OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

EXHIBIT C-4

GTOC GTE Telephone Operating Companies

*SOURCE: Base = 1996 ARMIS 43-04, Submission 02; Filed 8-1-97
Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
	Secondary OBC Exp Impact on Investment/Reserves								
	INVESTMENT:								
Ln 29	GSF Investment Subject to Separations	L1000(b)	4,054,761	4,054,761	0				
Ln 30	GSF Interstate Invest (Base Period)(Ln29 * Ln27)	L1000(d)	816,791	-					
Ln 31	GSF Interstate Invest (Adj Base)(Ln29 * Ln28)		-	874,490					
Ln 32	GSF Pt69 Investment (Base Period) Allocator (Combined COE/IOT/CWF)(Pt69.307)	L1003(d thru r)	-	-	6,336,536	3,951,483	900,099	1,484,466	488
Ln 33	GSF Pt69 Investment (Base Period) Allocation		-	-	1.0000	0.62360	0.14200	0.23430	0.00010
Ln 34	GSF Interstate Invest (Exog)(Ln31 - Ln30)		-	-	57,699				
Ln 35	GSF Interstate Invest (Pt69 Exog) (Ln34 * Ln33)		-	-	57,699	35,981	8,193	13,519	6
Ln 36	Other Tangibles Inv. Subj to Separations	L2150(b)	104,689	104,689	0				
Ln 37	Other Inter Tangibles(Base Period)(Ln36 * Ln27)	L2150(d)	21,089	-					
Ln 38	Other Inter Tangibles (Adj Base) (Ln36 * Ln28)		-	22,578					
Ln 39	Oth Pt69 Inter Tangibles (Base Period) Allocator	L2131(d thru r)	-	-	7,153,607	4,455,577	1,016,910	1,680,564	556
Ln 40	(Combined GSF/COE/IOT/CWF)(Pt69.310)								
Ln 41	Oth Pt69 Inter Tangibles (Base Period) Allocation		-	-	1.0000	0.62284	0.14220	0.23490	0.00010
Ln 42	Other Inter Tangibles (Exog)(Ln38 - Ln37)		-	-	1489				
Ln 43	Other Inter Tangibles (Pt69 Exog)(Ln42 * Ln41)		-	-	1489	927	212	350	0
Ln 44	Oth Inv Intangible Assets Subj to Separations	L2160(b)	1,868	1,868	0				
Ln 44a	Tel. Plt in Serv (TPIS) Subj Sepr excl Intang	L2161(b)	31,936,186	31,936,186	0				
Ln 44b	Plt in Serv (TPIS) Interstate excl Intang (Base Period)	L2161(d)	7,173,924	-					
Ln 44c	Plt in Serv (TPIS) Interstate excl Intang (Adj Base) (Ln44b + Ln35c + Ln 43c)		-	7,233,112					
Ln 44d	Plt in Serv (TPIS) Interstate excl Intang - Allocation		0.22463	0.22649					
Ln 45	Interstate Oth Inv Intangible Assets (Base Period) (Ln44 * Ln44d, col. a)	L2160(d)	420	-					
Ln 46	Interstate Oth Inv Intangible Assets (Adj Base)(Ln44 * Ln44d, col. b)		-	423					
Ln 47	Interstate Oth Inv Intangible Assets (Exog)(Ln46 - Ln45)		-	-	3				
Ln 48	Interstate Oth Inv Intangible Assets (Pt69 Exog)(Ln47 * Ln41)		-	-	3	2	0	1	0
Ln 49	Tel Plt in Serv Subj to Separations (GTE has waiver to exclude IX from TPIS: MO&O Adopted 4/22/86; released 4/26/86)	L2194(b)	31,937,495	31,937,489	(6)				
Ln 50	Tel Plt in Serv (TPIS) Interstate (Base Period)	L2194(d)	7,173,799	-					
Ln 51	Tel Plt in Serv (TPIS) Interstate (Adj Base) (Ln50+Ln35c+Ln43c+Ln48c)-(Ln35g+Ln43g+Ln48g)		-	7,232,984					
Ln 52	TPIS Interstate Allocation (Ln50 / Ln49) & (Ln51 / Ln49)		0.22462	0.22647					
Ln 53	TPIS Invest Interstate (Exog)(Ln51 - Ln50)		-	-	59,185				
Ln 54	TPIS Invest Interstate (Pt69 Exog)(Ln35+Ln43+Ln48)		-	-	59,185	36,910	8,405	13,870	-
Ln 55	TPIS Invest Interstate (Pt69 Exog) Allocation (Ln54 / Ln53)				1.0000	0.62364	0.14201	0.23435	0.00000

