

Company: VERIZON CALIFORNIA INC.
 Study Area: VERIZON CALIFORNIA
 COSA: GTGC
 Period: Jan 2014 to Dec 2014

USOA Report
TABLE B-1 - BALANCE SHEET ACCOUNTS
 (Dollars in thousands)



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Row/Account Number	Account Title (a)	Amount (b)
	<u>Current Assets</u>	
1120	Cash and equivalents	223
1170	Receivables	3,147,258
1171	Allowance for doubtful accounts	8,914
1220	Inventories	10,235
120	Total Noncash Current Assets	3,148,579
1280	Prepayments	(413)
1350	Other current assets	39,965
130	Total Current Assets	3,188,354
	<u>Noncurrent Assets</u>	
1406	Nonregulated investments	-
1410	Other noncurrent assets	2,324,918
1438	Deferred maintenance, retirements, and other def. charges	60,233
1500	Other jurisdictional assets-net	123,030
150	Total Noncurrent Assets	2,508,181

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Row/Account Number	Account Title	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
	(aa)	(ab)	(ac)	(ad)	(ae)	(af)
<u>Property, Plant and Equipment</u>						
2001	Telecommunications plant in service (TPIS)	13,162,075	175,465	298,138	232,244	13,271,646
2002	Property held for future telecommunications use (PHFTU)	-	-	-	-	-
2003	Telecommunications plant under construction (TPUC)	83,847	178,858	-	(148,806)	113,899
2005	Telecommunications plant adjustment	-	-	-	-	-
2006	Nonoperating plant	-	-	-	25,170	25,170
2007	Goodwill	-	-	-	-	-
210	Total Plant	13,245,922	354,323	298,138	108,608	13,410,715
<u>TPIS - General Support Assets</u>						
2111	Land	36,719	-	20	(1)	36,698
2112	Motor vehicles	56,359	-	5,398	-	50,961
2113	Aircraft	-	-	-	-	-
2114	Tools and other work equipment	64,027	288	434	6	63,887
2121	Buildings	816,167	5,795	853	3,201	824,310
2122	Furniture	2,089	-	-	-	2,089
2123	Office equipment	828	-	5	-	823
2124	General purpose computers	10,848	9	3,261	(47)	7,549
2110	Land and Support Assets	987,037	6,092	9,971	3,159	986,317
<u>TPIS - Central Office Assets</u>						
2211	Non-digital switching	-	-	-	526	526
2212.1	Circuit switching	1,491,953	6,692	50,602	8,752	1,456,795
2212.2	Packet switching	63,054	487	1,555	(923)	61,063
2212	Digital electronic switching	1,555,007	7,179	52,157	7,829	1,517,858
2210	Central Office-Switching	1,555,007	7,179	52,157	8,355	1,518,384
2220	Operator Systems	22,659	5	494	(66)	22,104
2231	Radio systems	29,662	189	937	93	29,007
2232.1	Electronic circuit	2,514,080	74,854	64,824	105,708	2,629,818
2232.2	Optical circuit	94,187	2,294	4,294	1,026	93,213
2232	Circuit equipment	2,608,267	77,148	69,118	106,734	2,723,031
2230	Central Office-Transmission	2,637,929	77,337	70,055	106,827	2,752,038
<u>TPIS - Information Origination/Termination Assets</u>						
2311	Station apparatus	-	-	-	-	-
2321	Customer premises wiring	-	-	-	-	-
2341	Large private branch exchanges	-	-	-	-	-
2351	Public telephone terminal equipment	-	-	-	-	-
2362	Other terminal equipment	46,966	917	243	169	47,809
2310	Information Origination/Termination	46,966	917	243	169	47,809
<u>TPIS - Cable and Wire Assets</u>						
2411	Poles	307,805	15,287	395	79	322,776
2421	Aerial cable	1,641,678	11,320	55,958	28,145	1,625,185
2422	Underground cable	2,545,008	21,504	49,179	50,547	2,567,880
2423	Buried cable	2,227,397	30,098	54,393	34,609	2,237,711
2424	Submarine and deep sea cable	704	-	6	1	699
2426	Intrabuilding network cable	(487)	31	1	3	(454)
2431	Aerial wire	-	-	-	-	-
2441	Conduit systems	1,167,174	4,145	233	2,784	1,173,870
2410	Cable and Wire Facilities	7,889,279	82,385	160,165	116,168	7,927,667
240	Total TPIS (before amortizable assets)	13,138,877	173,915	293,085	234,612	13,254,319
<u>TPIS Amortizable Assets</u>						
2681	Capital leases	209	-	-	-	209
2682	Leasehold Improvements	6,192	915	1,366	319	6,060
2680	Amortizable Tangible Assets	6,401	915	1,366	319	6,269
2690.1	Network software	9,640	76	1,666	1,362	9,412
2690.2	General purpose computer software	7,157	559	2,021	(4,049)	1,646
2690	Intangibles	16,797	635	3,687	(2,687)	11,058
260	Total TPIS	13,162,075	175,465	298,138	232,244	13,271,646

