

<u>Account</u>	<u>Cost Pool</u>	<u>Assignment Basis</u>	<u>Attribution Basis</u>	<u>Comments</u>
2003 TELECOMMUNICATIONS PLANT UNDER CONSTRUCTION (Cont'd)	Analog Electronic Switching	Accounting records	Indirectly attribute in same proportion as Account 2211 - Analog Electronic Switching Equipment.	
	Leasehold Improvements	Accounting records	Indirectly attribute in same proportion as Account 2682 - Leasehold Improvements.	
2005 TELECOMMUNICATIONS PLANT ADJUSTMENT	Regulated	Analysis of charges	Directly assigned to regulated services.	An analysis of the investment associated with the charges in this account will be analyzed at a minimum on an annual basis, or whenever a major change in the account occurs. The resulting percent distribution will be used to apportion the account balances into the cost pools.
	Nonregulated	Analysis of charges	Directly assigned to nonregulated services.	
	Common	Analysis of charges	Indirectly attribute in same proportion as combined distribution of Telecommunications Plant in Service Investment, Accounts 2111 to 2690.	
2111 LAND	Regulated	Not Applicable	Directly assigned to regulated	
	Nonregulated	Not Applicable	Directly assigned to nonregulated	
	Common	Account	Indirectly attribute in same proportion as Account 2121 - Buildings Investment.	

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2124 GENERAL PURPOSE COMPUTERS (Cont'd)	Plant Labor Wages & Salary Related	Computer study	Indirectly attribute in same proportion as the combined distribution of current Plant wages & salaries in Accounts 2211 through 2232, 2311, 2351, 2362, 2411 through 2441, and Accounts 6211 through 6232, 6351, 6362, 6411 through 6441.	
	Customer Service Operations	Computer study	Indirectly attribute in same proportion as the combined distribution of current wages & salaries in Account 6623.2 - Customer Services /Service Order Processing.	
	Office Personnel Related	Computer study	Indirectly attribute in same proportion as the combined distribution of total prior month wages and salaries in Accounts 6511 through 6728.	
	Total Company Personnel Related	Computer study	Indirectly attribute in same proportion as the combined distribution of total prior month wages and salaries in all final accounts.	
	Total Operating Expenses Related	Computer study	General Allocator.	
	Personal Computers	Accounting records	Indirectly attribute in same proportion as the combined distribution of total prior month wages and salaries in Accounts 6511 through 6728.	
2211 ANALOG ELECTRONIC SWITCHING EQUIPMENT	Dedicated Regulated	C.O. continuing property records	Directly assigned to regulated services.	
	Dedicated Nonregulated	C.O. continuing property records	Directly assigned to nonregulated services.	
	Shared SMDR Investment	C.O. continuing property records and Special study	Directly attributed on CDAR projected use of the SMDR portion of the switch.	CDAR (a nonregulated service) shares investment with SMDR. The shared investment is attributed on the basis of the peak nonregulated use over the 3 year forecast period. See SMDR comment on Page VI-5.

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2212 DIGITAL ELECTRONIC SWITCHING EQUIPMENT	Dedicated Regulated	C.O. continuing property records	Directly assigned to regulated services.	
	Dedicated Nonregulated	Subaccount and accounting records	Directly assigned to nonregulated services.	
	Infopath Investment	C.O. continuing property records	Directly attributed on projected use of basic (synchronous) versus protocol conversion (asynchronous) LDU's.	See Infopath comment on Page VI-5.
	Shared VMS Investment	Subaccount	Directly attribute on the basis of regulated/nonregulated forecast of VMS mailboxes.	
	Shared SMDR Investment	C.O. continuing property records and Special study	Directly attribute on CDAR projected use of the SMDR portion of the switch.	CDAR (a nonregulated service) shares investment with SMDR. The shared investment is attributed on the basis of the peak nonregulated use over the 3 year forecast period. See SMDR comment on Page VI-5.
2215 ELECTRO MECHANICAL SWITCHING	Cost pool equals account	Account	Directly assigned to regulated services.	
2220 OPERATOR SYSTEMS	Dedicated Regulated	Subaccount	Directly assigned to regulated services.	
2231 RADIO SYSTEMS	Cost pool equals account	Account	Directly assigned to regulated services.	
2232 CIRCUIT EQUIPMENT	Dedicated Regulated	Subaccount and Accounting Records	Directly assigned to regulated services.	
	Dedicated Nonregulated	Subaccount and Accounting Records	Directly assigned to nonregulated services.	
2311 STATION APPARATUS	Regulated	Account	Directly assigned to regulated services.	Includes only tariffed equipment. Company Used Apparatus is in Account 2123; Public Telephone Equipment is in Account 2351.
	Nonregulated	Not Applicable	Directly assigned to nonregulated services.	