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Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
						Part 69 Exogenous			
Ln 56	Oth Inv Held Fut Use Subj to Separations	L2190(b)	(108)	(108)	0				
Ln 57	Interstate Oth Inv Held Fut Use (Base Period) (Ln56 * Ln52a)	L2190(d)	(24)	-					
Ln 58	Interstate Oth Inv Held Fut Use (Adj Base)(Ln56 * Ln52b)		-	(24)					
Ln 59	Interstate Oth Inv Held Fut Use (Exog)(Ln58 - Ln57)		-	-	0				
Ln 60	Interstate Oth Inv Held Fut Use (Pt69 Exog)(Ln59 * Ln55)		-	-	0	0	0	0	0
Ln 61	Invest Under Const Subj to Separations	L2191(b)	298,492	298,492	0				
Ln 62	Interstate Invest Under Const (Base Period) (Ln 61 * Ln 52)	L2191(d)	67,047	-					
Ln 63	Interstate Invest Under Const (Adj Base)(Ln61 * Ln52)		-	67,599					
Ln 64	Interstate Invest Under Const (Exog)(Ln63 - Ln62)		-	-	552				
Ln 65	Interstate Invest Under Const (Pt69 Exog)(Ln64 * Ln55)		-	-	551	344	78	129	0
Ln 66	Interstate FCC Invest Adj (a/c 1410)(Base Period)	L2250(d)	274,592	-					
Ln 67	Interstate FCC Invest Adj (a/c 1410)(Adj Base) Ln66 + ((Ln25c / Ln23a) * Ln66)		-	293,987					
Ln 68	Interstate FCC Invest Adj (a/c 1410)(Exog)(Ln67 - Ln66)		-	-	19,395				
Ln 69	Interstate FCC Invest Adj (a/c 1410)(Pt69 Exog)(Ln68 * Ln41)		-	-	19,396	12,080	2,758	4,556	2
Ln 70	Total Interstate & Pt69 Investment Exogenous (Ln54+60+65+69)		-	-	79,132	49,334	11,241	18,555	2
	RESERVES:								
Ln 71	Res / Def Depr-GSF Subj to Separations	L3010(b)	1,469,795	1,469,795	0				
Ln 72	Interstate Res / Def Depr-GSF (Base Period) (Ln71 * Ln27)	L3010(d)	296,076	-					
Ln 73	Inter. Res / Def Depr-GSF (Adj Base)(Ln71 * Ln28)		-	316,991					
Ln 74	Inter. Res / Def Depr-GSF (Exog)(Ln73 - Ln72)		-	-	20,915				
Ln 75	Inter. Res / Def Depr-GSF (Pt69 Exog)(Ln74 * Ln33)		-	-	20,915	13,043	2,970	4,900	2
Ln 76	GSF-Amort of Tang Assets Subj to Separations	L3090+3160(b)	85,593	85,593	0				
Ln 77	Inter. GSF-Amort of Tang Assets (Base Period) (Ln76 * Ln27)	L3090+3160(d)	17,242	-					
Ln 78	Inter. GSF-Amort of Tang Assets (Adj Base)(Ln76 * Ln28)		-	18,460					
Ln 79	Inter. GSF-Amort of Tang Assets (Exog)(Ln78 - Ln77)		-	-	1,218				
Ln 80	Inter. GSF-Amort of Tang Assets (Pt69 Exog)(Ln79 * Ln41)		-	-	1,218	759	173	286	0

OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

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(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
						Part 69 Exogenous			
Ln 81	GSF Tot Def Inc Taxes Subj to Separations	L3280+3350(b)	392,264	392,264	0				
Ln 82	Interstate GSF Tot Def Inc Taxes (Base Period) (Ln81 * Ln27)	L3280+3350(d)	79,018	-					
Ln 83	Inter. GSF Tot Def Inc Taxes (Adj Base)(Ln81 * Ln28)		-	84,600					
Ln 84	Inter. GSF Tot Def Inc Taxes (Exog)(Ln83 - Ln82)		-	-	5,582				
Ln 85	Inter. GSF Tot Def Inc Taxes (Pt69 Exog)(Ln84 * Ln33)		-	-	5,583	3,481	793	1,308	1
Ln 86	Oth Tot Def Inc Taxes Subj to Separations	L3332+3402(b)	210,564	210,564	0				
Ln 87	Interstate Oth Tot Def Inc Taxes (Base Period) (Ln86 * Ln52a)	L3332+3402(d)	47,297	-					
Ln 88	Interstate Oth Tot Def Inc Taxes (Adj Base)(Ln86 * Ln52b)		-	47,686					
Ln 89	Interstate Oth Tot Def Inc Taxes (Exog)(Ln88 - Ln87)		-	-	389				
Ln 90	Interstate Oth Tot Def Inc Taxes (Pt69 Exog)(Ln89 * Ln41)		-	-	388	242	55	91	0
Ln 91	Total Interstate & Pt69 Reserve Exogenous (Ln75+80+85+90)		-	-	28,104	17,525	3,991	6,585	3
Ln 92	Interstate & Pt69 Average Net Investment (ANI) Exogenous (Ln 70 - Ln 91)		-	-	51,028	31,809	7,250	11,970	(1)
Ln 93	Interstate & Pt69 Return on ANI Exogenous(11.25% * Ln92)		-	-	5,741	3,579	816	1,347	0
	Secondary OBC Exp Impact on Expenses								
Ln 94	GSF Depr Exp Subj to Separations	L6020(b)	264,006	264,006	0				
Ln 95	Interstate GSF Depr Exp (Base Period)(Ln94 * Ln27)	L6020(d)	53,181	-					
Ln 96	Interstate GSF Depr Exp (Adj Base)(Ln94 * Ln28)		-	56,938					
Ln 97	Interstate GSF Depr Exp (Exog)(Ln96 - Ln95)		-	-	3,757				
Ln 98	Interstate GSF Depr Exp (Pt69 Exog)(Ln97 * Ln33)		-	-	3,756	2,343	533	880	0
Ln 99	GSF Amort Exp of Tang. Subj to Separations	L6100+6170(b)	11,562	11,562	0				
Ln 100	Interstate GSF Amort Exp of Tang. (Base Period) (Ln99 * Ln27)	L6100+6170(d)	2,329	-					
Ln 101	Interstate GSF Amort Exp of Tang. (Adj Base)(Ln99 * Ln28)		-	2,494					
Ln 102	Interstate GSF Amort Exp of Tang. (Exog)(Ln101 - Ln100)		-	-	165				
Ln 103	Interstate GSF Amort Exp of Tang. (Pt69 Exog)(Ln102 * Ln41)		-	-	165	103	23	39	0
Ln 104	Tot Ntwk & GSF Exp Subj to Separations	L5013(b)	662,746	662,746	0				
Ln 105	Interstate Tot Ntwk & GSF Exp (Base Period) (Ln104 * Ln27)	L5013(d)	133,504	-					
Ln 106	Interstate Tot Ntwk & GSF Exp (Adj Base)(Ln104 * Ln28)		-	142,934					
Ln 107	Interstate Tot Ntwk & GSF Exp (Exog)(Ln106 - Ln105)		-	-	9,430				
Ln 108	Interstate Tot Ntwk & GSF Exp (Pt69 Exog)(Ln107 * Ln33)		-	-	9,430	5,881	1,339	2,209	1

