

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

ICB #: PA0301533

Rate Element: Winber Med Single Route
 State: Pennsylvania-G

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I. Cost and Salvage Value of Equipment

| | |
|---|-------------|
| 1. Circuit Equipment Material | \$0.00 |
| 2. Outside Plant Material | \$66,242.67 |
| 3. Central Office Equipment Material | \$0.00 |
| 4. Total Material Cost (1)+(2)+(3) | \$66,242.67 |
| 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) | \$66,242.67 |

LABOR HOURS LABOR RATE

II. Installation Cost

| | | | |
|---|-------------|--------|---------|
| 9. Circuit Equipment Engineering Labor | \$0.00 | 0.00 | \$78.69 |
| 10. Outside Plant Engineering Labor | \$759.25 | 12.49 | \$60.80 |
| 11. Central Office Equipment Engineering Labor | \$0.00 | 0.00 | \$78.69 |
| 12. Total Engineering Labor (9)+(10)+(11) | \$759.25 | | |
| 13. Circuit Equipment Installation Labor | \$0.00 | 0.00 | \$49.28 |
| 14. Outside Plant Installation Labor | \$12,464.42 | 241.46 | \$51.62 |
| 15. Central Office Equipment Installation Labor | \$0.00 | 0.00 | \$49.28 |
| 16. Total Installation Labor (13)+(14)+(15) | \$12,464.42 | | |
| 17. Total Installed Cost (4)+(12)+(16) | \$79,466.34 | | |

III. Non-Reusable Cost

| | |
|---|-------------|
| 18. Engineering/Installation Labor Cost (12)+(16) | \$13,223.67 |
| 19. Cost of Removal Net of Salvage | \$0.00 |
| 20. Total Non-Reusable Cost (18)+(19) | \$13,223.67 |

IV. Net Investment

| | | |
|---|-------------|-----------------------|
| 21. Total Net Investment (17)-(5)-(6)-(7) | \$79,466.34 | % of Total Investment |
|---|-------------|-----------------------|

V. Total Annual Costs

| | | |
|---|-------------|--------|
| 22. Circuit Equipment Depreciation | \$0.00 | 0.00% |
| 23. Outside Plant Depreciation | \$74,828.49 | 94.16% |
| 24. Central Office Equipment Depreciation | \$0.00 | 0.00% |
| 25. Return | \$4,637.85 | 5.84% |
| 26. Federal and State Income Tax | \$2,256.53 | 2.84% |
| 27. Plant Specific - Maintenance/Repair | \$546.38 | 0.69% |
| 28. Direct Administration | \$4,926.03 | 6.20% |
| 29. Non-Capitalized Expenses | \$0.00 | 0.00% |
| 30. GRT on Incremental Cost | \$4,589.23 | 5.78% |
| 31. Total Incremental Cost (22)..(30) | \$91,784.51 | |

Indirect Administration:

| | | |
|--|-------------|-------|
| 32. Plant Specific - Support | \$1,102.37 | 1.39% |
| 33. Plant Non-Specific | \$1,804.11 | 2.27% |
| 34. Corporate Operations | \$403.85 | 0.51% |
| 35. Miscellaneous Loadings | \$791.61 | 1.00% |
| 36. Other Taxes | \$349.82 | 0.44% |
| 37. GRT on Indirect Admin. | \$234.30 | 0.29% |
| 38. Total Fully Allocated Cost (31)+(32)..(37) | \$96,470.58 | |

% Unit Cost/

VI. Amounts to be Tariffed

| | | |
|------------------------------|-------------|-------|
| 39. Proposed One Time Charge | \$96,509.00 | Price |
| 40. Credit for NRC | \$8,540.88 | |

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 | \$66,242.67 | \$5,862.36 |
| Outside Plant Engineering | \$759.25 | \$67.19 |
| Outside Plant Installation | \$12,464.42 | \$1,103.08 |
| Total Outside Plant | \$79,466.34 | \$7,032.64 |
| Less | | |
| Net Salvage Value | \$0.00 | \$0.00 |
| Monthly Outside Plant Capital Recovery x 12 Months | | \$7,032.64 12 |
| Annual Outside Plant Capital Recovery | | \$84,391.65 |
| Less: | | |
| Annual Outside Plant Depreciation | | \$79,466.34 |
| Annual Outside Plant Return | | \$4,925.31 |

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 | | | \$4,925.31 |
| Central Office Equipment Return | | | <u>\$0.00</u> |
| Total Return | | | <u><u>\$4,925.31</u></u> |

Federal and State Income Tax

| Components | Investment | Factor | Monthly Present |
|---|-------------|--------|--------------------------|
| | | | Value Cost |
| Total Circuit Equipment | \$0.00 | 0.0000 | \$0.00 |
| Total Outside Plant | \$79,466.34 | 0.0025 | \$199.70 |
| Total Central Office Equipment | \$0.00 | 0.0000 | <u>\$0.00</u> |
| Total Monthly Federal and State Income Tax X 12 Months | | | \$188.04 <u>12</u> |
| Total Annual Federal and State Income Tax | | | <u><u>\$2,256.53</u></u> |