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Verizon Avenue

Two Conway Park  
150 Field Drive, Suite 300  
Lake Forest, IL 60045

December 30, 2003

Mr. Joseph Cusick  
Telecommunications Division  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, ID 83702

**RE: Case No. GNR-T-03-26**  
**Application for Certificate of Public Convenience and Necessity**  
**Verizon Avenue Corp.**

Dear Mr. Cusick:

Verizon Avenue Corp. respectfully replies herewith to the Staff Notes on Application, dated December 3, 2003 from Ms. Birdelle Brown, Telecommunications Analyst. The Staff Notes and this response tie to the Application for a Certificate of Public Convenience and Necessity filed by Verizon Avenue, received by the Idaho Public Service Commission on August 15, 2003 and assigned the Case Number above.

If there are any further questions from the Staff or the Commission concerning the Verizon Avenue Corp. application or this response to the Staff Notes, or if any further information is desired, please contact me at the address above, on my direct telephone line of 847-582-8722, via facsimile on 847-582-8801, or via email at [ed.marsh@verizon.com](mailto:ed.marsh@verizon.com).

Respectfully submitted,

Edward J. Marsh  
Verizon Avenue Corp.

Attachments

Cc: Ms. Carolee Hall  
Mr. Weldon Stutzman

**VERIZON AVENUE CORP.**  
**CASE NO. GNR-T-03-26**  
**RESPONSE TO STAFF NOTES**

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**A. APPLICATION**

1. Verizon Avenue Corp. ("Verizon Avenue" or the "Company") or one of its four operating Limited Liability Companies is certificated by the State public service commission to provide local telephone service in twenty-seven jurisdictions (including the District of Columbia). The Company is also permitted to provide interstate and international telephone services by the Federal Communications Commission. A list of all certificated jurisdictions, with the date and Order providing for that certification, is included as Attachment 1 to this response.
2. Verizon Avenue requests certification from the Idaho Public Utilities Commission to provide local exchange telephone service and local intraLATA toll service in Idaho. IntraLATA interexchange service will be provided by means of resale of such services provided by authorized carriers in the State.
3. The company is aware that it will need Interconnection Agreements negotiated with appropriate carriers in the areas where it does business, will obtain such agreements, and such agreements will be filed with the Commission as required for approval.
4. References in the proposed tariff to customer deposit requirements have been removed.

**B. FINANCIAL STATUS**

1. Verizon Avenue Corp is 100% owned by Verizon Investments Inc., which in its turn is 100% owned by Verizon Communications Inc. Verizon Avenue, therefore, is an indirect, wholly owned subsidiary of Verizon Communications Inc. A graphical presentation of the ownership of Verizon Avenue Corp., and of the Limited Liability Companies owned by Verizon Avenue Corp., is included with this response as Attachment 2.
2. Verizon Avenue Corp. currently owns and operates four Limited Liability Companies, providing both regulated telephone services and High Speed Internet Service as an Internet Service Provider, in the jurisdictions where the Company is authorized to provide service. The Company is currently

undergoing a nationwide effort to recertify all jurisdictions in the single name of Verizon Avenue Corp., upon completion of which all services will be offered by Verizon Avenue Corp. The four current Limited Liability Companies are:

- a. OnePoint Communications – Colorado, LLC
- b. OnePoint Communications – Illinois, LLC
- c. OnePoint Communications – Georgia, LLC
- d. VIC-RMTS-DC, LLC

3. Affiliate Revenues and Charges occur as a result of payments to or from Verizon Communications Inc. and its other affiliated companies. Affiliate Revenues flow to Verizon Avenue when Verizon Avenue is functioning as a sales agent for Verizon Communications. Affiliate payables are usually employee associated costs involving seconded employees, and other costs which may be owed to affiliates performing, for example, service order preparation on behalf of Verizon Avenue.

4. The Company inadvertently attached an incorrect column of numbers for the Six Month 2003 Balance Sheet when preparing the original exhibits, and sincerely regrets this oversight. A corrected Six Month 2003 Balance Sheet is attached to this response as Attachment 3. Verizon Avenue Corp. respectfully requests that this Attachment be substituted for the Balance Sheet originally supplied in August.

5. It is the intent of Verizon Avenue to offer competitive local telephone service and interexchange services by resale in Idaho. There will be no customer deposits requested. There will be no customer assets in the State of Idaho. Verizon Avenue is not precluded from reliance on its owner for financial assistance.

6. Verizon Avenue Corp. was incorporated in the State of Delaware on December 15, 2000 as a result of the merger of OnePoint Communications Corp. and Verizon Communications Inc. OnePoint Communications Corp. was originally incorporated in 1996 in Delaware.

