

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

ICB #: IL0401312
Rate Element: SERVICE A
State: Illinois-G

page 1 of 3

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$60,559.64
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$60,559.64
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)	\$60,559.64

II. Installation Cost

		LABOR HOURS	LABOR RATE
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$66.10
10. Outside Plant Engineering Labor	\$18,499.32	252.00	\$73.41
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$66.10
12. Total Engineering Labor (9)+(10)+(11)	\$18,499.32		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$49.81
14. Outside Plant Installation Labor	\$111,898.50	2215.81	\$50.50
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$49.81
16. Total Installation Labor (13)+(14)+(15)	\$111,898.50		
17. Total Installed Cost (4)+(12)+(16)	\$190,957.46		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$130,397.82
19. Cost of Removal Net of Salvage	\$0.00
20. Total Non-Reusable Cost (18)+(19)	\$130,397.82

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$190,957.46	% of Total Investment
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V. Total Annual Costs

22. Circuit Equipment Depreciation	\$0.00	0.00%
23. Outside Plant Depreciation	\$179,812.71	94.16%
24. Central Office Equipment Depreciation	\$0.00	0.00%
25. Return	\$11,144.75	5.84%
26. Federal and State Income Tax	\$3,847.27	2.01%
27. Plant Specific - Maintenance/Repair	\$337.99	0.18%
28. Direct Administration	\$5,307.66	2.78%
29. Non-Capitalized Expenses	\$0.00	0.00%
30. GRT on Incremental Cost	\$0.00	0.00%
31. Total Incremental Cost (22)..(30)	\$200,450.38	

Indirect Administration:

32. Plant Specific - Support	\$2,732.19	1.43%
33. Plant Non-Specific	\$2,569.44	1.35%
34. Corporate Operations	\$2,375.63	1.24%
35. Miscellaneous Loadings	\$1,525.71	0.80%
36. Other Taxes	\$20.19	0.01%
37. GRT on Indirect Admin.	\$0.00	0.00%
38. Total Fully Allocated Cost (31)+(32)..(37)	\$209,673.55	

VI. Amounts to be Tariffed

39. Proposed One Time Charge	\$209,768.00	% Unit Cost/ Price
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RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

ICB #: IL0401312
Rate Element: SERVICE A
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page 2 of 3

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	\$60,559.64	\$5,359.43
Outside Plant Engineering	\$18,499.32	\$1,637.16
Outside Plant Installation	\$111,898.50	\$9,902.83
Total Outside Plant	\$190,957.46	\$16,899.41
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$16,899.41 12
Annual Outside Plant Capital Recovery		\$202,792.96
Less:		
Annual Outside Plant Depreciation		\$190,957.46
Annual Outside Plant Return		\$11,835.50

RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

ICB #: IL0401312
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page 3 of 3

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		\$11,835.50
Central Office Equipment Return		\$0.00
Total Return		<u>\$11,835.50</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	\$190,957.46	0.0018	\$340.48
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$320.61 12
Total Annual Federal and State Income Tax			<u>\$3,847.27</u>