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		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 109	Oth Prop & Eq Exp Subj to Separations	L6000(b)	9,197	9,197	0				
Ln 110	Interstate Oth Prop & Eq Exp (Base Period) (Ln109 * Ln52a)	L6000(d)	2,066	-					
Ln 111	Interstate Oth Prop & Eq Exp (Adj Base)(Ln109 * Ln52b)		-	2,083					
Ln 112	Interstate Oth Prop & Eq Exp (Exog)(Ln111 - Ln110)		-	-	17				
Ln 113	Interstate Oth Prop & Eq Exp (Pt69 Exog)(Ln112 * Ln33)		-	-	17	11	2	4	0
Ln 114	Tot Corp Ops Exp Subj to Separations	L7334(b)	1,059,196	1,059,196	0				
Ln 115	Interstate Tot Corp Ops Exp (Base Period) (Ln114 * Ln27)	L7334(d)	213,364	-					
Ln 116	Interstate Tot Corp Ops Exp (Adj Base)(Ln114 * Ln28)		-	228,437					
Ln 117	Big 3 Exp Inter Pt69 Allocator (Base Period)	L7333(d thru r)	633,710	-		363,895	93,083	152,858	23,874
Ln 118	Big 3 Exp Inter Pt69 Allocation (Base Period)		1.00000	-		0.57423	0.14689	0.24121	0.03767
Ln 119	Big 3 Exp Inter Pt69 Allocator (Adj Base) (Ln26 + Ln108 + Ln 113 + Ln117)		-	678,348		369,991	94,507	155,226	58,624
Ln 120	Big 3 Exp Inter Pt69 Allocation (Adj Base Period)		-	1.0000		0.54543	0.13932	0.22883	0.08642
Ln 121	Interstate Tot Corp Ops Exp (Base Period)(Pt69) (Ln 115a * Ln 118)		213,364	-		122,520	31,341	51,466	8,037
Ln 122	Interstate Tot Corp Ops Exp (Adj Base)(Pt69) (Ln 116b * Ln 120)		-	228,437		124,596	31,826	52,273	19,742
Ln 123	Interstate Tot Corp Ops Exp (Exog)(Ln116 - Ln115)		-	-	15,073				
Ln 124	Interstate Tot Corp Ops Exp (Pt69 Exog)(Ln122 - Ln121)		-	-	15,073	2,076	485	807	11,705
Ln 125	Oth Dep/Amort Exp-Intang Asts Subj to Separations	L6250(b)	49	49	0				
Ln 126	Inter. Oth Dep/Amort Exp-Intang Assts (Base Period) (Ln125 * Ln44d, col. a)	L6250(d)	11	-					
Ln 127	Inter. Oth Dep/Amort Exp-Intang Assts (Adj Base) (Ln125 * Ln44d, col. b)		-	11					
Ln 128	Inter. Oth Dep/Amort Exp-Intang Assts (Exog)(Ln127 - Ln126)		-	-	0				
Ln 129	Inter. Oth Dep/Amort Exp-Intang Assts (Pt69 Exog) (Ln128 * Ln41)		-	-	0	0	0	0	0

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GTOC GTE Telephone Operating Companies

