

VERIZON - EAST: Transmittal Nos. 588 and 589
Appendix A: 2005 Annual Filing (BNTRAN05.WK4)

INVESTMENT TAX CREDIT AMORTIZATION EXOGENOUS COST DEVELOPMENT

	(1) 2004/2005 FORECAST TOTAL COMPANY	(2) 2005/2006 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
	NOTE 6	NOTE 6	NOTE 1	NOTE 2	NOTE 3	NOTE 4
MAINE	379,222	285,450	(93,772)	(25,178)	38,735	3,798
MASSACHUSETTS	1,406,206	1,353,158	(53,048)	(14,206)	21,855	2,294
NEW HAMPSHIRE	496,693	418,774	(77,919)	(26,110)	40,169	3,732
RHODE ISLAND	316,549	243,783	(72,766)	(20,089)	30,906	3,057
VERMONT	224,110	200,240	(23,870)	(8,035)	12,362	1,336
NEW YORK	5,121,079	4,065,551	(1,055,528)	(293,159)	451,014	2,853
NORTH	7,943,859	6,566,955	(1,376,904)	(386,777)	595,041	17,069
DISTRICT OF COLUMBIA	116,022	116,022	0	0	0	0
MARYLAND	562,562	526,074	(36,488)	(8,491)	13,063	983
VIRGINIA	1,518,747	1,276,599	(242,148)	(62,245)	95,762	6,112
WEST VIRGINIA	160,942	149,676	(11,266)	(2,893)	4,451	440
NEW JERSEY	1,543,564	1,421,474	(122,090)	(34,959)	53,783	5,319
PENNSYLVANIA	1,632,382	1,482,645	(149,737)	(36,314)	55,868	6,201
DELAWARE	127,621	122,742	(4,879)	(1,519)	2,337	223
SOUTH	5,661,840	5,095,233	(566,607)	(146,421)	225,264	19,278
TOTAL VERIZON EAST	13,605,699	11,662,188	(1,943,511)	(533,198)	820,305	36,348

- NOTE 1: Col A=Total Company ITC change from 7/1/04 to 7/1/05 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

Workpaper 5

(E=C+D)
TOTAL
EXOGENOUS
CHANGE
INTERSTATE

NOTE 5

42,533
24,149
43,901
33,963
13,698
453,867
612,110
0
14,046
101,874
4,891
59,102
62,069
2,560
244,542
856,653