

VERIZON TELEPHONE COMPANIES
INVESTMENT AND COST DATA
SUMMARY

ICB #: ICB Number
Rate Element: MI0201144
State: Michigan-G

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$1,848.06		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$1,848.06		
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)	\$1,848.06		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$64.37
10. Outside Plant Engineering Labor	\$0.00	0.00	\$61.49
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$64.37
12. Total Engineering Labor (9)+(10)+(11)	\$0.00		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$46.11
14. Outside Plant Installation Labor	\$8,093.57	168.86	\$47.93
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$46.11
16. Total Installation Labor (13)+(14)+(15)	\$8,093.57		
17. Total Installed Cost (4)+(12)+(16)	\$9,941.63		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$8,093.57		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$8,093.57		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$9,941.63		
		<u>% of Total Investment</u>	
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$9,361.41	94.16%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$580.22	5.84%	
26. Federal and State Income Tax	\$199.62	2.01%	
27. Plant Specific - Maintenance/Repair	\$9.70	0.10%	
28. Direct Administration	\$284.60	2.86%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	\$10,435.54		
Indirect Administration:			
32. Plant Specific - Support	\$159.45	1.60%	
33. Plant Non-Specific	\$240.54	2.42%	
34. Corporate Operations	\$75.25	0.76%	
35. Miscellaneous Loadings	\$77.14	0.78%	
36. Other Taxes	\$43.76	0.44%	
37. GRT on Indirect Admin.	\$0.00	0.00%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$11,031.69		
		<u>% Unit Cost/ Price</u>	
VI. Amounts to be Tariffed			
39. Proposed One-time Charge	\$10,854.00		

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

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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	\$1,848.06	\$163.55
Outside Plant Engineering	\$0.00	\$0.00
Outside Plant Installation	\$8,093.57	\$716.27
Total Outside Plant	\$9,941.63	\$879.82
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$879.82 12
Annual Outside Plant Capital Recovery		\$10,557.81
Less:		
Annual Outside Plant Depreciation		\$9,941.63
Annual Outside Plant Return		\$616.18

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

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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 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		\$616.18
Central Office Equipment Return		<u>\$0.00</u>
Total Return		<u><u>\$616.18</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	\$9,941.63	\$0.00	\$17.67
Total Central Office Equipment	\$0.00	\$0.00	<u>\$0.00</u>
Total Monthly Federal and State Income Tax X 12 Months			\$16.64 <u>12</u>
Total Annual Federal and State Income Tax			<u><u>\$199.62</u></u>