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		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 130	All Oth St/Loc Tax Subj to Separations	L8003(b)	300,596	300,596	0				
Ln 131	All Oth St/Loc Tax Interstate (Base Period) (Ln130 * Ln52a)	L8003(d)	67,520	-					
Ln 132	All Oth St/Loc Tax Interstate (Adj Base)(Ln131 * Ln52b)		-	68,076					
Ln 133	All Oth St/Loc Tax Interstate (Exog)(Ln132 - Ln131)		-	-	556				
Ln 134	All Oth St/Loc Tax Interstate (Pt69 Exog)(Ln133 * Ln41)		-	-	556	346	79	131	0
	Federal Income Tax calculation:								
Ln 135	+ Interstate & Pt69 Return on ANI Exogenous(11.25% * Ln92)		-	-	5,741	3,579	816	1,347	0
Ln 136	FIT Items-Fixed Charges Subj to Separations	L8010(b)	439,990	439,990	0				
Ln 137	Interstate FIT Items-Fixed Charges (Base Period)	L8010(d)	100,001	-					
Ln 138	Interstate FIT Items-Fixed Charges (Adj Base) (Ln 136 * Ln 52b)		-	99,645					
Ln 139	Interstate FIT Items-Fixed Charges (Exog) (Ln 138 - Ln 137)		-	-	(356)				
Ln 140	- Interstate FIT Items-Fixed Charges (Pt69 Exog) (Ln 139 * Ln 41)		-	-	(357)	(222)	(51)	(84)	0
Ln 141	IRS Inc Adj Subj to Separations	L8013(b)	93,303	93,303	0				
Ln 142	IRS Inc Adj Interstate (Base Period)	L8013(d)	20,585	-					
Ln 143	IRS Inc Adj Interstate (Adj Base)(Ln141 * Ln52b)		-	21,130					
Ln 144	IRS Inc Adj Interstate (Exog) (Ln143 - Ln142)		-	-	545				
Ln 145	+ IRS Inc Adj Interstate (Pt69 Exog)(Ln144 * Ln41)		-	-	544	339	77	128	0
Ln 146	Inv Tax Cdt-Amort Subj to Separations	L8015(b)	53,106	53,106	0				
Ln 147	Interstate Inv Tax Cdt-Amort (Base Period)	L8015(d)	11,564	-					
Ln 148	Interstate Inv Tax Cdt-Amort (Adj Base)(Ln146 * Ln52b)		-	12,027					
Ln 149	Interstate Inv Tax Cdt-Amort (Exog)(Ln148 - Ln147)		-	-	463				
Ln 150	- Interstate Inv Tax Cdt-Amort (Pt69 Exog)(Ln149 * Ln41)		-	-	463	288	66	109	0
Ln 151	FIT before Tax Credits (Exog Interstate & Pt69) (Ln135-Ln140+Ln145-Ln150) * .35/.65		-	-	3,327	2,074	473	781	0
Ln 152	FIT Tax Credits (Exog Interstate & Pt69)(Ln 150)		-	-	463	288	66	109	0
Ln 153	Federal Income Tax Expense (Exog Interstate & Pt69) (Ln151 - Ln152)		-	-	2,864	1,786	407	672	0
Ln 154	TOTAL INTERSTATE & PT69 REVENUE REQUIREMENT EXOGENOUS (Ln6 + Ln13 + L93 + Ln96 + Ln103 + Ln108 + Ln113 + Ln124 + Ln129 + Ln134 + Ln153)				72,793	16,329	3,767	6,244	46,453

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GSTC GTE System Telephone Companies

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(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d	e	f	g
						Part 69 Exogenous			
						CCL	TRF SEN (Swtg+Info)	TRUNKING (Trans+Sp Ac)	NON-ACC (B&C+IX)
	Primary OBC Expense Impact								
Ln 1	Cat 2 Rev Acctg OB&C Expense:								
Ln 2	Subject to Separations	L7259(b)	26,772	26,772	0				
Ln 3	Interstate	L7259(d)	2,442	8,924	6,482				
	(Adj Base Ln3b = Ln2 * Ln4b)								
Ln 4	Interstate Allocation (Ln 3 / Ln 2)(Col a & b)		0.09121	0.33333	0.24212				
Ln 5	EU OBC Exp Direct Assgn Pt69	L7258(d)	1,288	1,288	0	0	0	0	0
Ln 6	All Other Direct Assgn Pt 69	L7251+7256(d)	1,154	7,636	6,482	0	0	0	6,482
	(Adj Base Ln6b = Ln6a + Ln3c)								
Ln 7	Cat 3 All Other Customer Services:								
Ln 8	Subject to Separations	L7300(b)	19,186	19,186	0				
Ln 9	Interstate (Ln8 * Ln17)(Col a & b)	L7300(d)	3,476	5,410	1,934				
Ln 10	Interstate Allocation (Ln17)		0.18117	0.28199	0.10082				
Ln 11	Pt69 Cat 3 Exp (Base Period)(Ln9a * Ln19)		3,476	-		1,212	461	721	1,082
Ln 12	Pt69 Cat 3 Exp (Adj Base)(Ln9b * Ln21)		-	5,410		1,247	475	741	2,947
Ln 13	Pt69 Cat 3 Exp (Inter. Exog)(Ln12 - Ln11)		-	-	1,934	35	14	20	1,865
Ln 14	Tot Cat 1 & 2 used for Alloc of Cat 3:								
Ln 15	Subject to Separations	L7301(b)	64,304	64,304	0				
Ln 16	Interstate	L7301(d)	11,651	18,133	6,482				
	(Adj Base Ln16b = Ln16a + Ln3c)								
Ln 17	Interstate Allocation (Ln16 / Ln15)(Col a & b)		0.18119	0.28199	0.10080				
Ln 18	Pt69 Comb Cat 1 & 2 exp(Base Period)	L7302(d thru r)	12,648	-		4,410	1,678	2,622	3,938
Ln 19	Pt69 Allocation (Base Period)		1.00000	-		0.34867	0.13267	0.20731	0.31135
Ln 20	Pt69 Comb Cat 1 & 2 exp(Adj Base)(Ln18 + Ln6)(Col d thru g)		-	19,130		4,410	1,678	2,622	10,420
Ln 21	Pt69 Allocation (Adj Base)		-	1.0000		0.23053	0.08772	0.13706	0.54469
	OBC Exp Impact on "Big 3" Expense Allocator								
Ln 22	Big 3 Expenses Subject to Separations	L1001(b)	460,909	460,909	0				
Ln 23	Big 3 Interstate Exp (Base Period)	L1001(d)	99,861	-					
Ln 24	Big 3 Interstate Exp (Adj Base)		-	108,277					
	(Ln23a + Ln6c + Ln13c)								
Ln 25	Big 3 Expenses (Interstate Exog)(Ln24 - Ln23)		-	-	8,416				
Ln 26	Big 3 Expenses (Pt69 Exog)(Ln6 + Ln13)		-	-	8,416	35	14	20	8,347
Ln 27	Big 3 Exp Inter Allocation (Base Period) (Ln23/Ln22)		0.21666	-					
Ln 28	Big 3 Exp Inter Allocation (Adj Base) (Ln24/Ln22)		-	0.23492					

