002	Property Held for Future Telecommunications Use	0	0	0	0	0
2003	2003	Tele. Plant Under Construction - Short Term	4,839,487	20,615,366	0	(10,249,639)	15,205,214
2004	2004	Tele. Plant Under Construction - Long Term	68,290	10,168	0	(15,495)	62,963
2005	2005	Tele. Plant Adjustment	0	0	0	0	0
2006	2006	Nonoperating Plant	684,071	0	0	(10,789)	673,282
2007	2007	Goodwill	0	0	0	0	0
(2001-2007)	(2001-2007)	<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,936,719,107</b>	<b>165,449,399</b>	<b>(64,637,542)</b>	<b>6,554,748</b>	<b>2,043,085,712</b>

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually )						
Account No.		Account Title	Accumulated Depreciation at Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
<b>GENERAL SUPPORT ASSETS:</b>						
	2110	Land and Support Assets				
2111		Land	0	0.00%	0	0
2112		Motor Vehicles	14,408,840	9.30%	1,754,848	1,575,911
2113		Aircraft	0	6.80%	0	0
2114		Special Purpose Vehicles	0	7.70%	0	0
2115		Garage Work Equipment	612,309	8.10%	82,819	2,192
2116		Other Work Equipment	9,123,853	7.70%	1,208,354	562,885
2121		Buildings	45,371,869	3.90%	4,647,757	2,463,614
2122		Furniture	471,442	8.80%	11,942	0
2123.1		Office Support Equipment	293,017	12.30%	62,603	43,826
2123.2		Co. Comm. Equip.	12,828,083	11.40%	2,587,262	434,964
2124		Gen. Purpose Computers	18,465,731	14.80%	3,973,444	1,073,009
(2111-2124)	2110	TOTAL GEN. SUPPORT ASSETS	101,575,144		14,328,829	6,156,401
<b>CENTRAL OFFICE ASSETS:</b>						
(2211-2215.3)	2210	Central Office-Switching	199,760,034	N/A	30,090,307	20,548,378
2211		Analog Electronic Switching	0	0.00%	0	0
2212		Digital Electronic Switching	199,760,034	7.50%	30,090,307	20,548,378
2212.1		Digital Switch. - Hardware	199,760,034	7.50%	30,090,307	20,548,378
2212.2		Digital Switch. - Software	0	N/A	0	0
2215		Electro-Mechanical Switching	0	N/A	0	0
2215.1		Step-by-Step Switching	0	12.40%	0	0
2215.2		Crossbar Switching	0	12.40%	0	0
2215.3		Other Electromechanical Switching	0	12.40%	0	0
2220	2220	Operator Systems	246,889	18.90%	34,001	378,695
	2230	Central Office - Transmission				
2231		Radio Systems	151,151	19.60%	105,459	18,752
2232		Circuit Equipment	151,852,914	10.10%	36,092,244	21,239,756
(2211-2232)	(2210-2230)	TOTAL GEN. OFFICE ASSETS	352,010,988		66,322,011	42,185,581

(a) From Accounting Records (b) For information only, not part of this calculation (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No. 99-892). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e. monthly, quarterly, semi-annually, or annually.
- Depreciation shown above has been calculated on a pure state basis.

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated:    x Monthly    ___ Quarterly    ___ Annually )						
Account No.						
Class "A" Company	Class "B" Company	Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Year (h)=(a)+(c)-(d) - (e)+(f)+(g)
<b>GENERAL SUPPORT ASSETS:</b>						
.....	2110	Land and Support Assets				
2111	.....	Land	0	0	0	0
2112	.....	Motor Vehicles	0	49,624	117,486	14,754,687
2113	.....	Aircraft	0	0	0	0
2114	.....	Special Purpose Vehicles	0	0	0	0
2115	.....	Garage Work Equipment	0	0	0	692,936
2116	.....	Other Work Equipment	0	6,627	35,721	9,811,670
2121	.....	Buildings	913,148	0	(9,120)	46,633,744
2122	.....	Furniture	0	0	0	483,384
2123.1	.....	Office Support Equipment	0	0	0	311,794
2123.2	.....	Co. Comm. Equip.	0	0	0	14,980,381
2124	.....	Gen. Purpose Computers	0	0	(8,542)	21,357,624
(2111-2124)	2110	<b>TOTAL GEN. SUPPORT ASSETS</b>	<b>913,148</b>	<b>56,251</b>	<b>135,545</b>	<b>109,026,220</b>
<b>CENTRAL OFFICE ASSETS:</b>						
(2211-2215.3)	2210	Central Office-Switching	485,987	47,552	1,114,042	209,977,570
2211	.....	Analog Electronic Switching	0	0	0	0
2212	.....	Digital Electronic Switching	485,987	47,552	1,114,042	209,977,570
2212.1	.....	Digital Switch. - Hardware	485,987	47,552	1,114,042	209,977,570
2212.2	.....	Digital Switch. - Software	0	0	0	0
2215	.....	Electro-Mechanical Switching	0	0	0	0
2215.1	.....	Step-by-Step Switching	0	0	0	0
2215.2	.....	Crossbar Switching	0	0	0	0
2215.3	.....	Other Electromechanical Switching	0	0	0	0
2220	2220	Operator Systems	2,428	250	100,508	525
.....	2230	Central Office - Transmission				
2231	0	Radio Systems	429	10,880	0	248,309
2232	0	Circuit Equipment	334,109	3,821,646	3,516,320	173,709,259
(2211-2232)	(2210-2230)	<b>TOTAL CEN. OFFICE ASSETS</b>	<b>822,953</b>	<b>3,880,328</b>	<b>4,730,870</b>	<b>383,935,663</b>

