

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

ICB #: NV02_1017 CDL
Rate Element: OC12 Single Route CDL Link
State: Nevada-C

Workpaper OC12 Single Route CDL Link
Page 1 of 3
Transmittal No. 263

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$24,958.98
2. Outside Plant Material	\$9,444.47
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$34,403.45
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)	\$34,403.45

LABOR HOURS LABOR RATE

II. Installation Cost

9. Circuit Equipment Engineering Labor	\$2,940.00	\$40.00	\$73.50
10. Outside Plant Engineering Labor	\$6,284.39	\$81.86	\$76.77
11. Central Office Equipment Engineering Labor	\$0.00	\$0.00	73.50
12. Total Engineering Labor (9)+(10)+(11)	\$9,224.39		
13. Circuit Equipment Installation Labor	\$4,344.00	\$100.00	43.44
14. Outside Plant Installation Labor	\$62,340.23	\$1,210.73	51.49
15. Central Office Equipment Installation Labor	\$0.00	\$0.00	43.44
16. Total Installation Labor (13)+(14)+(15)	\$66,684.23		
17. Total Installed Cost (4)+(12)+(16)	\$110,312.08		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$75,908.63
19. Cost of Removal Net of Salvage	\$0.00
20. Total Non-Reusable Cost (18)+(19)	\$75,908.63

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$110,312.08	<u>% of Total Investment</u>
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V. Total Annual Costs

22. Circuit Equipment Depreciation	\$15,197.02	47%
23. Outside Plant Depreciation	\$70,869.88	91%
24. Central Office Equipment Depreciation	\$0.00	0%
25. Return	\$21,779.61	20%
26. Federal and State Income Tax	\$7,751.11	7%
27. Plant Specific - Maintenance/Repair	\$3,938.58	4%
28. Direct Administration	\$5,644.28	5%
29. Non-Capitalized Expenses	\$0.00	0%
30. GRT on Incremental Cost	\$0.00	0%
31. Total Incremental Cost (22)..(30)	\$125,180.47	

Indirect Administration:

32. Plant Specific - Support	\$1,435.68	1%
33. Plant Non-Specific	\$3,535.72	3%
34. Corporate Operations	\$3,173.72	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)	\$133,325.59	

VI. Amounts to be Tariffed

39. Proposed Non-Recurring Charge	\$6,000.00
40. Credit for NRC	\$182.53
41. Incremental Monthly Cost	\$3,808.23
42. 3 year Monthly Recurring Charge	\$4,450.00
43. Fully Allocated Monthly Cost	\$4,056.02

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

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Workpaper OC12 Single Route CDL Link
Page 2 of 3

Return

Components	Investment	Monthly Present Value Cost
Circuit Equipment Material	\$24,958.98	\$418.79
Circuit Equipment Engineering	\$2,940.00	\$98.99
Circuit Equipment Installation	\$4,344.00	\$146.26
Total Circuit Equipment	\$32,242.98	\$664.05
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery x 36 Months		\$664.05 36
Annual Circuit Equipment Capital Recovery		\$23,905.64
Less:		
Annual Circuit Equipment Depreciation		\$5,547.87
Annual Circuit Equipment Return		\$18,357.77

Components	Investment	Monthly Present Value Cost
Outside Plant Material	\$9,444.47	\$110.31
Outside Plant Engineering	\$6,284.39	\$211.59
Outside Plant Installation	\$62,340.23	\$2,098.99
Total Outside Plant	\$78,069.10	\$2,420.90
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 36 Months		\$20.68 36
Annual Outside Plant Capital Recovery		\$744.58
Less:		
Annual Outside Plant Depreciation		\$169.77
Annual Outside Plant Return		\$574.81

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

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Page 3 of 3

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		\$18,357.77
Outside Plant Return		\$574.81
Central Office Equipment Return		\$0.00
Total Return		\$18,932.57

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$32,242.98	\$0.00	\$64.96
Total Outside Plant	\$78,069.10	\$0.00	\$2.52
Total Central Office Equipment	\$0.00	\$0.00	\$0.00
Total Monthly Federal and State Income Tax X 36 Months			\$215.31 36
Total Annual Federal and State Income Tax			\$7,751.11