

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

ICB #: IN0401778  
Rate Element: SERVICE A  
State: Indiana-G

page 1 of 3

|   |                 |                     |                   |
|---|-----------------|---------------------|-------------------|
| I. Cost and Salvage Value of Equipment                          |                 |                     |                   |
| 1. Circuit Equipment Material                                   | \$0.00          |                     |                   |
| 2. Outside Plant Material                                       | \$7,726.35      |                     |                   |
| 3. Central Office Equipment Material                            | \$0.00          |                     |                   |
| 4. Total Material Cost (1)+(2)+(3)                              | \$7,726.35      |                     |                   |
| 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)                            | \$7,726.35      |                     |                   |
|   |                 | <u>LABOR HOURS</u>  | <u>LABOR RATE</u> |
| II. Installation Cost   |                 |                     |                   |
| 9. Circuit Equipment Engineering Labor                          | \$0.00          | 0.00                | \$70.67           |
| 10. Outside Plant Engineering Labor                             | \$2,416.26      | 42.00               | \$57.53           |
| 11. Central Office Equipment Engineering Labor                  | \$0.00          | 0.00                | \$70.67           |
| 12. Total Engineering Labor (9)+(10)+(11)                       | \$2,416.26      |                     |                   |
| 13. Circuit Equipment Installation Labor                        | \$0.00          | 0.00                | \$55.61           |
| 14. Outside Plant Installation Labor                            | \$7,809.80      | 141.82              | \$55.07           |
| 15. Central Office Equipment Installation Labor                 | \$0.00          | 0.00                | \$55.61           |
| 16. Total Installation Labor (13)+(14)+(15)                     | \$7,809.80      |                     |                   |
| 17. Total Installed Cost (4)+(12)+(16)                          | \$17,952.41     |                     |                   |
| III. Non-Reusable Cost  |                 |                     |                   |
| 18. Engineering/Installation Labor Cost (12)+(16)               | \$10,226.06     |                     |                   |
| 19. Cost of Removal Net of Salvage                              | \$0.00          |                     |                   |
| 20. Total Non-Reusable Cost (18)+(19)                           | \$10,226.06     |                     |                   |
| IV. Net Investment  |                 |                     |                   |
| 21. Total Net Investment (17)-(5)-(6)-(7)                       | \$17,952.41     |                     |                   |
|   |                 | <u>% of Total</u>   |                   |
|   |                 | Investment          |                   |
| V. Total Annual Costs   |                 |                     |                   |
| 22. Circuit Equipment Depreciation                              | \$0.00          | 0.00%               |                   |
| 23. Outside Plant Depreciation                                  | \$16,904.66     | 94.16%              |                   |
| 24. Central Office Equipment Depreciation                       | \$0.00          | 0.00%               |                   |
| 25. Return  | \$1,047.75      | 5.84%               |                   |
| 26. Federal and State Income Tax                                | \$303.47        | 1.69%               |                   |
| 27. Plant Specific - Maintenance/Repair                         | \$36.85         | 0.21%               |                   |
| 28. Direct Administration                                       | \$423.43        | 2.36%               |                   |
| 29. Non-Capitalized Expenses                                    | \$0.00          | 0.00%               |                   |
| 30. GRT on Incremental Cost                                     | <u>\$227.32</u> | 1.27%               |                   |
| 31. Total Incremental Cost (22)..(30)                           | \$18,943.48     |                     |                   |
| Indirect Administration:  |                 |                     |                   |
| 32. Plant Specific - Support                                    | \$204.51        | 1.14%               |                   |
| 33. Plant Non-Specific  | \$310.96        | 1.73%               |                   |
| 34. Corporate Operations  | \$192.27        | 1.07%               |                   |
| 35. Miscellaneous Loadings                                      | \$281.97        | 1.57%               |                   |
| 36. Other Taxes   | \$79.03         | 0.44%               |                   |
| 37. GRT on Indirect Admin.                                      | <u>\$12.98</u>  | 0.07%               |                   |
| 38. Total Fully Allocated Cost (31)+(32)..(37)                  | \$20,025.21     |                     |                   |
|   |                 | <u>% Unit Cost/</u> |                   |
|   |                 | Price               |                   |
| VI. Amounts to be Tariffed                                      |                 |                     |                   |
| 39. Proposed One Time Charge                                    | \$20,161.00     |                     |                   |

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<br>x 12 Months |            | \$0.00<br><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                                | \$7,726.35  | \$683.77                   |
| Outside Plant Engineering                             | \$2,416.26  | \$213.83                   |
| Outside Plant Installation                            | \$7,809.80  | \$691.15                   |
| Total Outside Plant                                   | \$17,952.41 | \$1,588.76                 |
| Less  |             |                            |
| Net Salvage Value                                     | \$0.00      | \$0.00                     |
| Monthly Outside Plant Capital Recovery<br>x 12 Months |             | \$1,588.76<br><u>12</u>    |
| Annual Outside Plant Capital Recovery                 |             | \$19,065.10                |
| Less:   |             |                            |
| Annual Outside Plant Depreciation                     |             | \$17,952.41                |
| Annual Outside Plant Return                           |             | \$1,112.69                 |

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<br>x 12 Months |            | \$0.00<br><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                     |
| <br>  |            |                            |
| Circuit Equipment Return                                      |            | \$0.00                     |
| Outside Plant Return  |            | \$1,112.69                 |
| Central Office Equipment Return                               |            | <u>\$0.00</u>              |
| Total Return  |            | <u><u>\$1,112.69</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                                       | \$17,952.41 | 0.0015 | \$26.86                    |
| Total Central Office Equipment                            | \$0.00      | 0.0000 | <u>\$0.00</u>              |
| Total Monthly Federal and State Income Tax<br>X 12 Months |             |        | \$25.29<br><u>12</u>       |
| Total Annual Federal and State Income Tax                 |             |        | <u><u>\$303.47</u></u>     |