

REALLOCATION OF SHARED INVESTMENT
FROM REGULATED TO NONREGULATED
EXOGENOUS COST DEVELOPMENT

| COSA | JURISDICTION | TOTAL COMPANY UNDERFORECAST NONREG SHARED INVESTMENT (NOTE 1) (000) | PRICE CAP INTERSTATE UNDERFORECAST NONREG SHARED INVESTMENT (NOTE 2) (000) | TOTAL INTERSTATE EXOGENOUS (NOTE 3) |
|------|----------------|--|--|--|
| BNTR | VERIZON EAST | 0 | 0 | 0 |
| GTCA | CALIFORNIA | 0 | 0 | 0 |
| GNCA | CALIFORNIA-WC | 0 | 0 | 0 |
| GTFL | FLORIDA | 16,300 | 233 | 10,626 |
| GTID | IDAHO | 767 | 17 | 1,031 |
| GAIL | ILLINOIS | 0 | 0 | 0 |
| GAIN | INDIANA | 18,204 | 13,642 | 405,096 |
| GAMI | MICHIGAN | 0 | 0 | 0 |
| GTNC | NORTH CAROLINA | 142 | 3 | 96 |
| GTOH | OHIO | 96 | 9 | 181 |
| GTOR | OREGON | 0 | 0 | 0 |
| GTPA | PENNSYLVANIA | 0 | 0 | 0 |
| GTST | SOUTH CAROLINA | 226 | 4 | 145 |
| GTTX | TEXAS | 0 | 0 | 0 |
| GTVA | VIRGINIA | 0 | 0 | 0 |
| GTWA | WASHINGTON | 215 | 7 | 244 |
| GTWI | WISCONSIN | 61 | 2 | 38 |
| COAZ | ARIZONA - WEST | 0 | 0 | 0 |
| COCA | CALIFORNIA | 0 | 0 | 0 |
| COIL | ILLINOIS | 128 | 6 | 245 |
| COIN | INDIANA | 0 | 0 | 0 |
| CONV | NEVADA | 0 | 0 | 0 |
| CONC | NORTH CAROLINA | 0 | 0 | 0 |
| COPT | PENNSYLVANIA | 0 | 0 | 0 |
| COTX | TEXAS | 0 | 0 | 0 |
| COVA | VIRGINIA | 71 | 5 | 242 |
| COWA | WASHINGTON | 0 | 0 | 0 |
| VZTC | TOTAL VERIZON | 36,210 | 13,928 | 417,944 |

NOTE 1: Developed from difference between FCC Report 495B, Table V, 2005 Actual and FCC Report 495A, Table II, 2005 Forecast

NOTE 2: Price Cap interstate factor developed by COSA Price Cap Interstate CAT3 COE Loc Sw Invest divided by COSA STS CAT3 COE Loc Sw Invest from 2005 Separations Systems Data

NOTE 3: Factor developed by COSA Tot Price Cap Interstate Rev divided by COSA Tot Price Cap Interstate Tel Prop from 2005 Separations System Data