(a) From Accounting Records    (b) For information only, not part of this calculation    (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No 99-882). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated:    x Monthly    Quarterly    Annually )						
Account No.		Account Title	Accumulated Depreciation at Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
<b>INFORMATION ORIG/TERM ASSETS:</b>						
2311		Station Apparatus	84,662	0.00%	30,206	108,709
2321		Cust. Premises Wiring	0	0.00%	0	0
2341		Large Priv. Branch Exch.	0	0.00%	0	0
2351		Pub. Tele. Terminal Equip.	513,714	8.80%	130,620	543,702
2362		Other Term. Equipment	18,205,904	14.30%	7,075,550	1,864,821
(2311-2362)	2310	TOTAL INFO. ORIG. TERM. ASSETS	18,804,280		7,236,376	2,517,232
<b>CABLE &amp; WIRE FACIL. ASSETS:</b>						
2411		Poles	50,881,839	7.40%	5,592,917	1,167,626
2421		Aerial Cable	243,411,966	6.50%	22,256,094	5,455,721
2421.1		Aerial Cable - Metallic	231,519,862		20,096,912	5,333,573
2421.2		Aerial Cable - Nonmetallic	11,892,104		2,159,182	122,149
2421.3		Aerial Cable - Drop	0		0	0
2422		Underground Cable	34,425,896	5.60%	3,137,276	306,512
2422.1		Underground Cable - Metallic	32,062,111		2,792,644	296,634
2422.2		Underground Cable - Nonmetallic	2,363,785		344,631	9,878
2423		Buried Cable	236,146,442	5.70%	23,194,128	5,660,239
2423.1		Buried Cable - Metallic	229,880,095		21,997,253	5,537,303
2423.2		Buried Cable - Nonmetallic	6,266,347		1,196,876	122,936
2423.3		Buried Cable - Drop	0		0	0
2424		Submarine Cable	96,977	3.50%	4,906	0
2425		Deep Sea Cable	0	0.00%	0	0

(a) From Accounting Records (b) For information only, not part of this calculation (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No. 96-892). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.
- Depreciation shown above has been calculated on a pure state basis.

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated:    x Monthly    ___ Quarterly    ___ Annually )						
Account No.		Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Year (h)=(a)+(c)-(d) -(e)+(f)+(g)
Class "A" Company	Class "B" Company					
2311	.....	Station Apparatus	0	0	0	6,159
2321	.....	Cust. Premises Wiring	0	0	0	0
2341	.....	Large Priv. Branch Exch.	0	0	0	0
2351	.....	Pub. Tele. Terminal Equip.	0	0	(1)	100,631
2362	.....	Other Term. Equipment	41,806	0	0	23,374,827
(2311-2362)	2310	TOTAL INFO. ORIG.TERM. ASSETS	41,806	0	(1)	23,481,617
		<u>CABLE &amp; WIRE FACIL.</u> <u>ASSETS:</u>				
2411	.....	Poles	791,081	160,174	741	54,676,964
2421	.....	Aerial Cable	1,259,133	33,281	1,494	258,987,981
2421.1	.....	Aerial Cable - Metallic	1,254,510	33,281	1,442	245,063,414
2421.2	.....	Aerial Cable - Nonmetallic	4,623	0	52	13,924,567
2421.3	.....	Aerial Cable - Drop	0	0	0	0
2422	.....	Underground Cable	63,779	23,554	624	37,217,059
2422.1	.....	Underground Cable - Metallic	62,139	517	624	34,497,124
2422.2	.....	Underground Cable - Nonmetallic	1,639	23,037	(1)	2,719,936
2423	.....	Buried Cable	539,537	388,437	(127)	253,529,104
2423.1	.....	Buried Cable - Metallic	539,192	388,437	(127)	246,189,162
2423.2	.....	Buried Cable - Nonmetallic	345	0	0	7,339,942
2423.3	.....	Buried Cable - Drop	0	0	0	0
2424	.....	Submarine Cable	72	0	0	101,811
2425	.....	Deep Sea Cable	0	0	0	0

(a) From Accounting Records      (b) For information only, not part of this calculation      (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

- List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
- Identify the source of these accrual rates (PUCO Case No. 99-892). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
- Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

## SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated:    x Monthly    ___ Quarterly    ___ Annually )						
Account No.		Account Title	Accumulated Depreciation at Beginning of Current Year (a)	Accrual Rate (b)	Annual Accrual (c)	Original Cost of Plant Retired (d)
Class "A" Company	Class "B" Company					
2426	.....	Intrabldg. Net Cable	833,688	5.40%	67,657	7,477
2426.1	.....	Intrabldg. Net Cable - Metallic	833,643		67,650	7,477
2426.2	.....	Intrabldg. Net Cable - Nonmetallic	45		7	0
2431	.....	Aerial Wire	9,993,844	11.00%	1,347,390	867,569
2441	.....	Conduit Systems	6,067,660	2.30%	546,895	29,388
(2411-2441)	2410	TOTAL CABLE & WIRE FACIL. ASSETS	581,858,312		56,147,264	13,494,532
		TOTAL ACCUMULATED DEPREC. (2112-2441)	1,054,248,724		144,034,480	64,353,746

(a) From Accounting Records    (b) For information only, not part of this calculation    (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 99-892). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.
4. Depreciation shown above has been calculated on a pure state basis.

