

INVESTMENT TAX CREDIT AMORTIZATION EXOGENOUS COST DEVELOPMENT

	(1) 2010/2011 FORECAST TOTAL COMPANY	(2) 2011/2012 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	758,541	758,541	0	0	0	0	0
RHODE ISLAND	90,266	90,266	0	0	0	0	0
NEW YORK	1,749,429	1,749,429	0	0	0	0	0
NORTH	2,598,236	2,598,236	0	0	0	0	0
DISTRICT OF COLUMBIA	114,217	114,217	0	0	0	0	0
MARYLAND	406,376	406,376	0	0	0	0	0
VIRGINIA	487,413	487,413	0	0	0	0	0
NEW JERSEY	703,197	703,197	0	0	0	0	0
PENNSYLVANIA	876,504	876,504	0	0	0	0	0
DELAWARE	63,304	63,304	0	0	0	0	0
SOUTH	2,651,010	2,651,010	0	0	0	0	0
TOTAL VERIZON EAST	5,249,247	5,249,247	0	0	0	0	0

NOTE 1: Col A=Total Company ITC change from 7/1/10 to 7/1/11 tariff 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