

David J Hatton  
Director-Federal Regulatory Accounting

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September 9, 1992

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ex Parte

Ms. Donna R. Searcy  
Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

RE: FCC Docket No. 92-101

Dear Ms. Searcy:

Representatives of NYNEX, David J. Hatton, John H. Donovan, Kathy M. Richards and George W. Williams met today with the FCC Tariff Division staff, Christopher J. Frentrup and Michael A. Mandigo. The topic of discussion was CC Docket No. 92-101, Treatment of Local Exchange Carrier Tariffs Implementing Statement of Financial Accounting Standards, Employers' Accounting for Postretirement Benefits Other Than Pensions (OPEBs).

Specifically, the discussion focused on the attached detail in support of the NYNEX quantification of OPEB costs and interstate revenue requirement and on the Company's understanding of the interaction of the OPEB costs with the Price Caps formula mechanism.

Very truly yours,



cc: C. Frentrup  
M. Mandigo

Attachment

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List A B C D E

**LEC Data for Use in CC Docket No. 92-101  
FCC Investigation Regarding SFAS 106**

| <b>COMPANY: <u>NYNEX Telephone Companies</u></b>              | <b>1993 Calendar Year<br/>(\$ millions)</b> |                             |
|---|---|-----------------------------|
| <b>SFAS 106 Amounts (1)</b>                                   | <b><u>Low Estimate</u></b>                  | <b><u>High Estimate</u></b> |
| A. Service Cost   | \$ 34.682                                   | \$ 91.880                   |
| B. Interest Cost  | \$212.859                                   | \$320.582                   |
| C. Return on Plan Assets                                      | \$(35.278)                                  | \$(35.278)                  |
| D. Amortization of TBO  | \$150.047                                   | \$193.899                   |
| E. SFAS 106 Accrual (A+B+C+D)                                 | \$362.310                                   | \$571.083                   |
| F. Pay-as-you-go (Claims to Retirees)                         | \$184.100                                   | \$184.100                   |
| G. VEBA Contributions Expensed (2)                            | \$ 0.000                                    | \$ 0.000                    |
| H. Other  | \$ 0.000                                    | \$ 0.000                    |
| I. Total Current Costs (F+G+H)                                | \$184.100                                   | \$184.100                   |
| J. SFAS 106 less Current Accounting (E-I)                     | \$178.210                                   | \$386.983                   |
| K. Incremental Interstate Revenue Requirement Due to SFAS 106 | \$ 28.913                                   | \$ 69.436                   |
| L. Interstate Exogenous Cost (84.8% of (K))                   | \$ 24.518                                   | \$ 58.882                   |

**FAX TO JEFF OLSON ON 314-331-2624**

9/2/92

(1)

The range of estimates for the NYNEX Telephone Companies' SFAS 106 accruals, "pay-as-you-go" costs, and incremental interstate revenue requirement provided herein differs from the range previously reported in our Direct Case. Since NYNEX is currently analyzing all aspects of SFAS 106, these estimates could change upon actual adoption and the forthcoming tariff filing. The new estimates are consistent with our latest SEC disclosure regarding SFAS 106. The revised range of estimates differs from the previous submission for several reasons, including an update for actual 1991 medical claims experience and changed actuarial assumptions.

(2)

In compliance with Paragraph 149 of SFAS 106, NYNEX is not currently expensing contributions to the VEBA trusts established for management and collectively bargained employees.

9/2/92