

Chart 1

Fort Bend Telephone Company

Total Installed Investment and Expenses

Total Installed Investment Dedicated	Account	Total	Year 1	Year 2	Year 3	Year 4	Year 5
PC Computer for Database	2124	3,301	3,301	0	0	0	0
Switch Hardware Upgrade	2212	140,000	140,000	0	0	0	0
Switch Software Upgrade	2212	220,000	220,000	0	0	0	0
Total Investment		363,301	363,301	0	0	0	0

Total Expenses Dedicated	Account	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Modify & Upgrade Switch	6212	13,708	13,708	0	0	0	0
LNP Design, Testing and Implementation	6212	39,958	15,958	6,000	6,000	6,000	6,000
Programming	6212	88,729	75,461	4,126	4,126	2,508	2,508
SPNP Charges	6212	140	140	0	0	0	0
Database Query Charges	6212	925,695	162,590	173,350	184,710	196,702	208,343
Database Connectivity	6212	76,878	22,759	12,936	13,324	13,724	14,135
Project Management	6728	14,078	14,078	0	0	0	0
Total Expenses		1,159,187	304,695	196,412	208,160	218,933	230,987

Chart 2

Fort Bend Telephone Company

Apportionment of Costs

Apportionment of Investment to End User Service	Apportionment Method	Apportion Percent	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Switch Hardware Upgrade	Direct Assignment	99%	138,600	138,600	0	0	0	0
Switch Software Upgrade	Direct Assignment	99%	217,800	217,800	0	0	0	0
Total Investment			356,400	356,400	0	0	0	0

Apportionment of Expenses to End User Service	Apportionment Method	Apportion Percent	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Modify & Upgrade Switch	Direct Assignment	99%	13,571	13,571	0	0	0	0
LNP Design, Testing and Implementation	Direct Assignment	99%	39,558	15,798	5,940	5,940	5,940	5,940
SPNP Charges	Direct Assignment	100%	140	140	0	0	0	0
Database Connectivity	Direct Assignment	100%	76,878	22,759	12,936	13,324	13,724	14,135
Database Query Charges	Direct Assignment	93%	864,329	151,812	161,858	172,465	183,662	194,532
Programming	Direct Assignment	99%	87,842	74,706	4,085	4,085	2,483	2,483
Project Management	Direct Assignment	99%	13,937	13,937	0	0	0	0
Total Expenses			1,096,255	292,723	184,819	195,814	205,809	217,090

Apportionment of Investment to Database Query	Apportionment Method	Apportion Percent	Total	Year 1	Year 2	Year 3	Year 4	Year 5
PC Computer for Database	Direct Assignment	100%	3,301	3,301	0	0	0	0
Switch Hardware Upgrade	Direct Assignment	1%	1,400	1,400	0	0	0	0
Switch Software Upgrade	Direct Assignment	1%	2,200	2,200	0	0	0	0
Total Investment			6,901	6,901	0	0	0	0

Apportionment of Expenses to Database Query	Apportionment Method	Apportion Percent	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Modify & Upgrade Switch	Direct Assignment	1%	137	137	0	0	0	0
LNP Design, Testing and Implementation	Direct Assignment	1%	400	160	60	60	60	60
Programming	Direct Assignment	1%	887	755	41	41	25	25
Database Query Charges	Direct Assignment	7%	61,366	10,778	11,492	12,245	13,040	13,811
Project Management	Direct Assignment	1%	141	141	0	0	0	0
Total Expenses			62,931	11,971	11,593	12,346	13,125	13,896

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Chart 3

Fort Bend Telephone Company

End User Service

Revenue Requirement	Source	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Investment Costs							
1. Installed Investment	Chart 2 Total Investment	356,400	356,400	356,400	356,400	356,400	356,400
2. Power & Common Plant	Line 1 * .04	14,256	14,256	14,256	14,256	14,256	14,256
3. Total Investment	Line 1 + Line 2	370,656	370,656	370,656	370,656	370,656	370,656
4. Capacity Investment	Line 3 / .9 (set to 1 if N/A)	370,656	370,656	370,656	370,656	370,656	370,656
5. Utilized Investment	Line 4 * 1	370,656	370,656	370,656	370,656	370,656	370,656
Capital Costs							
6. Salvage		0	0	0	0	0	0
7. Depreciation Expense	Straight Line 5 Years	370,656	74,131	74,131	74,131	74,131	74,131
8. Depreciation Reserve	L7 (Prev LTD + Cur/2)	185,328	37,066	111,197	185,328	259,459	333,590
9. Net Investment	Line 5 - Line 8	185,328	333,590	259,459	185,328	111,197	37,066
10. Return on Investment	Line 9 * 11.25%	104,247	37,529	29,189	20,849	12,510	4,170
11. Taxable Return	Line 10 * .00736002	68,201	24,552	19,096	13,640	8,184	2,728
12. Income Taxes	Line 11 * 61%	41,800	15,048	11,704	8,360	5,016	1,672
13. Property Taxes	Line 5 * 1.4%	25,945	5,189	5,189	5,189	5,189	5,189
14. Total Capital Costs	L7 + L10 + L12 +L13	542,648	131,897	120,213	108,529	96,846	85,162
Annual Expenses							
15. Recurring LNP Expenses	Chart 2 Expense Total	1,096,255	292,723	184,819	195,814	205,809	217,090
16. Maintenance Expenses	Line 5 * 6.67%	73,120	19,525	12,327	13,061	13,727	14,480
17. Total Annual Expenses	Line 15 + Line 16	1,169,375	312,248	197,146	208,875	219,536	231,570
Annualized Cost							
18. Present Worth Factors	1/(1 + 0.1125)^year		1.0000	0.8989	0.8080	0.7263	0.6528
19. Capital Cost Present Worth	Line 14 * Line 18	453,582	131,897	108,060	87,692	70,339	55,594
20. Expenses Present Worth	Line 17 * Line 18	968,852	312,248	177,215	168,771	159,449	151,169
21. Capital & Expenses Cost	Line 19 + Line 20	1,422,434	444,145	285,275	256,463	229,788	206,763
22. Overhead Costs	N/A	0	0	0	0	0	0
23. Levelized Total Annual Costs	Line 21 + Line 22	1,422,434	444,145	285,275	256,463	229,788	206,763
Rate Development							
24. Annual Costs	Line 23	1,422,434	444,145	285,275	256,463	229,788	206,763
25. Portable Lines	Demand Worksheet	192,201	46,205	41,949	38,084	34,576	31,387
26. 5-Year Annual Cost per Portable Line	Line 24 / Line 25	\$7.40	\$9.61	\$6.80	\$6.73	\$6.65	\$6.59
27. Monthly Cost per Portable Line		\$0.62					