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GSTC GTE System Telephone Companies

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						Part 69 Exogenous			
	Secondary OBC Exp Impact on Investment/Reserves								
	INVESTMENT:								
Ln 29	GSF Investment Subject to Separations	L1000(b)	557,542	557,542	0				
Ln 30	GSF Interstate Invest (Base Period)(Ln29 * Ln27)	L1000(d)	120,797	-					
Ln 31	GSF Interstate Invest (Adj Base)(Ln29 * Ln28)		-	130,978					
Ln 32	GSF Pt69 Investment (Base Period) Allocator (Combined COE/IOT/CWF)(Pt69.307)	L1003(d thru r)	-	-	1,287,926	840,960	208,252	238,655	59
Ln 33	GSF Pt69 Investment (Base Period) Allocation		-	-	1.0000	0.65300	0.16170	0.18530	0.00000
Ln 34	GSF Interstate Invest (Exog)(Ln31 - Ln30)		-	-	10,181				
Ln 35	GSF Interstate Invest (Pt69 Exog) (Ln34 * Ln33)		-	-	10,181	6,648	1,646	1,887	0
Ln 36	Other Tangibles Inv. Subj to Separations	L2150(b)	10,320	10,320	0				
Ln 37	Other Inter Tangibles(Base Period)(Ln36 * Ln27)	L2150(d)	2,236	-					
Ln 38	Other Inter Tangibles (Adj Base) (Ln36 * Ln28)		-	2,424					
Ln 39	Oth Pt69 Inter Tangibles (Base Period) Allocator	L2131(d thru r)	-	-	1,408,840	919,646	227,979	261,149	66
Ln 40	(Combined GSF/COE/IOT/CWF)(Pt69.310)								
Ln 41	Oth Pt69 Inter Tangibles (Base Period) Allocation		-	-	1.0000	0.65277	0.16180	0.18540	0.00000
Ln 42	Other Inter Tangibles (Exog)(Ln38 - Ln37)		-	-	188				
Ln 43	Other Inter Tangibles (Pt69 Exog)(Ln42 * Ln41)		-	-	188	123	30	35	0
Ln 44	Oth Inv Intangible Assets Subj to Separations	L2160(b)	8,395	8,395	0				
Ln 44a	Tel. Plt in Serv (TPIS) Subj Sepr excl Intang	L2161(b)	6,013,679	6,013,679	0				
Ln 44b	Plt in Serv (TPIS) Interstate excl Intang (Base Period)	L2161(d)	1,411,023	-					
Ln 44c	Plt in Serv (TPIS) Interstate excl Intang (Adj Base) (Ln44b + Ln35c + Ln 43c)		-	1,421,392					
Ln 44d	Plt in Serv (TPIS) Interstate excl Intang - Allocation		0.23464	0.23636					
Ln 45	Interstate Oth Inv Intangible Assets (Base Period) (Ln44 * Ln44d, col. a)	L2160(d)	1,970	-					
Ln 46	Interstate Oth Inv Intangible Assets (Adj Base)(Ln44 * Ln44d, col. b)		-	1,984					
Ln 47	Interstate Oth Inv Intangible Assets (Exog)(Ln46 - Ln45)		-	-	14				
Ln 48	Interstate Oth Inv Intangible Assets (Pt69 Exog)(Ln47 * Ln41)		-	-	14	9	2	3	0
Ln 49	Tel Plt in Serv Subj to Separations (GTE has waiver to exclude IX from TPIS: MO&O Adopted 4/22/86; released 4/26/86)	L2194(b)	6,022,007	6,022,007	0				
Ln 50	Tel Plt in Serv (TPIS) Interstate (Base Period)	L2194(d)	1,412,927	-					
Ln 51	Tel Plt in Serv (TPIS) Interstate (Adj Base) (Ln50+Ln35c+Ln43c+Ln48c)-(Ln35g+Ln43g+Ln48g)		-	1,423,310					
Ln 52	TPIS Interstate Allocation (Ln50 / Ln49) & (Ln51 / Ln49)		0.23463	0.23635					
Ln 53	TPIS Invest Interstate (Exog)(Ln51 - Ln50)		-	-	10,383				
Ln 54	TPIS Invest Interstate (Pt69 Exog)(Ln35+Ln43+Ln48)		-	-	10,383	6,780	1,678	1,925	-
Ln 55	TPIS Invest Interstate (Pt69 Exog) Allocation (Ln54 / Ln53)				1.0000	0.65299	0.16161	0.18540	0.00000

OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

EXHIBIT C-4

GSTC GTE System Telephone Companies

*SOURCE: Base = 1996 ARMIS 43-04, Submission 02; Filed 8-1-97
Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 56	Oth Inv Held Fut Use Subj to Separations	L2190(b)	0	0	0				
Ln 57	Interstate Oth Inv Held Fut Use (Base Period) (Ln56 * Ln52a)	L2190(d)	0	-					
Ln 58	Interstate Oth Inv Held Fut Use (Adj Base)(Ln56 * Ln52b)		-	0					
Ln 59	Interstate Oth Inv Held Fut Use (Exog)(Ln58 - Ln57)		-	-	0				
Ln 60	Interstate Oth Inv Held Fut Use (Pt69 Exog)(Ln59 * Ln55)		-	-	0	0	0	0	0
Ln 61	Invest Under Const Subj to Separations	L2191(b)	50,223	50,223	0				
Ln 62	Interstate Invest Under Const (Base Period) (Ln 61 * Ln 52)	L2191(d)	11,784	-					
Ln 63	Interstate Invest Under Const (Adj Base)(Ln61 * Ln52)		-	11,870					
Ln 64	Interstate Invest Under Const (Exog)(Ln63 - Ln62)		-	-	86				
Ln 65	Interstate Invest Under Const (Pt69 Exog)(Ln64 * Ln55)		-	-	86	56	14	16	0
Ln 66	Interstate FCC Invest Adj (a/c 1410)(Base Period)	L2250(d)	6,399	-					
Ln 67	Interstate FCC Invest Adj (a/c 1410)(Adj Base) Ln66 + ((Ln25c / Ln23a) * Ln66)		-	6,938					
Ln 68	Interstate FCC Invest Adj (a/c 1410)(Exog)(Ln67 - Ln66)		-	-	539				
Ln 69	Interstate FCC Invest Adj (a/c 1410)(Pt69 Exog)(Ln68 * Ln41)		-	-	539	352	87	100	0
Ln 70	Total Interstate & Pt69 Investment Exogenous (Ln54+60+65+69)		-	-	11,008	7,188	1,779	2,041	0
	RESERVES:								
Ln 71	Res / Def Depr-GSF Subj to Separations	L3010(b)	232,975	232,975	0				
Ln 72	Interstate Res / Def Depr-GSF (Base Period) (Ln71 * Ln27)	L3010(d)	50,476	-					
Ln 73	Inter. Res / Def Depr-GSF (Adj Base)(Ln71 * Ln28)		-	54,730					
Ln 74	Inter. Res / Def Depr-GSF (Exog)(Ln73 - Ln72)		-	-	4,254				
Ln 75	Inter. Res / Def Depr-GSF (Pt69 Exog)(Ln74 * Ln33)		-	-	4,254	2,778	688	788	0
Ln 76	GSF-Amort of Tang Assets Subj to Separations	L3090+3160(b)	4,183	4,183	0				
Ln 77	Inter. GSF-Amort of Tang Assets (Base Period) (Ln76 * Ln27)	L3090+3160(d)	906	-					
Ln 78	Inter. GSF-Amort of Tang Assets (Adj Base)(Ln76 * Ln28)		-	983					
Ln 79	Inter. GSF-Amort of Tang Assets (Exog)(Ln78 - Ln77)		-	-	77				
Ln 80	Inter. GSF-Amort of Tang Assets (Pt69 Exog)(Ln79 * Ln41)		-	-	76	50	12	14	0

OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

EXHIBIT C-4

GSTC GTE System Telephone Companies

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Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 81	GSF Tot Def Inc Taxes Subj to Separations	L3280+3350(b)	51,290	51,290	0				
Ln 82	Interstate GSF Tot Def Inc Taxes (Base Period) (Ln81 * Ln27)	L3280+3350(d)	11,112	-					
Ln 83	Inter. GSF Tot Def Inc Taxes (Adj Base)(Ln81 * Ln28)		-	12,049					
Ln 84	Inter. GSF Tot Def Inc Taxes (Exog)(Ln83 - Ln82)		-	-	937				
Ln 85	Inter. GSF Tot Def Inc Taxes (Pt69 Exog)(Ln84 * Ln33)		-	-	938	612	152	174	0
Ln 86	Oth Tot Def Inc Taxes Subj to Separations	L3332+3402(b)	(62,913)	(62,913)	0				
Ln 87	Interstate Oth Tot Def Inc Taxes (Base Period) (Ln86 * Ln52a)	L3332+3402(d)	(14,761)	-					
Ln 88	Interstate Oth Tot Def Inc Taxes (Adj Base)(Ln86 * Ln52b)		-	(14,869)					
Ln 89	Interstate Oth Tot Def Inc Taxes (Exog)(Ln88 - Ln87)		-	-	(108)				
Ln 90	Interstate Oth Tot Def Inc Taxes (Pt69 Exog)(Ln89 * Ln41)		-	-	(107)	(70)	(17)	(20)	0
Ln 91	Total Interstate & Pt69 Reserve Exogenous (Ln75+80+85+90)		-	-	5,161	3,370	835	956	0
Ln 92	Interstate & Pt69 Average Net Investment (ANI) Exogenous (Ln 70 - Ln 91)		-	-	5,847	3,818	944	1,085	0
Ln 93	Interstate & Pt69 Return on ANI Exogenous(11.25% * Ln92)		-	-	658	430	106	122	0
	Secondary OBC Exp Impact on Expenses								
Ln 94	GSF Depr Exp Subj to Separations	L6020(b)	34,636	34,636	0				
Ln 95	Interstate GSF Depr Exp (Base Period)(Ln94 * Ln27)	L6020(d)	7,504	-					
Ln 96	Interstate GSF Depr Exp (Adj Base)(Ln94 * Ln28)		-	8,137					
Ln 97	Interstate GSF Depr Exp (Exog)(Ln96 - Ln95)		-	-	633				
Ln 98	Interstate GSF Depr Exp (Pt69 Exog)(Ln97 * Ln33)		-	-	632	413	102	117	0
Ln 99	GSF Amort Exp of Tang. Subj to Separations	L6100+6170(b)	2,080	2,080	0				
Ln 100	Interstate GSF Amort Exp of Tang. (Base Period) (Ln99 * Ln27)	L6100+6170(d)	451	-					
Ln 101	Interstate GSF Amort Exp of Tang. (Adj Base)(Ln99 * Ln28)		-	489					
Ln 102	Interstate GSF Amort Exp of Tang. (Exog)(Ln101 - Ln100)		-	-	38				
Ln 103	Interstate GSF Amort Exp of Tang. (Pt69 Exog)(Ln102 * Ln41)		-	-	38	25	6	7	0
Ln 104	Tot Ntwk & GSF Exp Subj to Separations	L5013(b)	108,731	108,731	0				
Ln 105	Interstate Tot Ntwk & GSF Exp (Base Period) (Ln104 * Ln27)	L5013(d)	23,558	-					
Ln 106	Interstate Tot Ntwk & GSF Exp (Adj Base)(Ln104 * Ln28)		-	25,543					
Ln 107	Interstate Tot Ntwk & GSF Exp (Exog)(Ln106 - Ln105)		-	-	1,985				
Ln 108	Interstate Tot Ntwk & GSF Exp (Pt69 Exog)(Ln107 * Ln33)		-	-	1,985	1,296	321	368	0

OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

EXHIBIT C-4

GSTC GTE System Telephone Companies

*SOURCE: Base = 1996 ARMIS 43-04, Submission 02; Filed 8-1-97
Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 109	Oth Prop & Eq Exp Subj to Separations	L6000(b)	1,982	1,982	0				
Ln 110	Interstate Oth Prop & Eq Exp (Base Period) (Ln109 * Ln52a)	L6000(d)	465	-					
Ln 111	Interstate Oth Prop & Eq Exp (Adj Base)(Ln109 * Ln52b)		-	468					
Ln 112	Interstate Oth Prop & Eq Exp (Exog)(Ln111 - Ln110)		-	-	3				
Ln 113	Interstate Oth Prop & Eq Exp (Pt69 Exog)(Ln112 * Ln33)		-	-	3	2	0	1	0
Ln 114	Tot Corp Ops Exp Subj to Separations	L7334(b)	195,865	195,865	0				
Ln 115	Interstate Tot Corp Ops Exp (Base Period) (Ln114 * Ln27)	L7334(d)	42,436	-					
Ln 116	Interstate Tot Corp Ops Exp (Adj Base)(Ln114 * Ln28)		-	46,013					
Ln 117	Big 3 Exp Inter Pt69 Allocator (Base Period)	L7333(d thru r)	125,587	-		74,109	20,789	24,081	6,608
Ln 118	Big 3 Exp Inter Pt69 Allocation (Base Period)		1.00000	-		0.59010	0.16553	0.19175	0.05262
Ln 119	Big 3 Exp Inter Pt69 Allocator (Adj Base) (Ln26 + Ln108 + Ln 113 + Ln117)		-	135,991		75,442	21,124	24,470	14,955
Ln 120	Big 3 Exp Inter Pt69 Allocation (Adj Base Period)		-	1.0000		0.55476	0.15533	0.17994	0.10997
Ln 121	Interstate Tot Corp Ops Exp (Base Period)(Pt69) (Ln 115a * Ln 118)		42,436	-		25,041	7,024	8,137	2,233
Ln 122	Interstate Tot Corp Ops Exp (Adj Base)(Pt69) (Ln 116b * Ln 120)		-	46,013		25,526	7,147	8,280	5,060
Ln 123	Interstate Tot Corp Ops Exp (Exog)(Ln116 - Ln115)		-	-	3,577				
Ln 124	Interstate Tot Corp Ops Exp (Pt69 Exog)(Ln122 - Ln121)		-	-	3,578	485	123	143	2,827
Ln 125	Oth Dep/Amort Exp-Intang Asts Subj to Separations	L6250(b)	2,331	2,331	0				
Ln 126	Inter. Oth Dep/Amort Exp-Intang Assts (Base Period) (Ln125 * Ln44d, col. a)	L6250(d)	547	-					
Ln 127	Inter. Oth Dep/Amort Exp-Intang Assts (Adj Base) (Ln125 * Ln44d, col. b)		-	551					
Ln 128	Inter. Oth Dep/Amort Exp-Intang Assts (Exog)(Ln127 - Ln126)		-	-	4				
Ln 129	Inter. Oth Dep/Amort Exp-Intang Assts (Pt69 Exog) (Ln128 * Ln41)		-	-	5	3	1	1	0