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2321 CUSTOMER PREMISES WIRING	Cost pool equals account	Account	Directly assigned to regulated services.	This account covers embedded customer premises wiring capitalized prior to October 1, 1984. No current wages & salaries are charged here.
2341 LARGE PRIVATE BRANCH EXCHANGE				Not Applicable to NYNEX Telephone Companies.
2351 PUBLIC TELEPHONE TERMINAL EQUIPMENT	Dedicated Nonregulated	Account	Directly assigned to nonregulated services.	
2362 OTHER TERMINAL EQUIPMENT	Dedicated Regulated	Subaccount	Directly assigned to regulated services.	
	Dedicated Nonregulated	Subaccount	Directly assigned to nonregulated services.	Includes detariffed embedded digital NCTE.
2411 POLES		Account	Directly assigned to regulated services.	All outside plant investment associated with presently identified nonregulated services is purchased under existing tariffs. Therefore, attributions based on peak projected usage are not required.
2421 AERIAL CABLE		Account	Directly assigned to regulated services.	All outside plant investment associated with presently identified nonregulated services is purchased under existing tariffs. Therefore, attributions based on peak projected usage are not required.
2422 UNDERGROUND CABLE		Account	Directly assigned to regulated services.	All outside plant investment associated with presently identified nonregulated services is purchased under existing tariffs. Therefore, attributions based on peak projected usage are not required.

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3100 ACCUMULATED DEPRECIATION (Cont'd)	Other	Subaccount	Indirectly attribute in same proportion as combined distribution of above cost pools.	
3200 ACCUMULATED DEPRECIATION HELD FOR FUTURE TELECOM. USE	Cost pool equals account	Account	Indirectly attribute in same proportion the combined distribution of the cost pools in Account 2002 - Property Held for Future Telecommunications Use less the amount in the Land cost pool.	
3410 ACCUMULATED AMORTIZATION - CAPITALIZED LEASES	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2681 - Capital Leases.	
3420 ACCUMULATED AMORTIZATION - LEASEHOLD IMPROVEMENTS	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2682 - Leasehold Improvements.	
3500 ACCUMULATED AMORTIZATION - INTANGIBLE	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2690 - Intangibles.	
3600 ACCUMULATED AMORTIZATION - OTHER	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2005 - Telecommunications Plant Adjustment.	

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6124 GENERAL PURPOSE COMPUTER EXPENSE (Cont'd)	Office Personnel Related	Computer study	Indirectly attribute in same proportion as the combined distribution of total prior month wages and salaries in Accounts 6511 through 6728.	
	Total Company Personnel Related	Computer study	Indirectly attribute in same proportion as the combined distribution of total prior month wages and salaries in all final accounts.	
	Total Operating Expenses Related	Computer study	General Allocator.	
6211 ANALOG ELECTRONIC EXPENSE	Dedicated Regulated	Residual	Directly assigned to regulated services.	Presently only costs associated with SMDR are common in nature.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	Shared SMDR Expense	Special Study	Directly attribute in same proportion as the ratio of actual CDAR messages to actual SMDR messages in specific switches.	See SMDR comment on Page VI-5.
6212 DIGITAL ELECTRONIC EXPENSE	Dedicated Regulated	Residual	Directly assigned to regulated services.	Presently only costs associated with Infopath and SMDR are common in nature.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	Infopath Expense	Specific reporting codes	Directly attribute in same proportion ratio of protocol conversion investment in service to total Infopath investment in service.	See Infopath comment on Page VI-5.
	Shared VMS Expense	Specific reporting codes	Directly attribute on basis of regulated/nonregulated VMS mailboxes.	
	Shared SMDR Expense	Special study	Directly attribute in same proportion as the ratio of actual CDAR messages to actual SMDR messages in specific switches.	See SMDR comment on Page VI-5.
6215 ELECTRO MECHANICAL EXPENSE	Cost pool equals account	Account	Directly assigned to regulated services.	
6220 OPERATOR SYSTEMS EXPENSE	Dedicated Regulated	Subaccount	Directly assigned to regulated services.	