SCHEDULE: 9

ACCUMULATED DEPRECIATION (ACCOUNT 3100) (in dollars)						
( Please Check if the Company's Depreciation Expense is Calculated: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually )						
Account No.		Account Title	Cost of Removal (e)	Salvage (f)	Other (g)	Balance at End of Year (h)=(a)+(c)-(d) -(e)+(f)+(g)
Class "A" Company	Class "B" Company					
2426	.....	Intrabldg. Net Cable	0	0	(53)	893,815
2426.1	.....	Intrabldg. Net Cable - Metallic	0	0	(1)	893,815
2426.2	.....	Intrabldg. Net Cable - Nonmetallic	0	0	(52)	0
2431	.....	Aerial Wire	155,939	81	(0)	10,317,808
2441	.....	Conduit Systems	14,788	0	(0)	6,570,379
(2411-2441)	2410	TOTAL CABLE & WIRE				
		FACIL. ASSETS	2,824,329	605,527	2,678	622,294,921
		TOTAL ACCUMULATED DEPREC. (2112-2441)	4,602,236	4,542,106	4,869,092	1,138,738,421

(a) From Accounting Records    (b) For information only, not part of this calculation    (c) through (g) From Accounting Records

Note: Listed below are specifics that need to be identified in Annual Reports for minimum acceptable standards in Depreciation:

1. List the current accrual rates being used to calculate depreciation expense in Column (b). If using a composite accrual rate please specify and show how the composite rate was calculated.
2. Identify the source of these accrual rates (PUCO Case No. 99-892). (If Accrual Rate changes during the year should be identified with effective date of change \_\_\_\_\_).
3. Clearly mark on the Depreciation Schedule how depreciation expense was calculated, i.e., monthly, quarterly, semi-annually, or annually.

## SCHEDULE: 10

UNCOLLECTIBLE ACCOUNTS (Accounts 1181 and 1191)			
	(a)	Account 1181 (b)	Account 1191 (c)
1	Balance at Beginning of the Year	7,387,593	480,051
2	Accruals Charged	12,726,433	80,525
3	Collection of Amounts Previously Written Off	4,260,415	82,281
4	Other Credits	4,841,526	0
5	<b>Total Credits</b>	<b>21,828,374</b>	<b>162,806</b>
6	Uncollectibles Written Off During the Year	30,519,513	(63,999)
7	Other Debits (Explain in a Note)	(13,426,490)	0
8	<b>Total Debits</b>	<b>17,093,023</b>	<b>(63,999)</b>
9	Balance at End of the Year	12,122,944	706,856
10	<b>Total Operating Revenue for the Year</b>	<b>590,161,922</b>	<b>590,161,922</b>
11	Net Write-Offs During the Year (Line 6 less Line 3)	26,259,098	(62,124)
12	Ratio of Line 11 to Line 10	4.45%	-0.01%
13	Ratio of Line 2 to Line 10	2.16%	0.01%
Note : Other Debits represents clearing of uncollectible toll recoured to carriers.			

**SCHEDULE: 11**

**RECEIVABLES AND INVESTMENTS - AFFILIATED & NONAFFILIATED COMPANIES**  
(in dollars )

1. Provide in columns (b) through (k), the year-end balances for each affiliate identified in column (a).

Name of Affiliate (a)	Temporary Investments Account 1160 (b)	Telecom Accounts Receivable Account 1180 (c)	Accts. Receivable Telecom. Allowance Account 1181 (d)	Other Accounts Receivable Account 1190 (e)	Accounts Receivable Allowance Other Account 1191 (f)
This information is not maintained on a state specific basis. Refer to Verizon North Inc FCC ARMIS 4302 Report, Table B-4.					
Total Affiliated					
Total Nonaffiliated					
Balance					

**SCHEDULE: 11**

<b>RECEIVABLES AND INVESTMENTS - AFFILIATED &amp; NONAFFILIATED COMPANIES</b> (in dollars )					
1. Provide in columns (b) through (k), the year-end balances for each affiliate identified in column (a).					
Name of Affiliate (a)	Notes Receivable Account 1200 (g)	Notes Receivable Allowance Account 1201 (h)	Interest and Dividends Receivable Account 1210 (i)	Investments in Affiliated Companies Account 1401 (j)	Investments in Nonaffiliated Companies Account 1402 (k)
This information is not maintained on a state specific basis. Refer to Verizon North Inc FCC ARMIS 4302 Report, Table B-4.					
Total Affiliated					
Total Nonaffiliated					
Balance					

**SCHEDULE: 12**

<b>DEFERRED CHARGES (Accounts 1438 and 1439)</b> (Include data for each item in excess of \$1,000,000)	
Description of Item (a)	Amount at End of Current Year (in dollars) (b)
<b>ACCOUNT 1438</b>  This information is not maintained on a state specific basis. Refer to Verizon North Inc. FCC ARMIS 4302 Report, Table B-1.	
Aggregate of All Other Items	
<b>Total</b>	
<b>ACCOUNT 1439</b>  This information is not maintained on a state specific basis. Refer to Verizon North Inc. FCC ARMIS 4302 Report, Table B-1.	
Aggregate of All Other Items	
<b>Total</b>	

## SCHEDULE: 13

<b>OTHER JURISDICTIONAL ASSET - NET (ACCOUNT 1500)</b> (in dollars)				
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Ending Balance (e) = (b) + (c)-(d)
<b>Note: See Schedule 4A - Notes to Balance Sheet - Note 2</b>				
<b>Total</b>	0	0	0	0