OBC EXPENSE EXOGENOUS CALCULATION BASED UPON 1996 CALENDAR YEAR

EXHIBIT C-4

GSTC GTE System Telephone Companies

*SOURCE: Base = 1996 ARMIS 43-04, Submission 02; Filed 8-1-97
Adjusted = New Pt 36.380(b) rule applied (One third OBC Exp allocated to Interstate)

(Dollars in Thousands)

		ARMIS Row/Col.	a Base Period*	b Adjusted Base*	c (b-a) Interstate Exogenous	d Part 69 Exogenous CCL	e TRF SEN (Swtg+Info)	f TRUNKING (Trans+Sp Ac)	g NON-ACC (B&C+IX)
Ln 130	All Oth St/Loc Tax Subj to Separations	L8003(b)	53,467	53,467	0				
Ln 131	All Oth St/Loc Tax Interstate (Base Period) (Ln130 * Ln52a)	L8003(d)	12,545	-					
Ln 132	All Oth St/Loc Tax Interstate (Adj Base)(Ln131 * Ln52b)		-	12,637					
Ln 133	All Oth St/Loc Tax Interstate (Exog)(Ln132 - Ln131)		-	-	92				
Ln 134	All Oth St/Loc Tax Interstate (Pt69 Exog)(Ln133 * Ln41)		-	-	92	60	15	17	0
	Federal Income Tax calculation:								
Ln 135	+ Interstate & Pt69 Return on ANI Exogenous(11.25% * Ln92)		-	-	658	430	106	122	0
Ln 136	FIT Items-Fixed Charges Subj to Separations	L8010(b)	73,950	73,950	0				
Ln 137	Interstate FIT Items-Fixed Charges (Base Period)	L8010(d)	17,217	-					
Ln 138	Interstate FIT Items-Fixed Charges (Adj Base) (Ln 136 * Ln 52b)		-	17,478					
Ln 139	Interstate FIT Items-Fixed Charges (Exog) (Ln 138 - Ln 137)		-	-	261				
Ln 140	- Interstate FIT Items-Fixed Charges (Pt69 Exog) (Ln 139 * Ln 41)		-	-	260	170	42	48	0
Ln 141	IRS Inc Adj Subj to Separations	L8013(b)	5,555	5,555	0				
Ln 142	IRS Inc Adj Interstate (Base Period)	L8013(d)	1,305	-					
Ln 143	IRS Inc Adj Interstate (Adj Base)(Ln141 * Ln52b)		-	1,313					
Ln 144	IRS Inc Adj Interstate (Exog) (Ln143 - Ln142)		-	-	8				
Ln 145	+ IRS Inc Adj Interstate (Pt69 Exog)(Ln144 * Ln41)		-	-	7	5	1	1	0
Ln 146	Inv Tax Cdt-Amort Subj to Separations	L8015(b)	15,410	15,410	0				
Ln 147	Interstate Inv Tax Cdt-Amort (Base Period)	L8015(d)	3,543	-					
Ln 148	Interstate Inv Tax Cdt-Amort (Adj Base)(Ln146 * Ln52b)		-	3,642					
Ln 149	Interstate Inv Tax Cdt-Amort (Exog)(Ln148 - Ln147)		-	-	99				
Ln 150	- Interstate Inv Tax Cdt-Amort (Pt69 Exog)(Ln149 * Ln41)		-	-	99	65	16	18	0
Ln 151	FIT before Tax Credits (Exog Interstate & Pt69) (Ln135-Ln140+Ln145-Ln150) * .35/.65		-	-	165	108	26	31	0
Ln 152	FIT Tax Credits (Exog Interstate & Pt69)(Ln 150)		-	-	99	65	16	18	0
Ln 153	Federal Income Tax Expense (Exog Interstate & Pt69) (Ln151 - Ln152)		-	-	66	43	10	13	0
Ln 154	TOTAL INTERSTATE & PT69 REVENUE REQUIREMENT EXOGENOUS (Ln6 + Ln13 + L93 + Ln98 + Ln103 + Ln108 + Ln113 + Ln124 + Ln129 + Ln134 + Ln153)				15,473	2,792	698	809	11,174