

VERIZON TELEPHONE COMPANIES FCC TARIFF NO. 14
INVESTMENT AND COST DATA

SUMMARY

ICB #: TX02-02124 (TX2002-226464)

Rate Element: New Fiber Construction

State: Texas-G

page 1 of 3

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$2,292.48
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$2,292.48
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
6. Outside Plant Net Salvage (Incl. Cost of Removal)	-\$4,486.65
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
8. Net Material Cost (4)-(5)-(6)-(7)	\$6,779.12

LABOR HOURS LABOR RATE

II. Installation Cost

9. Circuit Equipment Engineering Labor	\$0.00	\$0.00	\$70.64
10. Outside Plant Engineering Labor	\$10,993.63	\$196.60	\$55.92
11. Central Office Equipment Engineering Labor	\$0.00	\$0.00	70.64
12. Total Engineering Labor (9)+(10)+(11)	\$10,993.63		
13. Circuit Equipment Installation Labor	\$0.00	\$0.00	44.45
14. Outside Plant Installation Labor	\$31,580.35	\$748.35	42.20
15. Central Office Equipment Installation Labor	\$0.00	\$0.00	44.45
16. Total Installation Labor (13)+(14)+(15)	\$31,580.35		
17. Total Installed Cost (4)+(12)+(16)	\$44,866.46		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$42,573.98
19. Cost of Removal Net of Salvage	\$4,486.65
20. Total Non-Reusable Cost (18)+(19)	\$47,060.63

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$49,353.10	<u>% of Total Investment</u>
---	-------------	------------------------------

V. Total Annual Costs

22. Circuit Equipment Depreciation	\$0.00	0.00%
23. Outside Plant Depreciation	\$6,759.53	15.07%
24. Central Office Equipment Depreciation	\$0.00	0.00%
25. Return	\$8,879.78	19.79%
26. Federal and State Income Tax	\$3,473.17	7.74%
27. Plant Specific - Maintenance/Repair	\$195.04	0.43%
28. Direct Administration	\$3,233.27	7.21%
29. Non-Capitalized Expenses	\$0.00	0.00%
30. GRT on Incremental Cost	\$0.00	0.00%
31. Total Incremental Cost (22)..(30)	\$22,540.79	

Indirect Administration:

32. Plant Specific - Support	\$1,797.30	4.01%
33. Plant Non-Specific	\$2,868.99	6.39%
34. Corporate Operations	\$3,130.28	6.98%
35. Miscellaneous Loadings	\$1,947.60	4.34%
36. Other Taxes	\$233.51	0.52%
37. GRT on Indirect Admin.	\$0.00	0.00%
38. Total Fully Allocated Cost (31)+(32)..(37)	\$32,518.46	

VI. Amounts to be Tariffed

39. Proposed Non-Recurring Charge	\$13,563.00
40. Credit for NRC	\$412.61
41. Incremental Monthly Cost	\$685.73
42. 1 year Monthly Recurring Charge	\$0.00
43. 3 year Monthly Recurring Charge	\$1,651.00
44. 5 year Monthly Recurring Charge	\$0.00
45. 7 year Monthly Recurring Charge	\$0.00
46. Fully Allocated Monthly Cost	\$989.27

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

ICB #: TX02-02124 (TX2002-226464)
 Rate Element: New Fiber Construction
 State: Texas-G

Return

Components	Investment	Monthly Present Value Cost
Circuit Equipment Material	\$0.00	\$0.00
Circuit Equipment Engineering	\$0.00	\$0.00
Circuit Equipment Installation	\$0.00	\$0.00
Total Circuit Equipment	\$0.00	\$0.00
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery x 12 Months		\$0.00 12
Annual Circuit Equipment Capital Recovery		\$0.00
Less:		
Annual Circuit Equipment Depreciation		\$0.00
Annual Circuit Equipment Return		\$0.00

Components	Investment	Monthly Present Value Cost
Outside Plant Material	\$2,292.48	\$24.05
Outside Plant Engineering	\$10,993.63	\$115.35
Outside Plant Installation	\$31,580.35	\$331.36
Total Outside Plant	\$44,866.46	\$470.76
Less		
Net Salvage Value	-\$4,486.65	-\$5.01
Monthly Outside Plant Capital Recovery x 12 Months		\$475.78 12
Annual Outside Plant Capital Recovery		\$5,709.34
Less:		
Annual Outside Plant Depreciation		\$2,467.66
Annual Outside Plant Return		\$3,241.68

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

ICB #: TX02-02124 (TX2002-226464)
 Rate Element: New Fiber Construction
 State: Texas-G

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 12 Months		\$0.00 <u>12</u>
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		\$0.00
Outside Plant Return		\$3,241.68
Central Office Equipment Return		\$0.00
Total Return		<u><u>\$3,241.68</u></u>

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$0.00	\$0.00	\$0.00
Total Outside Plant	\$44,866.46	\$0.00	\$105.66
Total Central Office Equipment	\$0.00	\$0.00	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$289.43 <u>12</u>
Total Annual Federal and State Income Tax			<u><u>\$3,473.17</u></u>