## SCHEDULE: 14

<b>NET CURRENT DEFERRED OPERATING INCOME TAX (ACCOUNT 4100)</b> (in dollars)				
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Ending Balance (e) = (b) + (c)-(d)
<b>Property Related</b>				
Prov. for Def. Oper. Inc. Tax-Net				
Federal Income Taxes	0	0	0	0
State & Local Income Taxes	0	0	0	0
<b>Nonproperty Related</b>				
Prov. for Def. Oper. Inc. Tax-Net				
Federal Income Taxes	(6,782,348)	(4,276,929)	0	(11,059,277)
State & Local Income Taxes	0	0	0	0
<b>Total</b>	(6,782,348)	(4,276,929)	0	(11,059,277)

## SCHEDULE: 15

NET NONCURRENT DEFERRED OPERATING INCOME TAXES (ACCOUNT 4340)				
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Ending Balance (e)=(b)+(c)-(d)
Noncurrent Deferred FIT - Property	124,970,835	0	2,267,326	122,703,509
Noncurrent Deferred FIT - Nonproperty	52,151,995	27,032,182	0	79,184,177
Noncurrent Deferred FIT - ICP	0	0	0	0
Noncurrent Deferred FIT - Nonregulated	(4,113,471)	2,624,962	0	(1,488,509)
<b>Total</b>	<b>173,009,359</b>	<b>29,657,144</b>	<b>2,267,326</b>	<b>200,399,177</b>

## SCHEDULE: 16

NET DEFERRED TAX LIABILITY ADJUSTMENTS (ACCOUNT 4341)				
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Ending Balance (e)=(b)+(c)-(d)
Noncurrent Deferred FIT - SFAS 109	(1,876,430)	1,015,293	0	(861,137)
<b>Total</b>	<b>(1,876,430)</b>	<b>1,015,293</b>	<b>0</b>	<b>(861,137)</b>

## SCHEDULE: 17

OTHER JURISDICTIONAL LIABILITIES & DEFERRED CREDITS - NET ( ACCOUNT 4370)				
Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Ending Balance (e)=(b)+(c)-(d)
Note: See Schedule 4A - Notes to Balance Sheet - Note 2				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

SCHEDULE: 18

LONG-TERM DEBT (Accounts 4210, 4220, 4230, 4250, 4260, and 4270) (In dollars)								
1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year. 2. In the remaining columns, (b) - (i), respondent shall furnish the appropriate data.								
Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short-Term Portion (h)	Long-Term Portion (i)
This information is not maintained on a state specific basis.								
Total								





**SCHEDULE: 21**

<b>CAPITAL STOCK (Account 4510, 4520 and 4530)</b> (in dollars)									
1. Respondent shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc. 2. Respondent shall provide the information specified in column headings (b) through (h) and note any other pertinent information at the bottom of this schedule.									
			Amount of Stock Issued and Outstanding						
Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Number of Stock Issued (d)	Acct. 4510 (e)=(b) x (d) \$ Amount of Stock Issued & Outstanding (e)	Acct. 4520 Additional Paid-in Capital (f)	Total (Col. (e) & (f)) (g)	Number of Shares of Treasury Stock (h)	Acct. 4530 Amount in Treasury Stock Account (i)	Total Dividends Declared (j)
<u>COMMON:</u>  This information is not maintained on a state specific basis.	\$			\$	\$	\$		\$	
<u>PREFERRED:</u>  This information is not maintained on a state specific basis.									
Total	\$			\$	\$	\$		\$	

**SCHEDULE: 22**

**GENERAL SERVICES AND LICENSES**

1. Provide in column (a) the name of the affiliate to whom respondents paid \$50,000 or more for services rendered under a license agreement, a general service contract, or other arrangement providing for the furnishing of general accounting, engineering, financial, legal, patent, and other general services.

Name(s) of Affiliate (a)	Service Provided (b)	Amount (in dollars) (c)
This information is not maintained on a state specific basis.		
Aggregate of All Other Items		
<b>Total</b>		\$



**SCHEDULE: 24**

**ANALYSIS OF EXTRAORDINARY ITEMS (Account 7610 and 7620)**  
(in dollars)

1. In column (a) provide the particulars with respect to Accounts 7610 and 7620, with totals for each account.

Particulars (a)	Debit Amounts (b)	Credit Amounts (c)	Tax Effect Included in Account 7630 (d)	Tax Effect Included in Account 7640 (e)
None	\$	\$	\$	\$

SCHEDULE: 25

DISTRIBUTION OF SALARIES AND WAGES							
	Number of Employees as of December 31 (SEE NOTE)			Total Compensation for Year Ending December 31	Distribution of Wages		
	Male	Female	Total		Operation & Maintenance Accounts	Construction	Other (Specify)
Telephone							
Part-time Employees	6	15	21	614,435			
Full-time Employees	1,154	1,138	2,292	103,836,134			
<b>Total All Employees</b>	<b>1,160</b>	<b>1,153</b>	<b>2,313</b>	<b>104,450,569</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<p><u>Note:</u>                      This number represents all Verizon North Inc. employees located within Ohio. It does not include employees located in other states which do work for Ohio operations or have a portion of their labor expenses allocated to Ohio operations.</p>							

**OUTSIDE PLANT STATISTICS (WIRE)**

1. Report the mileage at the end of the year for all solely owned plant and the respondent's share of any jointly owned plant.
2. In column (r), provide the number of poles that company owns, and shares & joint use with other company.
3. Column (p) and (q) are not included column (c).

