

	(A)	(B)	(C)	(D)
1	223,364	Verizon calculated revenue requirement deficiency		
2				
3	(59,213)	Rate of return (See Note 1)		
4		11.64% to 7.71%	(57,723)	
5		* Restatement R16-03	(2,180)	
6		* Restatement P17	690	
7				
8	(80,454)	Affiliate		
9		Directory revenue imputation SR23	(38,408)	
10				
11		Affiliate sales and marketing SR18	(41,019)	
12				
13		Shared allocated expense SR24	(1,027)	
14				
15	(52,953)	Telephone Plant in Service		
16		Depreciation expense and reserve P17	(48,073)	
17		* As filed rate change to current authorized rate		(46,366)
18		* Plant in service pro forma		(1,707)
19				
20		Missing Plant SR22	(4,880)	
21				
22	(22,012)	Intrastate Separations		
23		Special access plant disallowance SP24	(22,012)	
24				
25	(36,831)	Cash versus accrual benefit accounting		
26		Pension accounting - FAS 87	(22,570)	
27		* Restatement R9-02		(237)
28		* Pension asset SR21		(22,150)
29		* Pension asset pro forma		(183)
30				
31		Pension accounting - FAS 88/FAS 106	(16,785)	
32		* Employee separation P18		(3,407)
33		* Employee separation (amortization) P18		(955)
34		* MVSP (non-cash) P20		(6,492)
35		* MVSP (non-cash) P20		(1,543)
36		* MVSP (adjusted savings number) P20		(4,479)
37		* MVSP (adjusted payment number) P20		91
38				
39		OPEB accounting - FAS 106	2,524	
40		* Restatement R8-03		(2,100)
41		* OPEB pro forma P11		299
42		* OPEB pro forma P15		4,325
43				
44	(14,007)	Revenue pro forma		
45		Revenue pro forma	(12,725)	
46		* Transparent LAN Service P5		(996)
47		* Corrections Collect Calls P6		(27)
48		* Cyber DS1 And Frame Relay P21		(3,627)
49		* New Services Revenue SP25		(2,672)
50		* Line Sharing SR17		(3,003)
51		* Line Sharing SP22		(2,400)
52				
53		Uncollectible revenue and other taxes	(1,282)	
54		* Pro forma P1, P2, P3, P4, P7, P8		(869)
55		* Pro forma P19 (offset to revenue pro forma)		869
56		* Associated with restating adjustments		(1,282)
57				
58	(3,865)	Partial tax normalization and interest synchronization		
59		* Tax Normalization SR26		590
60		* Interest Synchronization SP26		(4,455)
61				
62	(7,916)	Miscellaneous		
63		Salary and wages P12		(4,122)
64		Insurance expense SR20		(3,012)
65		Corporate Expense R15-03		(2,108)
66		OSS SR19		(191)
67		Investor supplied working capital P13		(3,339)
68		Depreciation Reserve P17		5,094
69		DSL plant SP23		(238)
70				
71	1,706	Tax corrections and rounding		
72				
73	(52,181)	Staff calculated revenue requirement excess		

Note 1: The Staff calculation of ROR is based on the unadjusted rate base. As such, the rate of return difference on specific pro forma adjustments is included with each individual adjustment.

	(A)	(B)	(C)	(D)
1	223,364	Verizon calculated revenue requirement deficiency		
2				
3	(1,148)	Issues accepted by Verizon		
4		Investor supplied working capital P13	(3,059)	
5		Depreciation Reserve P17	4,251	
6		OSS SR19	(191)	
7		Insurance Expense Restatement	(2,508)	
8		DSL plant SP23	(214)	
9		ROR difference on accepted issues	573	
10				
11	222,216	Verizon calculated revenue requirement deficiency - revised		
12				
13	(59,196)	Rate of return (See Note 1)		
14		11.64% to 7.71%	(57,723)	
15		* Restatement R16-03	(2,180)	
16		* Restatement P17	707	
17				
18	(64,270)	Affiliate		
19		Directory revenue imputation SR23	(38,408)	
20				
21		Affiliate sales and marketing SR18	(25,166)	
22				
23		Shared allocated expense SR24	(696)	
24				
25	(52,946)	Telephone Plant in Service		
26		Depreciation expense and reserve P17	(48,073)	
27		* As filed rate change to current authorized rate		(46,366)
28		* Plant in service pro forma		(1,707)
29				
30		Missing Plant SR22	(4,873)	
31				
32	(21,967)	Intrastate Separations		
33		Special access plant disallowance SP24	(21,967)	
34				
35	(25,097)	Cash versus accrual benefit accounting		
36		Pension accounting - FAS 87	(10,836)	
37		* Restatement R9-02		(237)
38		* Pension asset SR21		(10,416)
39		* Pension asset pro forma		(183)
40				
41		Pension accounting - FAS 88/106	(16,785)	
42		* Employee separation P18		(3,407)
43		* Employee separation (amortization) P18		(955)
44		* MVSP (non-cash) P20		(6,492)
45		* MVSP (non-cash) P20		(1,543)
46		* MVSP (adjusted savings number) P20		(4,479)
47		* MVSP (adjusted payment number) P20		91
48				
49		OPEB accounting	2,524	
50		* Restatement R8-03		(2,100)
51		* OPEB pro forma P11		299
52		* OPEB pro forma P15		4,325
53				
54	(15,100)	Revenue pro forma		
55		Revenue pro forma	(13,818)	
56		* Transparent LAN Service P5		(996)
57		* Corrections Collect Calls P6		(27)
58		* Cyber DS1 And Frame Relay P21		(3,627)
59		* New Services Revenue SP25		(3,765)
60		* Line Sharing SR17		(3,003)
61		* Line Sharing SP22		(2,400)
62				
63		Uncollectible revenue and other taxes	(1,282)	
64		* Pro forma P1, P2, P3, P4, P7, P8		(869)
65		* Pro forma P19 (offset to revenue pro forma)		869
66		* Associated with restating adjustments		(1,282)
67				
68	(2,919)	Partial tax normalization and interest synchronization		
69		* Tax Normalization SR26		1,558
70		* Interest Synchronization SP26		(4,477)
71				
72	(6,685)	Miscellaneous		
73		Salary and wages P12		(4,122)
74		Insurance expense SR20 (net of accepted)		(504)
75		Corporate Expense R15-03		(2,059)
76				
77	(25)	Tax corrections and rounding		
78				
79	(25,989)	Staff calculated revenue requirement excess		

Note 1: The Staff calculation of ROR is based on the unadjusted rate base. As such, the rate of return difference on specific pro forma adjustments is included with each individual adjustment.