

EXCESS DEFERRED TAXES AMORTIZATION EXOGENOUS

		(1)	(2)	(A = 2 - 1)	(B)	(C)	(D)	(E)	(F)	(G=D+E+F)
		2004/2005	2005/2006	EDT FIT	EDT FIT	RATE	NET	EDT FIT WITH	STATE TAX	TOTAL
		FORECAST	FORECAST	CHANGE	CHANGE	BASE	RETURN	GROSS UP	GROSS UP	EXOGENOUS
		TOTAL	TOTAL	TOTAL	PRICE CAP	PRICE CAP	PRICE CAP	PRICE CAP	PRICE CAP	CHANGE
	FCC	COMPANY	COMPANY	COMPANY	INTERSTATE	INTERSTATE	INTERSTATE	INTERSTATE	INTERSTATE	INTERSTATE
				(Note 1)	(Note 2)	(Note 3)	(Note 4)			(Note 5)
Arizona (Contel)	COSA	1,000	0	-1,000	-394	-197	22	618	48	688
California (Contel)	COCA	23,000	25,045	2,045	438	-5,139	578	-363	21	237
Illinois (Contel)	COIL	25,000	15,610	-9,390	-2,079	-4,496	506	3,471	313	4,290
Indiana (Contel)	COIN	27,000	3,979	-23,021	-5,799	-3,902	439	9,158	892	10,488
Nevada (Contel)	CONV	-26,000	-153	25,847	10,803	5,465	-615	-16,951	0	-17,566
North Carolina (Contel)	CONC	55,000	5,497	-49,503	-12,346	-7,544	849	19,451	1,504	21,804
Pennsylvania (Contel)	COPT	8,000	2,971	-5,029	-1,284	-1,400	158	2,060	246	2,464
Texas (Contel)	COTX	8,000	-24,120	-32,120	-7,074	1,775	-200	10,776	0	10,576
Virginia (Contel)	COVA	131,000	-35,700	-166,700	-39,109	-11,179	1,258	60,845	3,964	66,067
Washington (Contel)	COWA	-16,000	0	16,000	3,727	1,863	-210	-5,847	0	-6,056
Subtotal GSTC		236,000	-6,871	-242,871	-53,117	-24,753	2,785	83,218	6,988	92,991

NOTE 1: Col A=Total Company EDT change from 7/1/00 to 7/1/01 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