(a)	State or Territory (b)	Miles of Aerial Wire (c)	AERIAL CABLE		UNDERGROUND CABLE		BURIED CABLE		SUBMARINE CABLE	
			Miles of Cable (d)	Miles of Wire In Cable (e)	Miles of Cable (f)	Miles of Wire In Cable (g)	Miles of Cable (h)	Miles of Wire In Cable (i)	Miles of Cable (j)	Miles of Wire In Cable (k)
1	OHIO	13,017	21,697	3,872,327	908	1,139,213	28,116	3,087,133	5	993
2										
3										
4										
5										
6										
	<b>Total</b>	13,017	21,697	3,872,327	908	1,139,213	28,116	3,087,133	5	993

(a)	State or Territory (b)	DEEP SEA CABLE		INTRA-BUILDING NETWORK CABLE		TOTAL CABLE	
		Miles of Cable (l)	Miles of Wire In Cable (m)	Miles of Cable (n)	Miles of Wire In Cable (o)	Miles of Cable (p)	Miles of Wire In Cable (q)
1	OHIO	0	0	151	14,112	50,877	8,113,778
2							
3							
4							
5							
6							
	<b>Total</b>	0	0	151	14,112	50,877	8,113,778

(a)	State or Territory (b)	Number of Poles (r)		Miles of Tube In Coaxial Cable (s)		CONDUIT SYSTEM	
		Company owns poles	Company shares & joint use with other company			Trench Miles (t)	Duct Miles (u)
				(In Ground)	(Aerial)		
1	OHIO	337,204	N/A	N/A	N/A	332	1,404
2							
3							
4							
5							
6							
	<b>Total</b>	337,204	N/A	N/A	N/A	332	1,404

**OUTSIDE PLANT STATISTICS (FIBER OPTIC)**

1. Report the mileage at the end of the year for all solely owned plant and the respondent's share of any jointly owned plant.

(a)	State or Territory (b)	FIBER OPTIC AERIAL CABLE		FIBER OPTIC UNDERGROUND CABLE		FIBER OPTIC BURIED CABLE	
		Miles of Fiber Optic Cable (c)	Miles of Fiber Optic In Cable (d)	Miles of Fiber Optic Cable (e)	Miles of Fiber Optic In Cable (f)	Miles of Fiber Optic Cable (g)	Miles of Fiber Optic in Cable (h)
1	OHIO	2,609	57,030	206	7,176	1,129	22,162
2							
3							
4							
5							
6							
<b>Total</b>		2,609	57,030	206	7,176	1,129	22,162

(a)	State or Territory (b)	FIBER OPTIC SUBMARINE CABLE		FIBER OPTIC DEEP SEA CABLE		INTRA-BUILDING NETWORK FIBER OPTIC CABLE		TOTAL FIBER OPTIC CABLE	
		Miles of Fiber Optic Cable (i)	Miles of Fiber Optic In Cable (j)	Miles of Fiber Optic Cable (k)	Miles of Fiber Optic In Cable (l)	Miles of Fiber Optic Cable (m)	Miles of Fiber Optic in Cable (n)	Miles of Fiber Optic Cable (o)	Miles of Fiber Optic in Cable (p)
1	OHIO	0	0	0	0	0	0	3,944	86,368
2									
3									
4									
5									
6									
<b>Total</b>		0	0	0	0	0	0	3,944	86,368

5  
1

**SCHEDULE: 27**

<b>DETAIL OF OHIO EXCHANGE ACCESS LINES IN SERVICE BY CUSTOMER CLASS</b> (For Companies with less than 15,000 Access Lines)								
	Name of Exchange (a)	Business Access Lines		Public Access Lines (d)	Residential Access Lines (e)	Mobile Access Lines (f)	Special Access Lines (Non-Switched) (g)	Total Access Lines (h)
		Single Line (b)	Multi-Line (c)					
	<b>Not Applicable</b>							
	<b>Total</b>							
Note: List all of the access line data by exchange.								

## SCHEDULE: 28

PLANT AND SERVICE DATA - OHIO TELEPHONE COMPANIES DETAIL OF BILLABLE ACCESS LINES IN SERVICE BY EXCHANGE IN OHIO									
Line No.	Exchange Name (a)	No. of Central Offices in Exchange (b)	Type and Model of CO(s) in Exchange (c)	No. of Business Access Lines		No. of Company Pay Stations (f)	No. of Residential Access Lines		No of Total Access Lines (i)
				Single Line (d)	Multi-Line Trunks (e)		One Party (g)	Multi-Party (h)	
1	Ohio Totals	244		118,428	127,590	4,269	706,557	0	956,844

**Notes:**

List all of the access line data by exchange.

For companies with more exchanges than will fit this page, substitute a computer printout with the same information in place of this page.

For exchanges with multiple central offices, list the number of each type of central office, e.g., 12-5ESS, 1-61E, 2-DMS10, etc. The total should equal the total number of COs listed in Column (b).

Unusual switch types should be characterized as Electromechanical, Analog, or Digital.

**SCHEDULE: 29**

<b>OHIO CENTRAL OFFICES SCHEDULED TO BE UPGRADED</b>		
Date Expected to be Placed in Service	Manufacturer & Type of Equipment	Capable of Independent Operation? (Yes) or (No)
<b>Not Applicable</b>		

**Note:** This form is only applicable to local exchange companies with less than 15,000 access lines.

**Date:** Date new switch was placed or will be placed in service.  
**Manufacturer & Type of Equipment:** List the type of switch and its manufacturer.  
**(Yes) or (No):** Is the switch a HOST or REMOTE, i.e. does it have stand-alone capability.