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Chart 4

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Database Query

Revenue Requirement	Source	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Investment Costs							
1. Installed Investment	Chart 2 Total Investment	6,901	6,901	6,901	6,901	6,901	6,901
2. Power & Common Plant	Line 1 * .04	276	276	276	276	276	276
3. Total Investment	Line 1 + Line 2	7,177	7,177	7,177	7,177	7,177	7,177
4. Capacity Investment	Line 3 / .9 (set to 1 if N/A)	7,177	7,177	7,177	7,177	7,177	7,177
5. Utilized Investment	Line 4 * 1	7,177	7,177	7,177	7,177	7,177	7,177
Capital Costs							
6. Salvage		0	0	0	0	0	0
7. Depreciation Expense	Straight Line 5 Years	7,177	1,435	1,435	1,435	1,435	1,435
8. Depreciation Reserve	L7 (Prev LTD + Cur/2)	3,589	718	2,153	3,589	5,024	6,459
9. Net Investment	Line 5 - Line 8	3,589	6,459	5,024	3,589	2,153	718
10. Return on Investment	Line 9 * 11.35%	2,019	727	565	404	242	81
11. Taxable Return	Line 10 * .0736002	1,321	475	370	264	158	53
12. Income Taxes	Line 11 * 61%	809	291	227	162	97	32
13. Property Taxes	Line 5 * 1.4%	500	100	100	100	100	100
14. Total Capital Costs	L7 + L10 + L12 +L13	10,505	2,553	2,327	2,101	1,874	1,648
Annual Expenses							
15. Recurring LNP Expenses	Chart 2 Expense Total	62,931	11,971	11,593	12,346	13,125	13,896
16. Maintenance Expenses	Line 5 * 6.67%	509	165	39	69	101	135
17. Total Annual Expenses	Line 15 + Line 16	63,440	12,136	11,632	12,415	13,226	14,031
Annualized Cost							
18. Present Worth Factors	1/(1 + 0.1125)^year		1.0000	0.8989	0.8080	0.7263	0.6528
19. Capital Cost Present Worth	Line 14 * Line 18	8,780	2,553	2,092	1,698	1,361	1,076
20. Expenses Present Worth	Line 17 * Line 18	51,389	12,136	10,456	10,031	9,606	9,160
21. Capital & Expenses Cost	Line 19 + Line 20	60,169	14,689	12,548	11,729	10,967	10,236
22. Overhead Costs	N/A	0	0	0	0	0	0
23. Levelized Total Annual Costs	Line 21 + Line 22	60,169	14,689	12,548	11,729	10,967	10,236
Rate Development							
24. Annual Costs	Line 22	60,169	14,689	12,548	11,729	10,967	10,236
25. Annual Database Queries	Demand Worksheet	22,093,734	3,839,585	4,187,702	4,474,053	4,705,347	4,887,047
26. Monthly Cost per Query	Line 24 / Line 25	\$0.002723	\$0.003826	\$0.002996	\$0.002622	\$0.002331	\$0.002095

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Demand Units

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Description	Source	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Present Worth Factor							
1. Year							
2. Present Worth Factor	$1/(1 + 0.1125)^{\text{year}}$		1.0000	0.8989	0.8080	0.7263	0.6528
Portable Lines							
3. Total Access Lines (Equivalents)	L1 + L2 - L3	235,692	46,205	46,667	47,134	47,605	48,081
4. PW Units in Service	L2 * L6	192,201	46,205	41,949	38,084	34,576	31,387
Database Query - Total							
5. Units per Year		413,256,877	72,585,015	77,388,360	82,459,835	87,813,208	93,010,459
6. PW Units in Service	L2 * L5	333,272,919	72,585,015	69,564,396	66,627,547	63,778,733	60,717,228
Database Query - Local							
5. Units per Year		385,256,599	68,745,430	72,729,663	76,922,642	81,334,691	85,524,173
6. PW Units in Service	L2 * L5	311,179,185	68,745,430	65,376,694	62,153,494	59,073,386	55,830,180
Database Query - N-1							
5. Units per Year		28,000,278	3,839,585	4,658,697	5,537,194	6,478,517	7,486,286
6. PW Units in Service	L2 * L5	22,093,734	3,839,585	4,187,702	4,474,053	4,705,347	4,887,047
Demand Assumptions							
7. Assume all lines LNP capable in 2002							
8. Estimated queries per 7 day traffic study		93.22%	94.71%	93.98%	93.28%	92.62%	91.95%
9. Estimated Access line growth of 1%							