

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

ICB #: Qwest TX0302203
Rate Element: special construction
State: Texas-G

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$4,700.71		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$4,700.71		
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)	\$4,700.71		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$72.53
10. Outside Plant Engineering Labor	\$7,608.35	85.00	\$89.51
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$72.53
12. Total Engineering Labor (9)+(10)+(11)	\$7,608.35		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$64.76
14. Outside Plant Installation Labor	\$19,195.89	283.00	\$67.83
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$64.76
16. Total Installation Labor (13)+(14)+(15)	\$19,195.89		
17. Total Installed Cost (4)+(12)+(16)	\$31,504.95		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$26,804.24		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$26,804.24		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$31,504.95		<u>% of Total Investment</u>
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$30,504.49	96.82%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$1,890.66	6.00%	
26. Federal and State Income Tax	\$678.30	2.15%	
27. Plant Specific - Maintenance/Repair	\$48.41	0.15%	
28. Direct Administration	\$802.51	2.55%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	<u>\$33,924.37</u>		
Indirect Administration:			
32. Plant Specific - Support	\$446.10	1.42%	
33. Plant Non-Specific	\$712.10	2.26%	
34. Corporate Operations	\$776.95	2.47%	
35. Miscellaneous Loadings	\$483.40	1.53%	
36. Other Taxes	\$57.96	0.18%	
37. GRT on Indirect Admin.	<u>\$0.00</u>	0.00%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$36,400.88		
VI. Amounts to be Tariffed			
39. Proposed Non-Recurring Charge	\$43,150.00		<u>% Unit Cost/ Price</u>

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		\$0.00
x 12 Months		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	\$4,700.71	\$416.00
Outside Plant Engineering	\$7,608.35	\$673.33
Outside Plant Installation	\$19,195.89	\$1,698.80
Total Outside Plant	\$31,504.95	\$2,788.13
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery		\$2,788.13
x 12 Months		12
Annual Outside Plant Capital Recovery		\$33,457.62
Less:		
Annual Outside Plant Depreciation		\$31,504.95
Annual Outside Plant Return		\$1,952.67

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		\$1,952.67
Central Office Equipment Return		<u>\$0.00</u>
Total Return		<u><u>\$1,952.67</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	\$31,504.95	0.0019	\$58.38
Total Central Office Equipment	\$0.00	0.0000	<u>\$0.00</u>
Total Monthly Federal and State Income Tax X 12 Months			\$56.52 <u>12</u>
Total Annual Federal and State Income Tax			<u><u>\$678.30</u></u>