**SCHEDULE: 30**

<b>PROJECTION OF NEW OR CHANGED OHIO CENTRAL OFFICE PREFIXES (NXX) TO BE PLACED IN SERVICE</b>	
PREFIXES (NXX) Number(s)	Date is Expected to be Operational
<b>Not Applicable</b>	
<p>Note: This form is only applicable to local exchange companies with less than 15,000 access lines.                      Prefixes (NXX) Number(s): Where any new NXXs placed in service or will any be placed in service in the upcoming year.                      Date: Give date new NXX was or will be operational.</p>	

**SCHEDULE: 31**

**Form 1**

**TOLL USAGE STUDY TO OHIO CONTIGUOUS EXCHANGES**

(Month and year of study)

AVERAGE NUMBER OF MESSAGE TOLL CALLS EQUALING 3.0 OR OVER BUT LESS THAN 8.0 PER ACCESS LINE PER MONTH FROM ONE EXCHANGE TO ANOTHER

Originating exchange (1)	Number of access lines in 1	Terminating exchange(s) (2)	Number of messages from 1 to 2	Messages per access line per month from 1 to 2*
Not Applicable				

**Form 2**

**TOLL USAGE STUDY TO OHIO CONTIGUOUS EXCHANGES**

(Month and year of study)

AVERAGE NUMBER OF MESSAGE TOLL CALLS EQUALING 8.0 OR MORE PER ACCESS LINE PER MONTH FROM ONE EXCHANGE TO ANOTHER

Originating exchange (1)	Number of access lines in 1	Terminating exchange(s) (2)	Number of messages from 1 to 2	Messages per access line per month from 1 to 2*
Not Applicable				

\* Total number of messages from 1 to 2 divided by total number of access lines in 1.

Note: This form is only applicable to local exchange companies with less than 15,000 access lines. EAS calling rates should be filed only for contiguous exchanges that currently have no EAS between them.

**Service Connection Assistance (SCA)  
 Annual Reporting Form**

Class of Service	Number of Program Participants-End of Period [A]	Number of New Program Participants During Period [B]	Number of Participants By Qualifying Program					Percentage Penetration of Optional Features				Participants Disconnected for Non-Payment [L]
			HEAP [C]	E-HEAP [D]	OECP [E]	SSI [F]	Medicaid [G]	Touchtone [H]	Wire Care [I]	Non-Pub [J]	Custom Calling [K]	
(1) Flat	Not Applicable											
(2) Message	Not Applicable											
(3) Measured	Not Applicable											
(4) Total	Not Applicable											

Class of Service	Average Monthly Local Bill [M]	Average Monthly Toll Bill [N]	Average Service Connection Charge Waived [O]	Average of Waived Deposits [P]	Amount of Monthly Subscriber Line Charge [Q]	Number of Months for SLC Waiver [R]
(1) Flat						
(2) Message						
(3) Measured						
(4) Total						

Telephone Company	
Street/P.O. Box	
City, State, Zip Code	
Name of Person Completing Form	
Signature	Date

**Note:**  
 This form is applicable to local exchange companies with less than 15,000 access lines, that are exempted from offering TSA and only provide SCA.

## SCHEDULE 32: Service Connection Assistance

EXPLANATION OF SCA ANNUAL REPORTING FORM FIELDS	
A, 1-3	- Refers to the number of SCA customers at the end of the fiscal year, as distinguished by the class of service the customers were receiving, i.e., flat, message, or measured rate service.
A, 4	- The total of A1 + A2 + A3.
B, 1-3	- Refers to the number of SCA customers that were added to the program during the relevant fiscal year, as distinguished by the class of service. These numbers may actually be greater than the difference between consecutive year's respective totals. For instance, if there were 20 flat rate SCA customers at the end of FY92, and 25 flat rate SCA customers at the end of FY93, but 3 flat rate SCA customers left the program during FY93, then the number of new program participants would be 8, not 5.
B, 4	- The total of B1 + B2 + B3.
C-G, 1-3	- Refers to the number of SCA customers at the end of the fiscal year, as distinguished by the specific assistance program which qualified the customer for SCA, and further divided by the particular class of service.
C-G, 4	- The respective totals for C through G, 1 + 2 + 3.
H-K, 1-3	- Refers to the percentage of SCA customers utilizing the respective optional features, as distinguished by the class of service the customer is receiving. These percentages may be calculated at the end of the fiscal year, as opposed to monitoring any changes during the course of the 12 month period.
H-K, 4	- THESE FIELDS SHOULD NOT ACTUALLY REFLECT TOTALS. Rather, they should reflect the respective percentages of utilization of each optional feature, expressed as a factor of all TSA customers, disregarding class of service distinctions.
L, 1-3	- Refers to the number of SCA customers involuntarily disconnected for non-payment during the course of the relevant fiscal year, as distinguished by the class of service.
L, 4	- The total of L1 + L2 + L3.
M, 1-3	- Refers to the average dollar amount of SCA customers' monthly local charges for the relevant year, as distinguished by the class of service.
M, 4	- Refers to the average dollar amount of SCA customers' monthly local charges for the relevant fiscal year, disregarding class of service distinctions.
N, 1-3	- Refers to the average dollar amount of SCA customers' monthly toll charges, including intra and interLATA toll, for the relevant fiscal year, as distinguished by the class of service.
N, 4	- Refers to the average dollar amount of SCA customers' monthly toll charges, including intra and interLATA toll, for the relevant fiscal year, disregarding class of service distinctions.
O, 1-3	- Refers to the average dollar amount of service connection charges that are waived for SCA customers during the relevant fiscal year, as distinguished by the class of service.
O, 4	- Refers to the average dollar amount of service connection charges that are waived for all SCA customers during the relevant fiscal year, disregarding class of service distinctions.
P, 1-3	- Refers to the average dollar amount of deposits waived for SCA customers during the relevant fiscal year, as distinguished by the class of service.
P, 4	- Refers to the average dollar amount of deposits that are waived for all SCA customers during the relevant fiscal year, disregarding class of service distinctions.
Q, 1-3	- Refers to the amount of the Subscriber Line Charge assessed by the company. This dollar amount will be the same for every class of service.
Q, 4	- THIS FIELD SHOULD NOT ACTUALLY REFLECT A TOTAL AND MAY, IN FACT, BE DISREGARDED.
R, 1-3&4	- Like Q, the answer to this field will be the same for 1 through 4, and be equal to : $(O+P) / Q$

