

1 ST. JOHN TELEPHONE COMPANY
 2 DEFERRED TAX RESPONSE
 3 12/31/2017

EXHIBIT 2

	12/31/2017 Book Basis	TOTALS	Reg Plant	Reg Other	Non-reg
6 Plant GL Balance / Accounts Receivable		14,261,814	13,311,773	6,483	943,558
8 Less - Plant Accumulated Depreciation		(7,201,999)	(6,569,664)		(632,335)
10 12/31/2017 Book Basis		7,059,815	6,742,109	6,483	311,223
	12/31/2017 Tax Basis				
14 Plant/Accounts Receivable Tax Basis		14,132,519	13,075,817	7,299	1,049,403
16 Less: Plant Accumulated Tax Basis		(10,916,817)	(10,168,005)		(748,812)
18 12/31/2017 Adjusted Tax Basis		3,215,702	2,907,812	7,299	300,591
20 2017 Net Difference Book minus Tax		(3,844,113)	(3,834,297)	816	(10,632)
22 Total Federal Deferred Taxes Liability					
23	21.0000%	(807,264)	(805,202)	171	(2,233)
24	34.0000%	(1,306,998)	(1,303,661)	277	(3,615)
25	Increase (Decrease) Liability	(499,735)	(498,459)	106	(1,382)
			Total Washington	Intrastate %	Washington Intrastate
30 2017 Net Difference Book minus Tax			(3,833,481)	63.63%	(2,439,202)
33 Accumulated Deferred Federal Income Taxes:			Total Washington	Intrastate %	Washington Intrastate
34 Federal Def. Taxes at 34% without federal tax reform rate change			(1,303,384)	63.63%	(829,329)
35 Federal Def. Taxes at 21% with federal tax reform rate change at 12/31/17			(805,031)	63.63%	(512,232)
36 Estimated Excess Def Taxes at 12/31/17			498,353		317,097
37					
38 Note: Washington Intrastate is calculated using the intrastate allocation from the 2016 Cost Study.					
39					
40 Proposed 17 year amortization:			29,315		18,653
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