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 Filing Entity: VZTC - VERIZON TELEPHONE COMPANIES
 Transmittal Number: 1312 Long Form TRP Filing
 Verizon 2015 Annual Access Filing (VZTCAN15.xls)

Workpaper 2 Revised

June 16, 2015 Annual Price Cap Filing (VZTCAN15.XLS)
 Exogenous Cost Changes Detail

| | 2013 Annual | | | | |
|------------------------------|------------------------------------|------------------------------------|---|--------------------------------------|---|
| | Total | Interstate | FCC 14-88 | DA 14-627 | DA 14-792 |
| | End User Revenues (499A) (A) | End User Revenues (499A) (B) | 6/13/2014 Reg Fee (C) = B * 0.00340 | 5/9/2014 TRS (D) = B * 0.01174 | 6/13/2014 NANPA (E) = A * 0.0000365 |
| Exogenous Amount | \$ 7,672,392,274 | \$ 1,970,729,820 | \$ 6,700,481 | \$ 23,136,368 | \$ 280,042 |
| Excluded Revenue | \$ 356,574,336 | \$ 247,287,311 | | | |
| Price Cap Revenue Percentage | 95.35% | 87.45% | | | |

2014 Mid-Year Rate Changes

| | FCC 14-88 | FCC 14-129 | Difference | Annualized |
|------------------|--|--|------------------|----------------------------------|
| | 6/13/2014 Reg Fee (C')=B''*0.00340 | 8/29/2014 Reg Fee (D') = B * 0.00343 | (E')=(D') - (C') | Reversal (F') = (E') * 12 / 9 |
| Exogenous Amount | \$ 6,700,481 | \$ 6,759,603 | \$ 59,122 | \$ 78,829 |

2014 Mid-Year Rate Changes

| | DA 14-627 | DA 14-946 | Difference | Annualized |
|------------------|--|---|---------------------|------------------------------------|
| | 5/9/2014 Telecom Relay (C'') = B * 0.01174 | 6/30/2014 Telecom Relay (D'')=B * 0.01219 | (E'')=(D'') - (C'') | Reversal (F'') = (E'') * 12 / 9 |
| Exogenous Amount | \$ 23,136,368 | \$ 24,023,197 | \$ 886,828 | \$ 1,182,438 |

| | 2014 Annual | | | | |
|------------------------------|---------------------------------------|---------------------------------------|---|---|--|
| | Total | Interstate | FCC 14-129 | DA 14-946 | DA 15-670 |
| | End User Revenues (499A) (A''') | End User Revenues (499A) (B''') | 8/29/2014 Reg Fee (C''') = B''' * 0.00329 | 6/30/2014 TRS (D''') = B''' * 0.01635 | 6/8/2015 NANPA (E''') = A''' * 0.0000387 |
| Exogenous Amount | \$ 7,153,818,374 | \$ 1,916,158,804 | \$ 6,304,162 | \$ 31,329,196 | \$ 276,853 |
| Excluded Revenue | \$ 362,312,222 | \$ 221,778,088 | | | |
| Price Cap Revenue Percentage | 94.94% | 88.43% | | | |

Telecommunications Relay Service Support:

DA 14-627 - 0.01174 Factor 2013 Revenue - D
 DA 14-946 - 0.01219 = F''
 DA 14-946 - 0.01635 Factor 2014 Revenue - D'''

% Price Cap Allocation

Price Cap Exogenous Amount
 FCC 2013 Price Cap Interstate End User Revenue
 FCC 2014 Price Cap Interstate End User Revenue
 Revenue Change (R)
 Price Cap Only with R Adj

| | 7/14 - 6/15 | 7/15 - 6/16 | Exogenous |
|--|------------------|------------------|---------------|
| | \$ 23,136,368 | \$ 1,182,438 | \$ 31,329,196 |
| | \$ 24,318,806 | \$ 31,329,196 | \$ 87.45% |
| | \$ 21,267,281 | \$ 27,703,125 | \$ 88.43% |
| | \$ 1,723,442,509 | \$ 1,694,380,717 | \$ -1.69% |
| | \$ 20,908,658 | \$ 27,703,125 | \$ 6,794,467 |

North American Numbering Plan Administration:

DA 14-792 - 0.0000365 Factor 2013 Revenue - E
 DA 15-670 0.0000387 Factor 2014 Revenue - E'''

% Price Cap Allocation

Price Cap Exogenous Amount
 FCC 2013 Total End User Revenue
 FCC 2014 Total End User Revenue
 Revenue Change (R)
 Price Cap Only with R Adj

| | 7/14 - 6/15 | 7/15 - 6/16 | Exogenous |
|--|------------------|------------------|------------|
| | \$ 280,042 | \$ 276,853 | \$ 280,042 |
| | \$ 280,042 | \$ 276,853 | \$ 95.35% |
| | \$ 267,027 | \$ 262,831 | \$ 94.94% |
| | \$ 7,315,817,939 | \$ 6,791,506,152 | \$ -7.17% |
| | \$ 247,890 | \$ 262,831 | \$ 14,941 |

Regulatory Fee Support:

FCC 14-88 - 0.00340 Factor 2013 Revenue - C
 FCC 14-129 - 0.00343 = F'
 FCC 14-129 - 0.00329 Factor 2014 Revenue - C'''

% Price Cap Allocation

Price Cap Exogenous Amount
 FCC 2013 Price Cap Interstate End User Revenue
 FCC 2014 Price Cap Interstate End User Revenue
 Revenue Change (R)
 Price Cap Only with R Adj

| | 7/14 - 6/15 | 7/15 - 6/16 | Exogenous |
|--|------------------|------------------|--------------|
| | \$ 6,700,481 | \$ 78,829 | \$ 6,304,162 |
| | \$ 6,779,311 | \$ 6,304,162 | \$ 87.45% |
| | \$ 5,928,642 | \$ 5,574,513 | \$ 88.43% |
| | \$ 1,723,442,509 | \$ 1,694,380,717 | \$ -1.69% |
| | \$ 5,828,670 | \$ 5,574,513 | \$ (254,157) |