Row/Account Number	Account Title (a)	Amount (b)
	<u>Depreciation and Amortization</u>	
3100	Accumulated depreciation	10,976,452
3200	Accumulated depreciation - PHFTU	-
3300	Accumulated depreciation - nonoperating	(9)
3410	Accumulated amortization - Capitalized leases	163
340	Total Depreciation and Amortization	10,976,605
350	Net Plant	2,434,110
360	Total Assets	8,130,645
	<u>Current Liabilities</u>	
4000	Current accounts and notes payable	2,050,669
4040	Customer's deposits	1,141
4070	Income taxes - accrued	31,121
4080	Other Taxes - accrued	13,831
4100	Net current deferred operating income taxes	(19,080)
4110	Net current deferred nonoperating income taxes	445
4130	Other current liabilities	310,124
410	Total Current Liabilities	2,388,251
4200	Long-term debt and funded debt	199,308
	<u>Other Liabilities and Deferred Credits</u>	
4300	Other long-term liabilities and deferred credit	969,149
4320	Unamortized operating investment tax credits - net	-
4330	Unamortized nonoperating investment tax credits - net	-
4340	Net noncurrent deferred operating income taxes	1,009,491
4341	Net deferred tax liability adjustments	503
4350	Net noncurrent deferred nonoperating income taxes	(70,669)
4361	Deferred tax regulatory adjustment - net	(503)
4370	Other jurisdictional liabilities/deferred credits - net	50,976
430	Total Other Liabilities and Deferred Credits	1,958,947
	<u>Stockholders' Equity</u>	
4510	Capital stock	1,400,000
4520	Additional paid-in capital	1,492,320
4530	Treasury stock	-
4540	Other capital	-
4550	Retained earnings	691,819
440	Total Stockholders' Equity	3,584,139
450	Total Liabilities and Stockholders' Equity	8,130,645
460	Retained Earnings (Beginning of Year)	520,260
465	Net Income	171,559
470	Dividends Declared	-
475	Miscellaneous Debits	-
480	Miscellaneous Credits	-
490	Retained Earnings (End of Year)	691,819