## Instructions:

- Revenue billed on behalf of other entities should not be included on this schedule if the company does not include this Revenue in its determination of taxable gross receipts for Ohio gross receipts tax purposes. If, however, the local exchange company includes revenue billed on behalf of other entities in its taxable gross receipts, such revenue should then be included on this schedule.
- "Earnings or receipts from sales to other public utilities for resale" includes, but is not limited to, carrier access charges paid to the company.

## SCHEDULE: 33

**STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR \***  
(in dollars)

Account No.		Item	Total (1)	Interstate (2)	Intrastate (3) = (1) - (2)
Class "A" Company	Class "B" Company				
<b>LOCAL NETWORK SERVICE REVENUES:</b>					
5001	.....	Basic Area Rev.	227,625,300	0	227,625,300
5002	.....	Optional Extended Area Rev.	(247,379)	0	(247,379)
5003	.....	Cellular Mobile Service Rev.	0	0	0
5004	.....	Other Mobile Service Rev.	20,387	0	20,387
5000	.....	<b>Basic Local Service Rev.</b>	227,398,308	0	227,398,308
(5001-5004)					
5010	.....	Public Telephone Rev.	0	0	0
5040	.....	Local Private Line Rev.	811,598	0	811,598
5050	.....	Customer Premises Rev.	0	0	0
5060	.....	Other Local Exchange Rev.	57,379,105	0	57,379,105
5069	.....	Other Local Exchange Rev. Settlements	0	0	0
(5001-5069)	<b>5000</b>	<b>TOTAL LOCAL NETWORK SERVICES REVENUES</b>	285,589,011	0	285,589,011
<b>NETWORK ACCESS SERVICES REVENUES:</b>					
5081	5081	End User Rev.	69,654,422	69,654,422	0
5082	5082	Switched Access Rev.	42,596,426	42,596,426	0
5083	5083	Special Access Rev.	34,731,137	34,731,137	0
5084	5084	State Access Rev.	72,074,597	0	72,074,597
5080	5080	<b>Total Network Access Revenue (5081-5084)</b>	219,056,582	146,981,985	72,074,597
(5081-5084)	(5081-5084)				
Note: Total column should agree with revenues reported on Schedule 5. Provide detailed explanation of any deviations.					

## SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR \*  
(in dollars)

Account No.		Item	Total (1)	Interstate (2)	Intrastate (3) = (1) - (2)
Class "A" Company	Class "B" Company				
<b>LONG DISTANCE NETWORK SERVICES REVENUES:</b>					
5100	.....	Long Distance Message Rev.	18,182,299	(14,011)	18,196,310
5111	.....	Long Distance Inward-Only Rev.	45,043	(279)	45,322
5112	.....	Long Distance Outward-Only Rev.	3,865	0	3,865
5121	.....	Subvoice Grade Long Dist. Priv. Net. Rev.	0	0	0
5122	.....	Voice Grade Long Dist. Priv. Net. Rev.	4,638	0	4,638
5123	.....	Audio Prog. Grade Long Dist. Priv. Net. Rev.	0	0	0
5124	.....	Video Prog. Grade Long Dist. Priv. Net. Rev.	0	0	0
5125	.....	Digital Trans. Long Dist. Priv. Net. Rev.	0	0	0
5126	.....	Long Dist. Priv. Net. Switching Rev.	0	0	0
<b>LOCAL NETWORK SERVICES REVENUES:</b>					
5128	.....	Other Long Dist. Priv. Net. Rev.	0	0	0
5129	.....	Other Long Dist. Priv. Net. Rev. Settlements	3,020,931	0	3,020,931
5160	.....	Other Long Dist. Rev.	40,834	23	40,811
5169	.....	Other Long Dist. Rev. Settlements	0	0	0
5100-5169	5100	<b>LONG DISTANCE NETWORK SERVICES REVENUES:</b>	21,297,610	(14,267)	21,311,877
<b>REVENUES (FOR CLASS "B" ACCOUNT 5100</b>					
<b>MISCELLANEOUS REVENUES:</b>					
5230	.....	Directory Rev.	3,893,381	0	3,893,381
5240	.....	Rent Rev.	712,208	150,402	561,806
5250	.....	Corporate Operations Rev.	464	104	360
5261	.....	Special Billing Arrangement Rev.	23,639	7,782	15,857
5262	.....	Customer Operations Rev.	0	0	0
5263	.....	Plant Operations Rev.	3,281,676	742,279	2,539,397
5264	.....	Other Incidental Regulated Rev.	1,243,793	376,467	867,326
Note: Total column should agree with revenues reported on Schedule 5. Provide detailed explanation of any deviations.					

