

VERIZON TELEPHONE COMPANIES FCC TARIFF NO. 21  
INVESTMENT AND COST DATA  
SUMMARY

ICB #: VZ Wireless 01724  
Rate Element: special construction  
State: Hawaii-G

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|   |             |                               |          |
|---|-------------|-------------------------------|----------|
| I. Cost and Salvage Value of Equipment                          |             |                               |          |
| 1. Circuit Equipment Material                                   | \$0.00      |                               |          |
| 2. Outside Plant Material                                       | \$4,887.21  |                               |          |
| 3. Central Office Equipment Material                            | \$0.00      |                               |          |
| 4. Total Material Cost (1)+(2)+(3)                              | \$4,887.21  |                               |          |
| 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)                            | \$4,887.21  |                               |          |
|   |             | <u>LABOR HOURS LABOR RATE</u> |          |
| II. Installation Cost   |             |                               |          |
| 9. Circuit Equipment Engineering Labor                          | \$0.00      | -                             | \$ 52.53 |
| 10. Outside Plant Engineering Labor                             | \$13,284.00 | 206.69                        | \$ 64.27 |
| 11. Central Office Equipment Engineering Labor                  | \$0.00      | -                             | \$ 52.53 |
| 12. Total Engineering Labor (9)+(10)+(11)                       | \$13,284.00 |                               |          |
| 13. Circuit Equipment Installation Labor                        | \$0.00      | -                             | \$ 49.91 |
| 14. Outside Plant Installation Labor                            | \$43,433.00 | 816.26                        | \$ 53.21 |
| 15. Central Office Equipment Installation Labor                 | \$0.00      | -                             | \$ 49.91 |
| 16. Total Installation Labor (13)+(14)+(15)                     | \$43,433.00 |                               |          |
| 17. Total Installed Cost (4)+(12)+(16)                          | \$61,604.21 |                               |          |
| III. Non-Reusable Cost  |             |                               |          |
| 18. Engineering/Installation Labor Cost (12)+(16)               | \$56,717.00 |                               |          |
| 19. Cost of Removal Net of Salvage                              | \$0.00      |                               |          |
| 20. Total Non-Reusable Cost (18)+(19)                           | \$56,717.00 |                               |          |
| IV. Net Investment  |             |                               |          |
| 21. Total Net Investment (17)-(5)-(6)-(7)                       | \$61,604.21 | % of Total Investment         |          |
| V. Total Annual Costs   |             |                               |          |
| 22. Circuit Equipment Depreciation                              | \$0.00      | 0.000%                        |          |
| 23. Outside Plant Depreciation                                  | \$58,008.84 | 94.164%                       |          |
| 24. Central Office Equipment Depreciation                       | \$0.00      | 0.000%                        |          |
| 25. Return  | \$3,595.37  | 5.836%                        |          |
| 26. Federal and State Income Tax                                | \$1,104.02  | 1.792%                        |          |
| 27. Plant Specific - Maintenance/Repair                         | \$1,492.10  | 2.422%                        |          |
| 28. Direct Administration                                       | \$1,134.07  | 1.841%                        |          |
| 29. Non-Capitalized Expenses                                    | \$0.00      | 0.000%                        |          |
| 30. GRT on Incremental Cost                                     | \$4,456.13  | 7.233%                        |          |
| 31. Total Incremental Cost (22)..(30)                           | \$69,790.54 |                               |          |
| Indirect Administration:  |             |                               |          |
| 32. Plant Specific - Support                                    | \$1,062.03  | 1.724%                        |          |
| 33. Plant Non-Specific  | \$0.00      | 0.000%                        |          |
| 34. Corporate Operations  | \$0.00      | 0.000%                        |          |
| 35. Miscellaneous Loadings                                      | \$0.00      | 0.000%                        |          |
| 36. Other Taxes   | \$0.00      | 0.000%                        |          |
| 37. GRT on Indirect Admin.                                      | \$214.75    | 0.349%                        |          |
| 38. Total Fully Allocated Cost (31)+(32)..(37)                  | \$71,067.31 |                               |          |
|   |             | % Unit Cost/ Price            |          |
| VI. Amounts to be Tariffed                                      |             |                               |          |
| 39. Proposed Lump Sum Charge                                    | \$75,705.00 |                               |          |

# 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<br>x 12 Months |            | \$0.00<br>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                                | \$4,887.21  | \$432.51                   |
| Outside Plant Engineering                             | \$13,284.00 | \$1,175.61                 |
| Outside Plant Installation                            | \$43,433.00 | \$3,843.75                 |
| Total Outside Plant                                   | \$61,604.21 | \$5,451.87                 |
| Less  |             |                            |
| Net Salvage Value                                     | \$0.00      | \$0.00                     |
| Monthly Outside Plant Capital Recovery<br>x 12 Months |             | \$5,451.87<br>12           |
| Annual Outside Plant Capital Recovery                 |             | \$65,422.43                |
| Less:   |             |                            |
| Annual Outside Plant Depreciation                     |             | \$61,604.21                |
| Annual Outside Plant Return                           |             | \$3,818.21                 |

# 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<br>x 12 Months |            | \$0.00<br>12               |
| 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  |            | \$3,818.21                 |
| Central Office Equipment Return                               |            | \$0.00                     |
| Total Return  |            | \$3,818.21                 |

## Federal and State Income Tax

| Components  | Investment  | Factor | Monthly Present Value Cost |
|---|-------------|--------|----------------------------|
| Total Circuit Equipment                                   | \$0.00      | \$0.00 | \$0.00                     |
| Total Outside Plant                                       | \$61,604.21 | \$0.00 | \$97.70                    |
| Total Central Office Equipment                            | \$0.00      | \$0.00 | \$0.00                     |
| Total Monthly Federal and State Income Tax<br>X 12 Months |             |        | \$92.00<br>12              |
| Total Annual Federal and State Income Tax                 |             |        | \$1,104.02                 |