Row/ Account Number	Account Title	Amount
	(a)	(b)
	REVENUE ACCOUNTS	
	<u>Local Network Services Revenues</u>	
5001	Basic area revenue	429,960
5040	Local private line revenue	162,851
5060	Other basic area revenue	85,276
520	Local Network Services Revenues	678,086
	<u>Network Access Services Revenues</u>	
5081	End User revenue	186,869
5082	Switched access revenue	114,878
5083	Special access revenue	812,473
522	Network Access Service Revenues	1,114,220
5100	Long distance message revenue	40,501
	<u>Miscellaneous Revenues</u>	
5230	Directory revenue	15,075
526	Miscellaneous revenue	115,801
527	Total Miscellaneous Revenues	130,875
5280	Nonregulated operating revenue	743,419
5300	Uncollectible revenue	17,173
530	Total Operating Revenues	2,689,928
	EXPENSE ACCOUNTS	
	<u>Plant specific Operations</u>	
615	Account 6112 - Motor vehicles expense	19,314
625	Account 6113 - Aircraft expense	811
635	Account 6114 - Tools and other work equipment expense	5
6110	Network Support Expenses	20,130
6121	Land & building expense	65,175
6122	Furniture and artworks expense	359
6123	Office equipment expense	2,551
6124	General purpose computers expense	51,137
6120	General Support Expenses	119,222
6211	Non-digital switching expense	-
6212.1	Circuit switching expense	24,946
6212.2	Packet switching expense	165
6212	Digital electronic switching expense	25,111
6210	Central Office Switching Expenses	25,111
6220	Operator system expense	176
6231	Radio systems expense	239
6232.1	Electronic circuit expense	39,451
6232.2	Optical circuit expense	195
6232	Circuit equipment expense	39,646
6230	Central Office Transmission Expenses	39,885
6311	Station apparatus expense	-
6341	Large private branch exchange expense	-
6351	Public telephone terminal equipment expense	-
6362	Other terminal equipment expense	515,026
6310	Information Origination/Termination Expenses	515,026

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TABLE I-1 - INCOME STATEMENT ACCOUNTS

(Dollars in thousands)

Row/ Account Number	Account Title	Amount
	(a)	(b)
6411	Poles expense	2,670
6421	Aerial cable expense	46,818
6422	Underground cable expense	21,351
6423	Buried cable expense	24,565
6424	Submarine and deep sea cable expense	9
6426	Intrabuilding network cable expense	192
6431	Aerial wire expense	(0)
6441	Conduit systems expense	3,128
6410	Cable and Wire Facilities Expenses	98,733
650	Total Plant Specific Operations Expenses	818,283
	<u>Plant Nonspecific Operations</u>	
6511	PHFTU expense	-
665	Account 6512 - Provisioning expense	10,440
6510	Other Property, Plant and Equipment Expenses	10,440
6531	Power expense	19,431
6532	Network administration expense	22,292
6533	Testing expense	13,886
675	Account 6534 - Plant operation administration expense	109,361
685	Account 6535 - Engineering expense	37,917
6530	Network Operations Expenses	202,887
6540	Access expense	48,996
6561	Depreciation-TPIS expense	489,645
6562	Depreciation-PHFTU expense	-
6563	Amortization-tangible expense	1,762
6564	Amortization-intangible expense	9,649
6565	Amortization-other expense	-
6560	Depreciation & Amortization Expenses	501,055
690	Total Plant Nonspecific Operations Expenses	763,379
	<u>Customer Operations</u>	
6611	Product management and sales expense	115,608
6613	Product advertising expense	44,637
6610	Marketing Expenses	160,245
6621	Call completion expense	1,047
6622	Number services expense	14,935
6623	Customer services expense	123,896
6620	Service Expense	139,878
700	Total Customer Operations Expenses	300,123
6720	General & Administrative	478,389
6790	Provision for uncollectible notes receivable	-
710	Total Corporate Operations Expenses	478,389
720	Total Operating Expenses	2,360,173
730	Income Before Other Operating Items and Taxes	329,755

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Row/ Account Number	Account Title	Amount
	(a)	(b)
7100	Other operating income and expenses	25
	<u>Operating Taxes</u>	
7210	Operating investment tax credits-net	-
7220	Operating federal income taxes	192,162
7230	Operating state and local income taxes	38,718
7240	Operating other taxes	82,656
7250	Provision for deferred operating income taxes-net	(192,646)
7200	Operating Taxes	120,890
7300	Nonoperating income and expense	(22,652)
7400	Nonoperating taxes	(13,044)
7500	Interest and related items	27,133
7600	Extraordinary items	-
7910	Income effects of jurisdictional ratemaking differences-net	(589)
7990	Nonregulated net income	-
790	Net Income	171,559