#### 7. ILLUSTRATIVE TARIFF

A revised illustrative tariff, modified to incorporate all substantive Staff comments on the original submission, is attached to this response as Attachment 4. Verizon Avenue respectfully requests that the revised illustrative tariff attached hereto be substituted for that originally filed with the Commission in August 2003.

The structure of the tariff, as followed in all twenty-seven jurisdictions where the Company is currently certificated, is designed to show the description of each service, followed by the application of the rate for each service, followed by a section showing the actual rate itself. The tariff is intended to cover residence and business services, and both local and local toll services.

**VERIZON AVENUE CORP.**  
**CASE NO. GNR-T-03-26**  
**RESPONSE TO STAFF NOTES**

**ATTACHMENT 1**  
**CERTIFICATION DATES AND ORDERS**

**VERIZON AVENUE CORP.****CERTIFICATION DATES AND ORDERS**

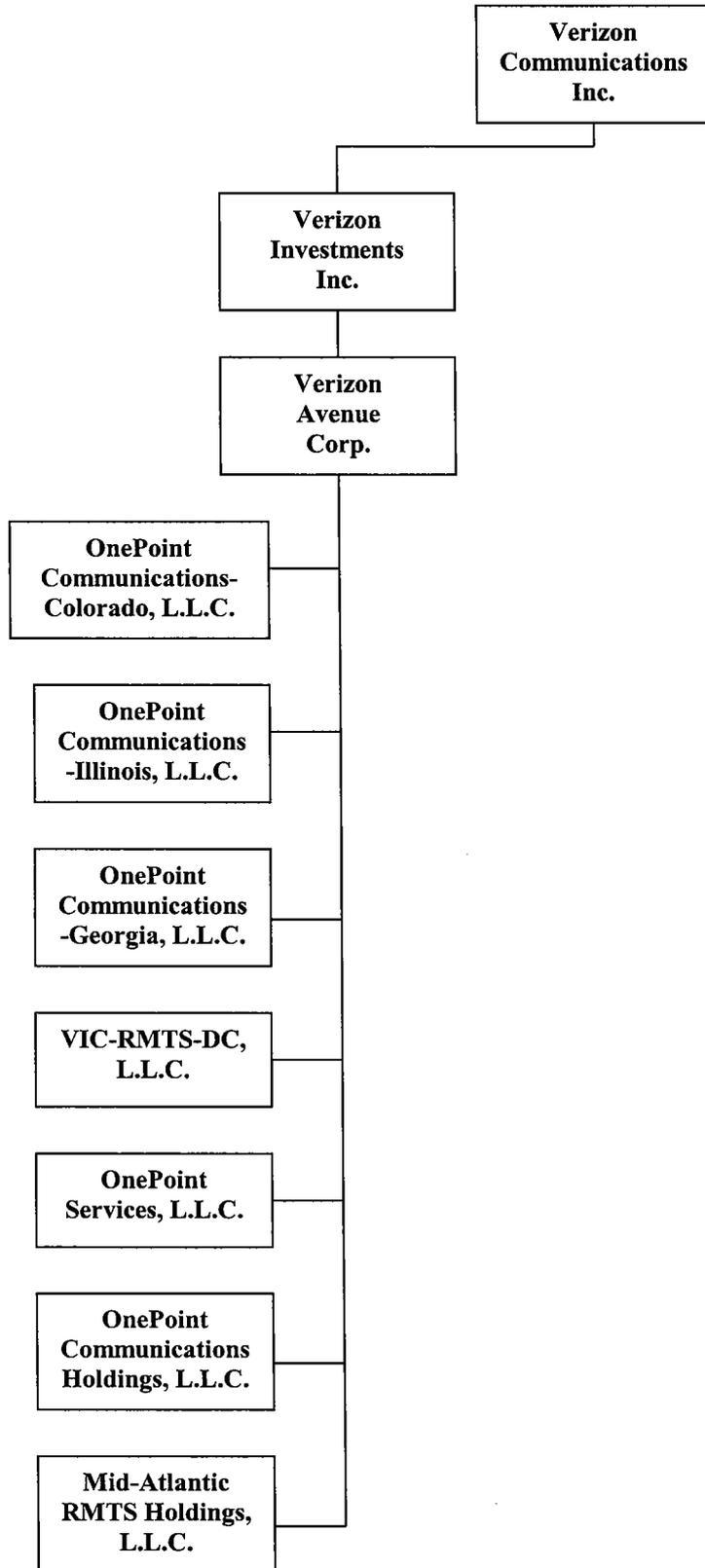
<u>JURISDICTION</u>	<u>DATE</u>	<u>ORDER NUMBER / CERTIFICATE NUMBER</u>
<b>Mid-Atlantic</b>		
Connecticut	02-Apr-03	Decision, Docket 02-12-08
Delaware	14-Apr-98	Findings and Order 4770
Dist. of Columbia	23-May-97	Order # 10992
Massachusetts	01-Apr-01	Letter Order
Maryland	30-Apr-97	ML #s 55917, 56058, and 56116
New Jersey	20-Feb-02	Order of Approval, Docket TE00060345
New York	06-Apr-01	Letter order, Case No. 00-C-1118
Pennsylvania	15-Jan-98	Order, Docket A-310581
Rhode Island	27-Jun-01	Order, Docket 3298
Virginia	10-Sep-97	Certificate # T-386
West Virginia	29-Mar-02	Decision, Case No. 01-1476-T-CN
<b>Southeast</b>		
Florida	11-Nov-97	Order PSC-97-1299-FOF-TX
Georgia	08-Aug-98	Certificate # R-463
North Carolina	13-Jan-98	Order, Docket P-671
South Carolina	23-Sep-98	Docket # 98-736, Certificate Order # 98-357-C
Tennessee	20-Oct-98	Order, Case # 98-00501
<b>Central</b>		
Illinois	07-May-97	Order, Docket 97-0117
Indiana	19-Dec-02	Order, Cause No. 42271
Michigan	07-Nov-02	Opinion and Order, Case No. 13485
Ohio	07-Mar-02	Finding and Order, Case No. 00-1409-TP-ACE
Texas	18-Oct-01	Order, Docket No. 24548
<b>West</b>		
Arizona	19-Nov-99	Resale / Facility based Certificate; Decision # 62086
California	11-Oct-01	Opinion, Application 01-05-033
Colorado	03-Dec-97	Decision C97-1292
Hawaii	27-Mar-02	Decision and Order No. 19273, Docket No. 01-0381
Idaho	Pending	Case No. GNR-T-03-26 (case filed August 15, 2003)
Oregon	26-Jun-01	Order No. 01-529
Washington	12-Sep-01	Order, Docket UT-010776
<b>Federal</b>		
Domestic	17-Apr-97	NB: FCC does not issue Cert. Order; tariff accepted
International	19-Jun-97	Public Notice DA 97-1276; 214 Authority granted

