



## Western Reserve

### Summary

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1.	Total Material Costs	Page 2 Line 3	\$122,771
2.	Utilized Investment Costs	Page 2 Line 15	\$64,220
3.	Return On Investment	Page 2 Line 21	\$3,450
4.	Income Taxes	Page 2 Line 22	\$1,242
5.	Depreciation Expense	Page 2 Line 23	\$61,455
6.	Operating Expenses & Taxes	Page 2 Lines 24 thru 26	\$6,544
7.	Total Annual Costs	Sum Lines 3 thru 6	<u>\$72,691</u>
8.	Total Monthly Costs	Line 7 / 12 Months	<u><u>\$6,057.60</u></u>
9.	Proposed Nonrecurring Rate	Input	\$0.00



## Western Reserve

### Annual Cost

Description	Source	Fujitsu	Spares	Fiber Patch	Fujitsu SFP	2 fibers -									NRC	Total
<b>Investment Costs</b>																
1. Material Unit Price	Page 4	\$ 71,348	\$ 36,624	\$ 1,665	\$ 2,200	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,837
2. Units In Service	Page 4	1	1	2	1	19,912	-	-	-	-	-	-	-	-	-	
3. Total Material Costs	Line 1 * Line 2	\$ 71,348	\$ 36,624	\$ 3,330	\$ 2,200	\$ 9,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,771
4. Sales Tax	Line 3 * 0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Total Material Costs	Line 3 + Line 4	\$ 71,348	\$ 36,624	\$ 3,330	\$ 2,200	\$ 9,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,771
6. Fill Percent	Page 4	85.00%	85.00%	75.00%	85.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7. Capacity Investment	Line 5 / Line 6	\$ 83,939	\$ 43,087	\$ 4,440	\$ 2,588	\$ 11,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,640
8. EF&I Percent	Page 4	29.00%	29.00%	29.00%	29.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9. EF&I Costs	Line 7 * Line 8	\$ 24,342	\$ 12,495	\$ 1,288	\$ 751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,876
10. Installed Costs	Line 7 + Line 9	\$ 108,281	\$ 55,582	\$ 5,728	\$ 3,339	\$ 11,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,516
11. Power & Common Percent	Page 3	4.79%	4.79%	4.79%	4.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
12. Power & Common Costs	Line 10 * Line 11	\$ 5,191	\$ 2,664	\$ 275	\$ 160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,290
13. Loaded Material Investment	Line 10 + Line 12	\$ 113,472	\$ 58,247	\$ 6,002	\$ 3,499	\$ 11,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,806
14. Utilization Percent	Page 4	25.00%	50.00%	5.56%	100.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15. Utilized Investment Costs	Line 13 * Line 14	\$ 28,368	\$ 29,123	\$ 334	\$ 3,499	\$ 2,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,220
16. Utilized Net Salvage	Page 4 * L15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17. Depreciation Life	Page 3	1	1	1	1	22	-	-	-	-	-	-	-	-	10	\$ 1
18. Depreciation Expense	Straight Line	\$ 28,368	\$ 29,123	\$ 334	\$ 3,499	\$ 131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,455
19. Depreciation Reserve	(Line 15 - Line 16) / 2	\$ 14,184	\$ 14,562	\$ 167	\$ 1,749	\$ 1,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,110
20. Net Investment	Line 15 - Line 19	\$ 14,184	\$ 14,562	\$ 167	\$ 1,749	\$ 1,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,110
<b>Annual Costs</b>																
21. Return On Investment	Line 20 * RoR @10.74%	\$ 1,524	\$ 1,565	\$ 18	\$ 188	\$ 156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,450
22. Income Tax	Line 21 * 36%	549	563	6	68	56	-	-	-	-	-	-	-	-	-	\$ 1,242
23. Depreciation Expense	Line 18	\$ 28,368	\$ 29,123	\$ 334	\$ 3,499	\$ 131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,455
24. Maintenance Expense	Line 15 * Page 3 Line 1	\$ 570	\$ 585	\$ 7	\$ 70	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,329
25. Joint Expense	Line 15 * Page 3 Line 2	\$ 1,650	\$ 1,694	\$ 19	\$ 204	\$ 168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,735
26. Common Expense	Line 15 * Page 3 Line 3	\$ 653	\$ 671	\$ 8	\$ 81	\$ 67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,479
27. Additional Expenses	Input															\$ -
28. Total Annual Costs	Sum Lines 21 thru 27	\$ 33,314	\$ 34,201	\$ 392	\$ 4,109	\$ 675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,691



## Western Reserve

### Factors

Factors	Total	Switch Hardware	Switch Software	Circuit Equipment	Copper Cable	Fiber Cable
1. Maintenance Expense		4.01%	4.01%	2.01%	3.37%	3.37%
2. Joint Expense		5.82%	5.82%	5.82%	5.82%	5.82%
3. Common Expense		2.30%	2.30%	2.30%	2.30%	2.30%
4. Power & Common Factor		5.83%	0.00%	4.79%	0.00%	0.00%
5. Depreciation Life		13	13	10	21	22
6. Present Worth of Future Amount (P/F)						
7. Present Worth of Annuity (P/A)						
8. Annuity of Present Amount (A/P)						
9. Sales Tax Rate	0.00%					
10. State Income Taxes	0.30%					
11. Federal Income Tax	35.00%					
12. Composite Tax Rate	35.19%					
13. Effective Tax Rate	36.00%					
14. Rate of Return	10.74%					



## Western Reserve

### Material List

Description	Material Unit Price	Units Required	Net Salvage Percent	Fill Percent	Utilization Percent	EF&I Percent	Investment Category
1. Fujitsu Flashwave 7500 @ Hudson	\$ 71,347.92	1	0.00%	85.00%	25.00%	29.00%	Circuit
2. Spares	\$ 36,624.00	1	0.00%	85.00%	50.00%	29.00%	Circuit
3. Fiber Patch Panels	\$ 1,665.00	2	0.00%	75.00%	5.56%	29.00%	Circuit
4. Fujitsu SFP @ Hudson	\$ 2,200.00	1	0.00%	85.00%	100.00%	29.00%	Circuit
5. 2 fibers - Hudson to AT&T POM	\$ 0.47	19912	0.00%	80.00%	25.00%	0.00%	Fiber