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6231 RADIO SYSTEMS EXPENSE	Cost pool equals account	Account	Directly assigned to regulated services.	
6232 CIRCUIT EQUIPMENT EXPENSE	Dedicated Regulated	Subaccount and Accounting Records	Directly assigned to regulated services.	
	Dedicated Nonregulated	Subaccount and Accounting Records	Directly assigned to nonregulated services.	
6311-6341 STATION APPARATUS EXPENSE - LARGE PRIVATE BRANCH EXCHANGE EXPENSE				Accounts not in use in the NYNEX Telephone Companies.
6351 PUBLIC TELEPHONE TERMINAL EXPENSE	Dedicated Regulated	Subaccount	Directly assigned to regulated services.	
	Dedicated Nonregulated	Subaccount	Directly assigned to nonregulated services	
6362 OTHER TERMINAL EQUIPMENT EXPENSE	Regulated	Subaccount	Directly assigned to regulated services.	On a monthly basis, the costs associated with the reporting codes underlying Account 6362 are grouped into cost pools based on the description and nature of the code or function. The Service Order Dispatch & Control costs are now in Account 6532 Network Administration Expense with the same allocators that were used in Account 6362 Other Terminal Equipment Expense.
	Nonregulated	Subaccount	Directly assigned to nonregulated services.	
	Common - No Access/ No Trouble Found	Accounting records	Indirectly attribute based on 75% of the regulated trouble counts cleared to total trouble counts cleared with residual going to nonregulated.	

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6561 DEPRECIATION EXPENSES - 2001 (Cont'd)	Shared VMS	Subaccount	Directly attribute on the basis of regulated/nonregulated forecast of VMS mailboxes.	
	Other	Accrual activity in Account 3100	Indirectly attribute in same proportion as combined distribution of above Account cost pools.	
6562 DEPRECIATION EXPENSE - 2002	Cost pool equals account	Account	Indirectly attribute in same proportion the combined distribution of the cost pools in Account 2002 - Property Held for Future Telecommunications Use less the amount in the Land Cost pool.	
6563 AMORTIZATION EXPENSE - TANGIBLE	Cost pool equals account	Account	Indirectly attribute in same proportion as combined distribution of Accounts 2681 and 2682 - Capital Leases and Leasehold Improvements.	
6564 AMORTIZATION EXPENSE - INTANGIBLE	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2690 - Intangibles.	
6565 AMORTIZATION EXPENSE - OTHER	Cost pool equals account	Account	Indirectly attribute in same proportion Account 2005 - Telecommunications Plant Adjustment, Account 2115 - Garage Work Equipment, Account 2116 - Other Work Equipment, Account 2122 - Furniture, and Account 2123 - Office Equipment.	

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6611 PRODUCT MANAGEMENT	Dedicated Regulated	Functional Reporting Codes, accounting records	Directly assigned to regulated services.	The costs associated with the reporting codes underlying Account 6611 will be grouped according to function, product, or service into the cost pools.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	Infopath Expense	Specific reporting codes	Directly attribute in same proportion as the ratio of protocol conversion investment in service to total Infopath investment in service.	See Infopath comment on Page VI-5.
	SMDR Expense	Specific reporting codes	Directly attribute in same proportion the ratio of actual CDAR messages to actual messages.	See SMDR comment on Page VI-5.
	Supervision and Support	Functional Reporting Codes	Indirectly attribute in same proportion the combined distribution of wages and salaries of the above cost pools.	
	Common Expense	Accounting records	Marketing Allocator.	

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6612 SALES	Dedicated Regulated	Functional Reporting Codes, accounting records	Directly assigned to regulated services.	The costs associated with the reporting codes underlying Account 6612 will be grouped according to function, product,
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	or service into the cost pools.
	Infopath Expense	Specific reporting codes	Directly attribute in same proportion as the ratio of protocol conversion investment in service to total Infopath investment in service.	See Infopath comment on Page VI-5.
	SMDR Expense	Specific reporting codes	Directly attribute in same proportion as the ratio of actual CDAR messages to actual messages.	See SMDR comment on Page VI-5.
	Business Telemarketing	Functional Reporting Codes	Directly attribute based on monthly study of regulated/nonregulated contact activity performed by Business Telephone Sales representatives.	Applicable to NET only.
	Residence DM/DR	Functional Reporting Codes	Directly attribute based on monthly study of regulated/nonregulated contact activity performed by Residence Telephone Sales representatives.	
	Supervision and Support	Functional Reporting Codes	Indirectly attribute in same proportion the wages and salaries in the above cost pools.	
	Common Expense	Accounting records	Marketing Allocator.	

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6613 PRODUCT ADVERTISING	Dedicated Regulated	Functional Reporting Codes, accounting records	Directly assigned to regulated services.	The costs associated with the reporting codes underlying Account 6613 will be grouped according to function, product, or service into the cost pools.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	Infopath Expense	Specific reporting codes	Directly attribute in same proportion as the ratio of protocol conversion investment in service to total Infopath investment in service.	See Infopath comment on Page VI-5.
	SMDR Expense	Specific reporting codes	Directly attribute in same proportion as the ratio of actual CDAR messages to actual messages.	See SMDR comment on Page VI-5.
	Common Expense	Accounting records	Marketing Allocator.	
6621 CALL COMPLETION SERVICES	Cost pool equals account	Account	Directly assigned to regulated services.	
6622 NUMBER SERVICE	Direct Regulated	Subaccount	Directly assigned to regulated services.	
6623.1 CUSTOMER SERVICES/ CUSTOMER ACCOUNTING	Customer Accounting	Subaccount	General Allocator	

