

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

ICB #: 2002-233258

Rate Element: Health Care Service Corp
State: Illinois-G

page 1 of 3

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$9,605.86
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$9,605.86
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)	\$9,605.86

LABOR HOURS LABOR RATE

II. Installation Cost

9. Circuit Equipment Engineering Labor	\$0.00	\$0.00	\$61.41
10. Outside Plant Engineering Labor	\$2,767.66	\$53.00	\$52.22
11. Central Office Equipment Engineering Labor	\$0.00	\$0.00	61.41
12. Total Engineering Labor (9)+(10)+(11)	\$2,767.66		
13. Circuit Equipment Installation Labor	\$0.00	\$0.00	44.23
14. Outside Plant Installation Labor	\$3,138.20	\$68.00	46.15
15. Central Office Equipment Installation Labor	\$0.00	\$0.00	44.23
16. Total Installation Labor (13)+(14)+(15)	\$3,138.20		
17. Total Installed Cost (4)+(12)+(16)	\$15,511.72		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$5,905.86
19. Cost of Removal Net of Salvage	\$0.00
20. Total Non-Reusable Cost (18)+(19)	\$5,905.86

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$15,511.72	% of Total Investment
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V. Total Annual Costs

22. Circuit Equipment Depreciation	\$0.00	\$0.00
23. Outside Plant Depreciation	\$14,606.41	\$0.94
24. Central Office Equipment Depreciation	\$0.00	\$0.00
25. Return	\$905.30	\$0.06
26. Federal and State Income Tax	\$298.85	\$0.02
27. Plant Specific - Maintenance/Repair	\$27.46	\$0.00
28. Direct Administration	\$431.15	\$0.03
29. Non-Capitalized Expenses	\$0.00	\$0.00
30. GRT on Incremental Cost	\$0.00	\$0.00
31. Total Incremental Cost (22)..(30)	\$16,269.17	

Indirect Administration:

32. Plant Specific - Support	\$221.94	\$0.01
33. Plant Non-Specific	\$0.00	\$0.00
34. Corporate Operations	\$0.00	\$0.00
35. Miscellaneous Loadings	\$0.00	\$0.00
36. Other Taxes	\$0.00	\$0.00
37. GRT on Indirect Admin.	\$0.00	\$0.00
38. Total Fully Allocated Cost (31)+(32)..(37)	\$16,491.11	

VI. Amounts to be Tariffed

39. Proposed One Time Charge	\$16,521.00	% Unit Cost/ Price
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RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

ICB #: 2002-233258
 Rate Element: Health Care Service Corp
 State: Illinois-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	\$9,605.86	\$850.10
Outside Plant Engineering	\$2,767.66	\$244.93
Outside Plant Installation	\$3,138.20	\$277.73
Total Outside Plant	\$15,511.72	\$1,372.76
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$1,372.76 12
Annual Outside Plant Capital Recovery		\$16,473.13
Less:		
Annual Outside Plant Depreciation		\$15,511.72
Annual Outside Plant Return		\$961.41

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		\$961.41
Central Office Equipment Return		<u>\$0.00</u>
Total Return		<u><u>\$961.41</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	\$15,511.72	\$0.00	\$26.45
Total Central Office Equipment	\$0.00	\$0.00	<u>\$0.00</u>
Total Monthly Federal and State Income Tax X 12 Months			\$24.90 <u>12</u>
Total Annual Federal and State Income Tax			<u><u>\$298.85</u></u>