

VERIZON TELEPHONE COMPANIES

WORKPAPER 3

Appendix A: 2008 Annual Shortform TRP Letter Filing (VZTCAS08.WK4)

EXCESS DEFERRED TAXES AMORTIZATION EXOGENOUS

COSA	JURISDICTION	2007/2008 FORECAST TOTAL COMPANY (NOTE 8) (1)	2008/2009 FORECAST TOTAL COMPANY (NOTE 8) (2)	EDT FIT CHANGE TOTAL COMPANY (NOTE 1) (A = 2 - 1)	EDT FIT CHANGE PRICE CAP INTERSTATE (NOTE 2) (B)	RATE BASE PRICE CAP INTERSTATE (NOTE 3) (C)	NET RETURN PRICE CAP INTERSTATE (NOTE 4) (D)	EDT FIT WITH GROSS UP PRICE CAP INTERSTATE (NOTE 5) (E)	STATE TAX GROSS UP PRICE CAP INTERSTATE (NOTE 6) (F)	TOTAL EXOGENOUS CHANGE INTERSTATE (NOTE 7) (G=D+E+F)
BNTR	VERIZON EAST	7,001,510	6,790,797	(210,713)	(56,309)	(1,845,104)	207,574	198,399	39,866	445,839
GTCA	CALIFORNIA	407,407	388,337	(19,070)	(3,669)	(76,538)	8,611	10,281	1,832	20,724
GNCA	CALIFORNIA-WC	164	360	196	54	(73)	8	(79)	(7)	(77)
GTFL	FLORIDA	316,028	324,560	8,532	2,312	(86,785)	9,763	1,700	667	12,131
GTID	IDAHO	13,801	13,855	54	16	(4,228)	476	231	58	765
GAIL	ILLINOIS	69,118	59,906	(9,212)	(2,109)	(14,772)	1,662	4,139	457	6,258
GAIN	INDIANA	63,305	58,347	(4,958)	(1,184)	(14,528)	1,634	2,702	403	4,739
GAMI	MICHIGAN	(5,036)	9,770	14,806	3,028	(484)	54	(4,629)	(294)	(4,869)
GTNC	NORTH CAROLINA	28,647	27,018	(1,629)	(430)	(7,345)	826	1,106	143	2,076
GTOH	OHIO	(37)	16,088	16,125	3,314	(1,649)	186	(4,999)	(83)	(4,896)
GTOR	OREGON	40,855	38,410	(2,445)	(707)	(11,457)	1,289	1,782	217	3,288
GTPA	PENNSYLVANIA	43,871	43,194	(677)	(145)	(9,272)	1,043	785	203	2,031
GTST	SOUTH CAROLINA	33,238	32,234	(1,004)	(284)	(9,240)	1,040	997	107	2,143
GTTX	TEXAS	297,823	271,697	(26,126)	(5,888)	(64,173)	7,219	12,946	204	20,369
GTVA	VIRGINIA	4,456	4,118	(338)	(84)	(1,073)	121	194	20	335
GTWA	WASHINGTON	93,380	91,629	(1,751)	(439)	(23,209)	2,611	2,081	0	4,692
GTWI	WISCONSIN	14,291	13,539	(752)	(180)	(3,335)	375	479	73	927
COAZ	ARIZONA - WEST	0	0	0	0	0	0	0	0	0
COCA	CALIFORNIA	16,771	15,742	(1,029)	(220)	(3,478)	391	549	91	1,032
COIL	ILLINOIS	12,601	5,065	(7,536)	(1,669)	(1,956)	220	2,686	229	3,135
COIN	INDIANA	3,680	4,904	1,224	308	(1,081)	122	(408)	(27)	(313)
CONV	NEVADA	(1,719)	(1,576)	143	60	689	(78)	(134)	0	(212)
CONC	NORTH CAROLINA	2,251	2,335	84	21	(571)	64	2	5	71
COPT	PENNSYLVANIA	3,635	4,762	1,127	288	(1,072)	121	(378)	(29)	(286)
COTX	TEXAS	45	291	246	54	(37)	4	(81)	(1)	(77)
COVA	VIRGINIA	(298)	(2,077)	(1,779)	(417)	279	(31)	625	38	631
COWA	WASHINGTON	0	0	0	0	0	0	0	0	0
VZTC	TOTAL VERIZON	8,459,787	8,213,305	(246,482)	(64,279)	(2,180,492)	245,305	230,977	44,173	520,455

NOTE 1: Col A=Total Company EDT change from 7/1/07 to 7/1/08 tariff period

NOTE 2: Col B=Price Cap Interstate percent developed using Separations data

NOTE 3: Col C=Cumulative change in Interstate Price Cap rate base.

NOTE 4: Col D=Col C times negative 11.25%

NOTE 5: Col E= (((Col D-Col B)*(.35/(1-.35)))-Col B) which is change in EDT plus FIT gross up

NOTE 6: Col F= (Col D+Col E)*(SIT/1-SIT)

NOTE 7: Col G= Col D+Col E+Col F

NOTE 8: Internal Company records from Verizon Tax Department