

INVESTMENT TAX CREDIT AMORTIZATION EXOGENOUS COST DEVELOPMENT

	(1) 2009/2010 FORECAST TOTAL COMPANY	(2) 2010/2011 FORECAST TOTAL COMPANY	(A = 2 - 1) ITC FIT CHANGE TOTAL COMPANY	(B) ITC FIT CHANGE PRICE CAP INTERSTATE	(C) ITC FIT WITH GROSS UP PRICE CAP INTERSTATE	(D) STATE TAX GROSS UP PRICE CAP INTERSTATE	(E=C+D) TOTAL EXOGENOUS CHANGE INTERSTATE
	NOTE 6	NOTE 6	NOTE 1	NOTE 2	NOTE 3	NOTE 4	NOTE 5
MASSACHUSETTS	845,512	758,541	-86,971	-23,291	35,832	3,436	39,268
RHODE ISLAND	105,614	90,266	-15,348	-4,237	6,518	645	7,163
NEW YORK	1,963,523	1,749,429	-214,094	-59,462	91,480	8,640	100,120
NORTH	2,914,649	2,598,236	-316,413	-86,990	133,831	12,721	146,552
DISTRICT OF COLUMBIA	114,217	114,217	0	-383	589	65	655
MARYLAND	450,932	406,376	-44,556	-10,368	15,951	1,434	17,385
VIRGINIA	574,322	487,413	-86,909	-22,340	34,369	2,194	36,563
NEW JERSEY	733,279	703,197	-30,082	-8,614	13,252	1,311	14,563
PENNSYLVANIA	967,884	876,504	-91,380	-22,161	34,094	3,784	37,878
DELAWARE	70,840	63,304	-7,537	-2,347	3,611	344	3,955
SOUTH	2,911,474	2,651,010	-260,463	-66,213	101,866	9,132	110,998
TOTAL VERIZON EAST	5,826,123	5,249,247	-576,876	-153,203	235,697	21,853	257,550

NOTE 1: Col A=Total Company ITC change from 7/1/08 to 7/1/09tariff period  
NOTE 2: Col B=Price Cap Interstate percent developed using Separations data  
NOTE 3: Col C= ((Col B)\*(.35/(1-.35)))-Col B) which is change in ITC plus FIT gross up  
NOTE 4: Col D= (Col C)\*(SIT/1-SIT)  
NOTE 5: Col E= Col C+Col D  
NOTE 6: Internal Company records from Verizon Tax Department