

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

ICB #: TX0402254

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	\$16,725.80		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$16,725.80		
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)	\$16,725.80		
		<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	\$7,966.39	89.00	\$89.51
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$72.53
12. Total Engineering Labor (9)+(10)+(11)	\$7,966.39		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$64.76
14. Outside Plant Installation Labor	\$22,604.03	333.25	\$67.83
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$64.76
16. Total Installation Labor (13)+(14)+(15)	\$22,604.03		
17. Total Installed Cost (4)+(12)+(16)	\$47,296.22		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$30,570.42		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$30,570.42		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$47,296.22		
		<u>% of Total Investment</u>	
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$44,535.90	94.16%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$2,760.32	5.84%	
26. Federal and State Income Tax	\$990.30	2.09%	
27. Plant Specific - Maintenance/Repair	\$70.68	0.15%	
28. Direct Administration	\$1,171.65	2.48%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	\$49,528.85		
Indirect Administration:			
32. Plant Specific - Support	\$651.29	1.38%	
33. Plant Non-Specific	\$1,039.65	2.20%	
34. Corporate Operations	\$1,134.33	2.40%	
35. Miscellaneous Loadings	\$705.76	1.49%	
36. Other Taxes	\$84.62	0.18%	
37. GRT on Indirect Admin.	\$0.00	0.00%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$53,144.50		
		<u>% Unit Cost/ Price</u>	
VI. Amounts to be Tariffed			
39. Proposed Non-Recurring Charge	\$53,129.00		

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	\$16,725.80	\$1,480.21
Outside Plant Engineering	\$7,966.39	\$705.01
Outside Plant Installation	\$22,604.03	\$2,000.42
Total Outside Plant	\$47,296.22	\$4,185.64
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$4,185.64 12
Annual Outside Plant Capital Recovery		\$50,227.63
Less:		
Annual Outside Plant Depreciation		\$47,296.22
Annual Outside Plant Return		\$2,931.41

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		\$2,931.41
Central Office Equipment Return		\$0.00
Total Return		<u>\$2,931.41</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	\$47,296.22	0.0019	\$87.64
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$82.53 12
Total Annual Federal and State Income Tax			<u>\$990.30</u>