

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

ICB #: ca0406283

Rate Element: Special Construction (MCI/Adelphia)
State: California-G

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$5,859.89		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$5,859.89		
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00		
6. Outside Plant Net Salvage (Incl. Cost of Removal)	-\$666.84		
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$0.00		
8. Net Material Cost (4)-(5)-(6)-(7)	\$6,526.73		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$71.59
10. Outside Plant Engineering Labor	\$3,578.56	32.00	\$111.83
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$71.59
12. Total Engineering Labor (9)+(10)+(11)	\$3,578.56		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$45.76
14. Outside Plant Installation Labor	\$12,789.56	232.20	\$55.08
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$45.76
16. Total Installation Labor (13)+(14)+(15)	\$12,789.56		
17. Total Installed Cost (4)+(12)+(16)	\$22,228.01		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$16,368.12		
19. Cost of Removal Net of Salvage	\$666.84		
20. Total Non-Reusable Cost (18)+(19)	\$17,034.96		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$22,894.85		
		<u>% of Total</u>	
		<u>Investment</u>	
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$21,558.65	96.99%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$1,265.56	5.69%	
26. Federal and State Income Tax	\$587.73	2.64%	
27. Plant Specific - Maintenance/Repair	\$280.98	1.26%	
28. Direct Administration	\$398.14	1.79%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	\$24,091.06		
Indirect Administration:			
32. Plant Specific - Support	\$651.87	2.93%	
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)	\$24,742.93		
		<u>% Unit Cost/</u>	
		<u>Price</u>	
VI. Amounts to be Tariffed			
39. Proposed Non-Recurring Charge	\$27,868.00		

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 <u>12</u>
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	\$5,859.89	\$518.59
Outside Plant Engineering	\$3,578.56	\$316.70
Outside Plant Installation	\$12,789.56	\$1,131.85
Total Outside Plant	\$22,228.01	\$1,967.14
Less		
Net Salvage Value	-\$666.84	-\$52.76
Monthly Outside Plant Capital Recovery x 12 Months		\$2,019.90 <u>12</u>
Annual Outside Plant Capital Recovery		\$24,238.85
Less:		
Annual Outside Plant Depreciation		\$22,894.85
Annual Outside Plant Return		\$1,344.00

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		\$1,344.00
Central Office Equipment Return		\$0.00
Total Return		\$1,344.00

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$0.00	0.0000	\$0.00
Total Outside Plant	\$22,228.01	0.0023	\$52.01
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$48.98 12
Total Annual Federal and State Income Tax			\$587.73