

VERIZON TELEPHONE COMPANIES FCC TARIFF NO. 16
INVESTMENT AND COST DATA
SUMMARY

ICB #: Vz Wireless 06305
Rate Element: special construction
State: California-C

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$1,042.69		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$1,042.69		
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00		
6. Outside Plant Net Salvage (Incl. Cost of Removal)	-\$679.50		
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$0.00		
8. Net Material Cost (4)-(5)-(6)-(7)	\$1,722.19		
		LABOR HOURS	LABOR RATE
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$71.59
10. Outside Plant Engineering Labor	\$8,051.76	72.00	\$111.83
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$71.59
12. Total Engineering Labor (9)+(10)+(11)	\$8,051.76		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$45.76
14. Outside Plant Installation Labor	\$13,555.60	246.11	\$55.08
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$45.76
16. Total Installation Labor (13)+(14)+(15)	\$13,555.60		
17. Total Installed Cost (4)+(12)+(16)	\$22,650.05		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$21,607.36		
19. Cost of Removal Net of Salvage	\$679.50		
20. Total Non-Reusable Cost (18)+(19)	\$22,286.86		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$23,329.55		% of Total Investment
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$22,055.14	97.37%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$1,206.97	5.33%	
26. Federal and State Income Tax	\$414.21	1.83%	
27. Plant Specific - Maintenance/Repair	\$57.29	0.25%	
28. Direct Administration	\$351.46	1.55%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	\$24,085.06		
Indirect Administration:			
32. Plant Specific - Support	\$576.83	2.55%	
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)	\$24,661.90		
		% Unit Cost/ Price	
VI. Amounts to be Tariffed			
39. Proposed Lump Sum Charge	\$27,856.00		

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 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	\$1,042.69	\$91.91
Outside Plant Engineering	\$8,051.76	\$709.75
Outside Plant Installation	\$13,555.60	\$1,194.91
Total Outside Plant	\$22,650.05	\$1,996.57
Less		
Net Salvage Value	-\$679.50	-\$53.95
Monthly Outside Plant Capital Recovery x 12 Months		\$2,050.52 12
Annual Outside Plant Capital Recovery		\$24,606.26
Less:		
Annual Outside Plant Depreciation		\$23,329.55
Annual Outside Plant Return		\$1,276.71

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 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		\$1,276.71
Central Office Equipment Return		\$0.00
Total Return		<u>\$1,276.71</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	\$22,650.05	0.0016	\$36.51
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$34.52 12
Total Annual Federal and State Income Tax			<u>\$414.21</u>