Last Update: August 2003

**VERIZON AVENUE CORP.**  
**CASE NO. GNR-T-03-26**  
**RESPONSE TO STAFF NOTES**

**ATTACHMENT 2**  
**PARTIAL ORGANIZATION CHART**

**VERIZON COMMUNICATIONS INC.  
Partial Organization Chart**



**VERIZON AVENUE CORP.**  
**CASE NO. GNR-T-03-26**  
**RESPONSE TO STAFF NOTES**

ATTACHMENT 3  
REVISED SIX MONTH 2003 BALANCE SHEET

Verizon Avenue Corp  
Balance Sheet  
For the Six Months Ending June 30, 2003

	<u>OPC Consol</u>
	<u>GL</u>
<b>ASSETS</b>	
Cash	(\$3,095,750)
Short-term Marketable Securities	3
	-----
<b>Cash and Cash-like Instruments</b>	<b>(3,095,747)</b>
Affiliate Receivable	1,967,055
Other Receivables	945,903
Trade Receivables	699,855
Allowance for Uncollectible Accounts	(499,829)
	-----
<b>Accounts Receivable - Net</b>	<b>3,112,984</b>
Prepaid Expenses	7,611,858
Current Deferred Federal Tax Benefit	(32,575,533)
<b>Total Current Assets</b>	<b>(24,946,438)</b>
Property, Plant & Equipment	108,718,080
Accumulated Depreciation	(22,912,383)
	-----
<b>Net Property, Plant &amp; Equipment</b>	<b>85,805,697</b>
Investment in Affiliated Subs	(1)
Intangible Assets	276,981,816
Accumulated Amortization	(14,362,639)
Other Assets	11,624,247
Deposits	689,894
<b>Total Assets</b>	<b>335,792,576</b>
	=====
<b>Liabilities &amp; Stockholder's Equity</b>	
Affiliate Payable	2,960,971
Accounts Payable	603,845
Taxes Payable	(30,253,689)
Debt - Current	32,443
Accrued Liabilities	19,631,649
Other Current Liabilities	237,943
	-----
<b>Total Current Liabilities</b>	<b>(6,786,838)</b>
Long Term Debt	617,975,435
Other Deferred Obligations	(37,457,623)
Additional Paid-In Capital	8,340,940
Retained Earnings	(200,974,521)
Net Profit/(Loss)	(45,304,695)
Comprehensive Income - Unrealized (	(123)
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>335,792,575</b>
	=====
Current Ratio	367.57%
Quick Ratio	-0.25%
Debt to Total Assets	184.03%

**VERIZON AVENUE CORP.**  
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**ATTACHMENT 4**  
**REVISED PRELIMINARY TARIFF**