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6623.2 CUSTOMER SERVICES/ SERVICE ORDER PROCESSING	Dedicated Regulated	Functional Reporting Codes	Directly assigned to regulated services.	This account includes the costs of local commercial type operations such as: preparing, changing and handling contract or service orders, collecting revenues and handling miscellaneous commercial relations with customers. The CABS Service Order Processing cost pool includes all billing, processing, and support cost associated with billing interexchange services. On a monthly basis codes identified in all service order activity will be categorized based on the service associated with each code. The resulting distribution will be applied. CABS Billing Operations cost pool includes the cost of CABS Billing Inquiry and Collections. On a monthly basis the CABS revenue will be categorized as regulated or nonregulated. The resulting distribution will be used to allocate the cost pool. The Customer Billing Related cost pool includes the cost of producing the customer bill except for CABS. On monthly basis the accounting reporting codes underlying the total revenues less CABS will be categorized as regulated or nonregulated and the resulting distribution used to allocate the cost pool. Also on monthly basis The NTCs will review all service order activity excluding CABS and identify the distribution of reporting codes among regulated and nonregulated and apply the resulting distribution to the Service Order Related cost pool. See Infopath comment on Page VI-5.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	CABS Service Order Processing	Functional Reporting Codes	Directly attribute based on combined distribution of accounting reporting codes identified in service order activity.	
	CABS Billing Operations	Functional Reporting Codes	Directly attribute based on combined distribution of regulated and nonregulated CABS revenues.	
	Customer Billing Related	Functional Reporting Codes	Directly attribute based on combined distribution of regulated and nonregulated total revenues less CABS revenues.	
	Service Order Related	Functional Reporting Codes	Directly attribute based on combined distribution of accounting reporting codes identified on service orders.	
	Demand Sales and Centralized Operations	Functional Reporting Codes	Indirectly attribute based on combined distribution of Customer Billing Related and Service Order Related pools.	
	Shared Infopath	Specific reporting codes	Directly attribute in same proportion as the ratio of protocol conversion investment in service to total Infopath investment in service. (Applicable to NET only.)	
6623.3 CUSTOMER SERVICES PUBLIC TELEPHONE	Dedicated Nonregulated	Subaccount	Directly assigned to nonregulated services.	

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6623.4 CUSTOMER SERVICES CUSTOMER INSTRUCTION	Cost pool equals subaccount	Subaccount	Marketing Allocator.	
6623.5 CUSTOMER SERVICES MESSAGE INVESTIGATION	Cost pool equals subaccount	Subaccount	Directly assigned to regulated services.	
6623.6 CUSTOMER SERVICES BILLING & COLLECTION EXPENSE	Cost pool equals subaccount	Subaccount	Directly assigned to regulated services.	
6623.7 CUSTOMER SERVICES NON PUBLIC TELEPHONE COMMISSIONS	Cost pool equals subaccount	Subaccount	Directly assigned to regulated services.	
6623.9 CUSTOMER SERVICES OTHER	Cost pool equals subaccount	Subaccount	Directly assigned to regulated services.	

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6711 EXECUTIVE EXPENSE	Dedicated Regulated	Functional Reporting Codes	Directly assigned to regulated services.	On a monthly basis, the costs associated with the reporting codes underlying Account 6711 will be grouped into cost pools based on the nature of the associated function and operations. The dedicated nonregulated cost pool is populated by a ratio developed through a special survey performed annually.
	Nonregulated	Special survey	Directly attributed to nonregulated services.	
	Plant Operations	Functional Reporting Codes	Indirectly attribute in same proportion as combined distribution of Accounts 6112 to 6124, 6211 to 6232, 6351 to 6362, 6532, 6533, 6534, and 6535.	
	Marketing Operations	Functional Reporting Codes	Indirectly attribute in same proportion as combined distribution of Accounts 6611, 6612, and 6613.	
	Customer Services	Functional Reporting Codes	Indirectly attribute in same proportion Account 6623 less 6623.3.	
	Corporate Operations	Functional Reporting Codes	Indirectly attribute in same proportion Accounts 6711 to 6728.	
6712 PLANNING EXPENSES	Dedicated Regulated	Specific reporting codes	Directly assigned to regulated services.	On a monthly basis, the costs underlying Account 6712 will be grouped into cost pools based on the nature of the associated function and operations.
	Dedicated Nonregulated	Specific reporting codes	Directly assigned to nonregulated services.	
	Other	Specific reporting codes	Indirectly attribute in same proportion as the combined distribution of investment in Accounts 2001 and 2003.	