

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

ICB #: 2004-285665
Rate Element: SERVICE A
State: Ohio-G

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$5,289.55		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$5,289.55		
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)	\$5,289.55		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$81.11
10. Outside Plant Engineering Labor	\$1,423.40	20.00	\$71.17
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$81.11
12. Total Engineering Labor (9)+(10)+(11)	\$1,423.40		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$50.40
14. Outside Plant Installation Labor	\$7,952.36	164.00	\$48.49
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$50.40
16. Total Installation Labor (13)+(14)+(15)	\$7,952.36		
17. Total Installed Cost (4)+(12)+(16)	\$14,665.31		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$9,375.76		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$9,375.76		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$14,665.31	% of Total Investment	
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$13,809.41	94.16%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$855.90	5.84%	
26. Federal and State Income Tax	\$267.46	1.82%	
27. Plant Specific - Maintenance/Repair	\$27.54	0.19%	
28. Direct Administration	\$440.33	3.00%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$768.01	5.24%	
31. Total Incremental Cost (22)..(30)	\$16,168.65		
Indirect Administration:			
32. Plant Specific - Support	\$209.27	1.43%	
33. Plant Non-Specific	\$251.55	1.72%	
34. Corporate Operations	\$188.42	1.28%	
35. Miscellaneous Loadings	\$179.51	1.22%	
36. Other Taxes	\$64.56	0.44%	
37. GRT on Indirect Admin.	\$44.55	0.30%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$17,106.50		
		% Unit Cost/ Price	
VI. Amounts to be Tariffed			
39. Proposed One Time Charge	\$17,662.00		

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	\$5,289.55	\$468.12
Outside Plant Engineering	\$1,423.40	\$125.97
Outside Plant Installation	\$7,952.36	\$703.77
Total Outside Plant	\$14,665.31	\$1,297.86
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$1,297.86 12
Annual Outside Plant Capital Recovery		\$15,574.26
Less:		
Annual Outside Plant Depreciation		\$14,665.31
Annual Outside Plant Return		\$908.95

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		\$908.95
Central Office Equipment Return		\$0.00
Total Return		<u>\$908.95</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	\$14,665.31	0.0016	\$23.67
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$22.29 12
Total Annual Federal and State Income Tax			<u>\$267.46</u>