

BELL ATLANTIC

WORKPAPER 1

InfoSpeed-DSL

## RECURRING COST DEVELOPMENT

<u>ITEM</u>	<u>SOURCE</u>	Option 1 COST <u>A</u>	Option 2 COST <u>B</u>	Option 3 COST <u>C</u>
1. Unit Investment <sup>1</sup>	Company Study			
2. Depreciation	Company Study			
3. Cost of Money	Company Study			
4. Income Taxes	Company Study			
5. Maintenance	Company Study			
6. Administration	Company Study			
7. Other Taxes	Company Study			
8. Total Direct Cost	Ln 2..Ln 7			
9. Annualized portion of nonrecurring cost adjusted for the cost of money(11.25%)				
10. Other Expenses <sup>2</sup>	Company Study			
11. Total Annual Cost	Ln 8..Ln10			
12. Monthly Cost	Ln 11/12			
13. Monthly Rate		\$39.95	\$59.95	\$109.95

Ratios

13. Annual Cost/Investment	Ln 8/Ln 1
14. Cost/Monthly Rate	Ln 12/Ln 13

1 - Unit Investment include capitol required to purchase SONET equipment, Central Office Muxes and InterOffice facilities.

2 - Other Expenses relates to the support functions performed by Network and Marketing, Research and Development, Procurement, and Information Systems.

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WORKPAPER 2

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NONRECURRING INSTALLATION COSTS

<u>END USER ACCESS CONNECTION</u>	<u>TOC</u>	<u>LABOR RATE</u>	<u>COST</u>
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NETWORK CREATION

- ATU-C Preassignment - CO Technician
- ATU-C Inventory - AT/ELA
- ATM Inventory/OSS PVC - Special Clerk
- ATM Port Assignment - CO Technician
- Router Provisioning - CO Technician

TOTAL

SERVICE ACTIVATION

- Cross Connect - Frame Attendant
- MLAC RMA - AS. ADM.
- Engineering RMA - AS. ADM.
- Disc. Cross Connect - Frame Attendant

TOTAL

SERVICE ESTBLISHMENT CHARGE

- Gateway Router Provisioning
- CLA Updates - Control Sub System
- SO Processing - Disconnect CSS

TOTAL

SPEED CHANGE

Cross Connect-Frame Attendant  
Disc. Cross Connect-Frame Attendant

TOTAL

## SERVICE ORDER

TOTAL NONRECURRING COST  
(Portion of Nonrecurring costs to  
be recovered through Recurring rate)

NET NONRECURRING COSTS

NONRECURRING RATE

\$99.00

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WORKPAPER 3

InfoSpeed-DSL  
ANNUAL DEMAND, COST, AND REVENUES

<u>ITEM</u>	Annual Demand <u>A</u>	Cost <u>B</u>	Rate <u>C</u>	Annual Cost <u>D=A*B</u>	Annual Revenues <u>E=A*C</u>
<u>RECURRING</u>					
<u>End User Access Connection</u>					
Option1	334,937		\$39.95		\$13,380,749.13
Option 2	39,404		\$59.95		\$2,362,293.78
Option 3	19,702		\$109.95		\$2,166,256.89
<u>NONRECURRING</u>					
End User Access Connection	394,044		\$99.00		\$39,010,356.00