## SCHEDULE: 33

**STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR \***  
(in dollars)

Account No.		Item	Total (1)	Interstate (2)	Intrastate (3) = (1) - (2)
Class "A" Company	Class "B" Company				
5269	.....	Other Rev. Settlements	55	42	13
5260	.....	Miscellaneous Revenue (5261-5269)	4,549,163	1,126,570	3,422,593
5270	.....	Carrier Billing & Collection Rev.	4,295,293	3,809,265	486,028
5200	5200	MISCELLANEOUS REVENUES	13,450,509	5,086,341	8,364,168
(5230-5270)					
		<b>NONREGULATED REVENUES:**</b>			
5280	5280	Nonregulated Operating Rev.	50,768,210	Not Available **	Not Available **
		<b>TOTAL OPERATING REVENUES (5001-5280)</b>	590,161,922	152,054,059	387,339,653
		<b>OTHER OPERATING INCOME AND EXPENSES:</b>			
7110	.....	Income from Custom Work	5,072	1,144	3,928
7130	.....	Return from Nonregulated Use of Reg. Fac.	0	0	0
7140	.....	Gains and Losses from Foreign Exchange	0	0	0
7150	.....	Gains and Losses from Disposition of Land and Artwork	1,798	406	1,392
7160	.....	Other Operating Gains and Losses	5,702	1,286	4,416
7100	7100	OTHER OPERATING INCOME AND EXPENSES	12,572	2,836	9,736
(7110-7160)					
		<b>NONOPERATING INCOME AND EXPENSES:</b>			
7310	.....	Dividend Income	0	Not Available **	Not Available **
7320	.....	Interest Income	178,732	Not Available **	Not Available **
7330	.....	Income from Sinking and Other Funds	0	0	0
7340	.....	Allowance for Funds Used During Construction	212,661	48,019	164,642
7350	.....	Gains from the Disposition of Certain Prop.	(68,940)	(15,532)	(53,408)
7360	.....	Other Nonoper. Income (Income & Gains Only)	2,159,790	Not Available **	Not Available **
7370	.....	Special Charges	(760,998)	Not Available **	Not Available **
7300	7300	NONOPERATING INCOME AND EXPENSE	1,721,245	32,487	111,234
(7310-7370)					

\*\* Subtotal and total will not crossfoot.

Note: Total column should agree with revenues reported on Schedule 5.  
Provide detailed explanation of any deviations.

SCHEDULE: 33

STATEMENT OF INTRASTATE GROSS EARNINGS (REVENUE) FOR THE YEAR \*  
(in dollars)

Account No.		Item	Total (1)	Interstate (2)	Intrastate (3) = (1) - (2)
Class "A" Company	Class "B" Company				
<b>EXTRAORDINARY ITEMS:</b>					
7610	.....	Extraordinary Income Credits	0	0	0
7620	.....	Extraordinary Income Charges Debit	0	0	0
7630	.....	Current Income Tax Effect of Extraordinary Items - Net: Credited	0	0	0
7640	.....	Provision for Def. Inc. Tax Effect of Extraordinary Items - Net: Credited	0	0	0
7600	7600	<b>TOTAL EXTRAORDINARY ITEMS</b>	0	0	0
(7610-7640)					
<b>** SUBTOTAL (5001-7640)</b>			591,895,739	152,089,382	387,460,623
Less:					
- Earnings or receipts from sales to public utilities for resale			(40,998,588)	0	(40,998,588)
<b>TOTAL</b>			550,897,151	152,089,382	346,462,035
* Intrastate means from one point to another point in Ohio, or wholly within Ohio.					
Notes: Reconciliation of Schedule 33 to Schedule 5:					
Schedule 33 - Total revenues shown above			550,897,151		
Schedule 5 - Uncollectible revenue, Account 5300			(14,485,000)		
Schedule 33:					
Account 7100, Total Other Operating Income and Expense			(12,572)		
Account 7300, Total Nonoperating Income and Expense			(1,721,245)		
Account 7600, Extraordinary Items			0		
Earnings or receipts from sales to public utilities for resale			40,998,588		
Schedule 5 - Total operating revenues			<u>575,676,922</u>		

\*\* Subtotal and total will not crossfoot.  
Note: Total column should agree with revenues reported on Schedule 5.  
Provide detailed explanation of any deviations.

SCHEDULE: 34

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

**Name, Title, Address, and Phone Number of the Company's Contact Persons  
to Receive Entries and Orders from the Docketing Division**

Nancy W. Heuring Assistant Controller  
Name Title  
Mailcode HQE01J51, P. O. Box 152092, Irving, Texas 75015-2092  
Address  
(972) 718-6892  
Phone Number (Including Area Code)

**Name, Title, Address, and Phone Number of the Person to whom Invoice  
should be Directed**

Nancy W. Heuring Assistant Controller  
Name Title  
Mailcode HQE01J51, P. O. Box 152092, Irving, Texas 75015-2092  
Address  
(972) 718-6892  
Phone Number (Including Area Code)

**Name and Address of the President**

John O. Dudley President  
Name  
One North Capitol Ave Suite 1025 Indianapolis, IN 46204  
Address

**VERIFICATION**

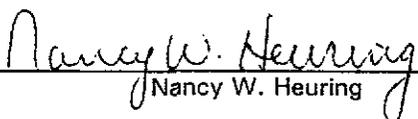
The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

**OATH**

State of Texas

County of Dallas

Nancy W. Heuring makes oath and says that she is Assistant Controller of Verizon North Inc.; that she has examined the foregoing report; that to the best of her knowledge, information and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2001, to and including December 31, 2001.

  
\_\_\_\_\_  
Nancy W. Heuring