

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 |            | \$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                 | \$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 |             | \$4,185.64                 |
| x 12 Months                            |             | 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<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  |            | \$2,931.41                 |
| Central Office Equipment Return                               |            | \$0.00                     |
| Total Return  |            | <u><u>\$2,931.41</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                                       | \$47,296.22 | 0.0019 | \$87.64                    |
| Total Central Office Equipment                            | \$0.00      | 0.0000 | \$0.00                     |
| Total Monthly Federal and State Income Tax<br>X 12 Months |             |        | \$82.53<br><u>12</u>       |
| Total Annual Federal and State Income Tax                 |             |        | <u><u>\$990.30</u></u>     |