

VERIZON TELEPHONE COMPANIES FCC TARIFF NO. 16
INVESTMENT AND COST DATA
SUMMARY

ICB #: NV02_1017 DS3 Rider
Rate Element: DS3 Rider
State: Nevada-C

Workpaper DS3 Rider
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Transmittal No. 263

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$7,550.55
2. Outside Plant Material	\$0.00
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$7,550.55
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
6. Outside Plant Net Salvage (Incl. Cost of Removal)	\$0.00
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
8. Net Material Cost (4)-(5)-(6)-(7)	\$7,550.55

LABOR HOURS LABOR RATE

II. Installation Cost

9. Circuit Equipment Engineering Labor	\$367.50	\$5.00	\$73.50
10. Outside Plant Engineering Labor	\$0.00	\$0.00	\$76.77
11. Central Office Equipment Engineering Labor	\$0.00	\$0.00	73.50
12. Total Engineering Labor (9)+(10)+(11)	\$367.50		
13. Circuit Equipment Installation Labor	\$673.32	\$15.50	43.44
14. Outside Plant Installation Labor	\$0.00	\$0.00	51.49
15. Central Office Equipment Installation Labor	\$0.00	\$0.00	43.44
16. Total Installation Labor (13)+(14)+(15)	\$673.32		
17. Total Installed Cost (4)+(12)+(16)	\$8,591.37		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$1,040.82
19. Cost of Removal Net of Salvage	\$0.00
20. Total Non-Reusable Cost (18)+(19)	\$1,040.82

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$8,591.37	<u>% of Total Investment</u>
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V. Total Annual Costs

22. Circuit Equipment Depreciation	\$2,657.97	31%
23. Outside Plant Depreciation	\$0.00	0%
24. Central Office Equipment Depreciation	\$0.00	0%
25. Return	\$1,623.52	19%
26. Federal and State Income Tax	\$526.66	6%
27. Plant Specific - Maintenance/Repair	\$92.52	1%
28. Direct Administration	\$397.19	5%
29. Non-Capitalized Expenses	\$0.00	0%
30. GRT on Incremental Cost	\$0.00	0%
31. Total Incremental Cost (22)..(30)	\$5,297.85	

Indirect Administration:

32. Plant Specific - Support	\$335.63	4%
33. Plant Non-Specific	\$248.81	3%
34. Corporate Operations	\$223.33	3%
35. Miscellaneous Loadings	\$0.00	0%
36. Other Taxes	\$0.00	0%
37. GRT on Indirect Admin.	\$0.00	0%
38. Total Fully Allocated Cost (31)+(32)..(37)	\$6,105.62	

VI. Amounts to be Tariffed

39. Proposed Non-Recurring Charge	\$0.00
40. Credit for NRC	\$0.00
41. Incremental Monthly Cost	\$178.38
42. 3 year Monthly Recurring Charge	\$250.00
43. Fully Allocated Monthly Cost	\$205.58

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

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Return

Components	Investment	Monthly Present Value Cost
Circuit Equipment Material	\$7,550.55	\$126.69
Circuit Equipment Engineering	\$367.50	\$6.17
Circuit Equipment Installation	\$673.32	\$11.30
Total Circuit Equipment	\$8,591.37	\$144.16
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery x 36 Months		\$144.16 36
Annual Circuit Equipment Capital Recovery		\$5,189.66
Less:		
Annual Circuit Equipment Depreciation		\$1,073.92
Annual Circuit Equipment Return		\$4,115.74

Components	Investment	Monthly Present Value Cost
Outside Plant Material	\$0.00	\$0.00
Outside Plant Engineering	\$0.00	\$0.00
Outside Plant Installation	\$0.00	\$0.00
Total Outside Plant	\$0.00	\$0.00
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 36 Months		\$0.00 36
Annual Outside Plant Capital Recovery		\$0.00
Less:		
Annual Outside Plant Depreciation		\$0.00
Annual Outside Plant Return		\$0.00

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Return (contd.)

Components	Investment	Monthly Present Value Cost
Central Office Equip. Material	\$0.00	\$0.00
Central Office Equip. Engineering	\$0.00	\$0.00
Central Office Equip. Installation	\$0.00	\$0.00
Total Central Office Equip.	\$0.00	\$0.00
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Central Office Equip. Capital Recovery x 36 Months		\$0.00 36
Annual Central Office Equip. Capital Recovery		\$0.00
Less:		
Annual Central Office Equip. Depreciation		\$0.00
Annual Central Office Equip. Return		\$0.00
Circuit Equipment Return		\$4,115.74
Outside Plant Return		\$0.00
Central Office Equipment Return		\$0.00
Total Return		\$4,115.74

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$8,591.37	\$0.00	\$17.73
Total Outside Plant	\$0.00	\$0.00	\$0.00
Total Central Office Equipment	\$0.00	\$0.00	\$0.00
Total Monthly Federal and State Income Tax X 36 Months			\$14.63 36
Total Annual Federal and State Income Tax			\$526.66