

Verizon New England, Inc.
 State of New Hampshire
 Earnings Statement 12 Months Ending
 December 31, 2006

PUC MR - 5



	Combined Operations	Intrastate Operations	DLA Imputation	Intrastate incl DLA
Revenues				
1 Local Service Network Revenue (5001-5069)	176,195,032	176,195,032		176,195,032
2 Network Access Service Revenue (5081-5084)	172,906,687	19,780,130		19,780,130
3 Long Distance Network Service Revenue (5100-5169)	30,152,102	30,132,025		30,132,025
4 Miscellaneous Revenue (5230-5280)	70,613,023	50,215,138	23,300,000	73,515,138
5 Less: Uncollectibles (5301-5302)	6,065,355	5,035,569		5,035,569
6 Operating Revenue (L1 to L5)	\$443,801,489	\$271,286,756	\$23,300,000	\$294,586,756
Expenses				
7 Support (6112-6124)	28,887,186	20,183,201		20,183,201
8 Maintenance (6211-6540)	131,182,169	89,103,277		89,103,277
9 Depreciation and Amortization (6561-6565)	152,502,291	99,813,272		99,813,272
10 Marketing and Customer Services (6611-6623)	62,591,211	47,055,168		47,055,168
11 Other Expenses of Operations (6711-6790)	68,278,938	48,139,519		48,139,519
12 Telephone Expenses - Other than Tax (Line 7 to Line 11)	\$443,441,795	\$304,294,437		\$304,294,437
13 Investment Tax Credits - Net	(304,189)	(198,292)		(198,292)
14 Federal Taxes Deferred	(22,486,223)	(14,995,963)		(14,995,963)
15 Federal Taxes on Income	17,326,377	(113,910)	7,461,825	7,347,915
16 Miscellaneous Tax	322,520	191,671		191,671
17 Property Tax	1,634,410	971,292		971,292
18 State Taxes Deferred	(2,116,128)	(22,950,971)		(22,950,971)
19 State Income Taxes	2,845,127	23,685,621	1,980,500	25,666,121
20 Total Taxes (Line 13 to Line 19)	(\$2,778,106)	(\$13,410,552)	\$9,442,325	(\$3,968,227)
21 Total Telephone Expenses including Tax (Line 12 plus Line 20)	\$440,663,689	\$290,883,884	\$9,442,325	\$300,326,209
22 Net Operating Revenues (Line 6 less Line 21)	\$3,137,800	(\$19,597,128)	\$13,857,675	(\$5,739,453)
23 Interest Charged Construction (7340)	2,160,720	1,442,928		1,442,928
24 Net Telephone Earnings (Line 22 to Line 23)	\$5,298,521	(\$18,154,200)	\$13,857,675	(\$4,296,525)
25 Average Net Investment (see page 3)	\$712,946,452	\$472,728,543		\$472,728,543
26 Earnings on Net Investment (Annual Basis)	0.74%	-3.84%		-0.91%

() Denotes Negative Amount

Kevin O'Quinn
 Director-Regulatory Accounting

Issue Date: April 20, 2007

Note: Dire revenues are being imputed per the Commission's order in DT 02-165 dated July 9,