

NYNEX Government Affairs
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David J Hatton
Director — Federal Regulatory Accounting

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NYNEX

May 20, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

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MAY 21 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: ExParte
Vintage Amortization Accounting (VAL) RM-8640
NPRM, Support Assets Expense Limit, Docket 95-60, RM-8448

Dear Mr. Caton:

On May 20, 1996, NYNEX responded to information requested by the Accounting and Audits Division, Common Carrier Bureau regarding the above referenced proceedings. The attached is a copy of the response.

Sincerely,



CC: Mr. K.M. Ackerman
Ms. C. Nibbe

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David J Hatton
Director — Federal Regulatory Accounting



May 20, 1996

Ms. C. Nibbe
Accounting Systems Branch
Federal Communications Commission
2000 L Street, NW - Room 812
Washington, D.C. 20554

Dear Ms. Nibbe:

Following is our response to your follow up Questions 1 and 2 regarding the Support Assets Capitalization Limit Data Request. We are continuing to work on a response to Question 3.

Question 1 - NYNEX is showing 29 special purpose vehicles (Acct 2114) with a gross book value of less than \$1,501 each. That doesn't seem realistic. Please explain.

Response:

Account 2114 - Work sheets reporting investment and items in 2114 (Special Purpose Vehicles) and 2115 (Garage Work Equipment) in New Hampshire between \$500 - \$750 contained transposed figures. Figures should have been:

Acct. 2114 Investment = \$554 (\$1 = rounded) - Items in Service = 1

Acct. 2115 Investment = \$13,320 (\$13 = rounded) - Items in Service = 21

For JURISDICTION - NYNEX TOTAL for \$500 - \$750 restated:

Acct 2114 Investment = \$1 - Items in Service = 1

Acct 2115 Investment = \$233 - Items in Service = 357

Question 2 - The average cost per item for Account 2116 does not fall within the \$1,000-\$1,500 and \$1,501-\$2,000. Accounts 2122 and 2123 do not fall within the \$500-\$750 range. Please explain.

Response:

Accounts 2122 and 2123 (Furniture and Office Support Equipment). As indicated in the "Notes for page 1" on the filing sheet, capitalized units and dollars under \$500 are included in the reported figures. This represents modular equipment which are carried as capital items as per an internal directive, because, while individually these items are under the \$500 expense limit, they are designed to be joined or otherwise constructed to function as a composite



Account 2116 (Other Work Equipment). In mechanically extracting the data from the property records, the program improperly used "record count" rather than "item count". This error distorted the reporting of investment and items. The corrected NYNEX Total amounts (in thousands) for this account by the five increments and total are as follows:

Investment =	\$893	\$1,617	\$1,657	\$5,392	\$195,096	\$204,655
Units =	1,467	1,983	1,520	2,706	75,271	82,942

Please call me if you have any questions regarding this information.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. A. [unclear]".