

Verizon - West Telephone Companies

Adjusted EUCL Demand for ISDN PRI and Centrex Equivalents

	(a)	(b)	(c)
<u>RATE ELEMENT DESCRIPTION</u>	<u>UNADJUSTED EUCL DEMAND MID 4TH QTR 2002 FCST</u>	<u>FACTOR</u>	<u>TOTAL EUCL DEMAND PRI@5, CENTREX EQUIVALENCY</u>
Residence Lifeline	859,253	1	859,253
Residence	10,595,732	1	10,595,732
Business	2,876,994	1	2,876,994
Centrex (>= 9 lines)	752,676	0.111111	83,631
Centrex (8 lines)	51,435	0.125000	6,429
Centrex (7 lines)	51,351	0.142857	7,336
Centrex (6 lines)	69,690	0.166667	11,615
Centrex (5 lines)	79,316	0.200000	15,863
Centrex (4 lines)	90,621	0.250000	22,655
Centrex (3 lines)	93,320	0.333333	31,107
Centrex (2 lines)	70,498	0.500000	35,249
Centrex (1 line)	0	1	0
PRI Systems	9,277	5	46,387
BRI Systems	<u>68,223</u>	1	<u>68,223</u>
1 Total Monthly Demand	15,668,387		14,660,474
2 Less Lifeline	<u>859,253</u>		<u>859,253</u>
3 Monthly Demand Excluding Lifeline	<u>14,809,134</u>		<u>13,801,221</u>

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Rate Development for USF Switched Access Lines

	(a)	(b)	(c)
	UNADJUSTED EUCL DEMAND <u>MID 4TH QTR 2002 FCST</u>	PROPOSED MONTHLY EFFECTIVE RATE <u>PER LINE</u>	YEARLY PROPOSED <u>REVENUE</u>
Residence Lifeline	859,253	N/A	\$ -
Residence	10,595,732	\$ 0.53	67,388,857
Business	2,876,994	\$ 0.53	18,297,683
Centrex (>= 9 lines)	752,676	\$ 0.06 *	541,927
Centrex (8 lines)	51,435	\$ 0.07 *	43,205
Centrex (7 lines)	51,351	\$ 0.08 *	49,297
Centrex (6 lines)	69,690	\$ 0.09 *	75,265
Centrex (5 lines)	79,316	\$ 0.11 *	104,697
Centrex (4 lines)	90,621	\$ 0.13 *	141,369
Centrex (3 lines)	93,320	\$ 0.18 *	201,571
Centrex (2 lines)	70,498	\$ 0.27 *	228,414
Centrex (1 line)	0	\$ 0.53 *	-
PRI Systems	9,277	\$ 2.65	295,018
BRI Systems	<u>68,223</u>	\$ 0.53	<u>433,900</u>
Total Switched	<u>15,668,387</u>		\$ <u>87,801,203</u>

Note:

* Centrex customers with 1 - 9 lines are charged a total of \$0.53; each additional line over 9 is charge an additional \$.06 per line.

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Rate Development for Federal End User

Special Access USF Charge

1	Verizon Special Access End User Revenues (Circularity Revenues Removed)	From WP USF-2 (Column B Line 1)	\$ 62,324,245
2	Verizon Interstate Special Access End User (FCC 4th Quarter 2002 Contribution Factor)	4th Quarter 2002 Contribution Factor	<u>0.072805</u>
3	4th Quarter Contribution (Special)	Ln 1 * Ln 2	\$ <u>4,537,517</u>