

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

ICB #: PA0401542
Rate Element: SERVICE A
State: Pennsylvania-G

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$5,136.70		
2. Outside Plant Material	\$2,558.84		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$7,695.54		
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)	\$7,695.54		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$78.69
10. Outside Plant Engineering Labor	\$961.86	15.82	\$60.80
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$78.69
12. Total Engineering Labor (9)+(10)+(11)	\$961.86		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$49.28
14. Outside Plant Installation Labor	\$5,671.49	109.87	\$51.62
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$49.28
16. Total Installation Labor (13)+(14)+(15)	\$5,671.49		
17. Total Installed Cost (4)+(12)+(16)	\$14,328.88		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$6,633.35		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$6,633.35		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$14,328.88		
		<u>% of Total</u>	
		Investment	
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$4,836.91	94.16%	
23. Outside Plant Depreciation	\$8,655.71	94.16%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$836.27	5.84%	
26. Federal and State Income Tax	\$373.16	2.60%	
27. Plant Specific - Maintenance/Repair	\$105.93	0.74%	
28. Direct Administration	\$888.23	6.20%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$826.12	5.77%	
31. Total Incremental Cost (22)..(30)	\$16,522.32		
Indirect Administration:			
32. Plant Specific - Support	\$198.77	1.39%	
33. Plant Non-Specific	\$325.31	2.27%	
34. Corporate Operations	\$72.82	0.51%	
35. Miscellaneous Loadings	\$142.74	1.00%	
36. Other Taxes	\$63.08	0.44%	
37. GRT on Indirect Admin.	\$42.25	0.29%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$17,367.28		
		<u>% Unit Cost/</u>	
		Price	
VI. Amounts to be Tariffed			
39. Proposed One Time Charge	\$17,405.00		

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

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Return

Components	Investment	Monthly Present Value Cost
Circuit Equipment Material	\$5,136.70	\$454.59
Circuit Equipment Engineering	\$0.00	\$0.00
Circuit Equipment Installation	\$0.00	\$0.00
Total Circuit Equipment	\$5,136.70	\$454.59
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Circuit Equipment Capital Recovery		\$454.59
x 12 Months		12
Annual Circuit Equipment Capital Recovery		\$5,455.07
Less:		
Annual Circuit Equipment Depreciation		\$5,136.70
Annual Circuit Equipment Return		\$318.37

Components	Investment	Monthly Present Value Cost
Outside Plant Material	\$2,558.84	\$226.45
Outside Plant Engineering	\$961.86	\$85.12
Outside Plant Installation	\$5,671.49	\$501.92
Total Outside Plant	\$9,192.19	\$813.49
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery		\$813.49
x 12 Months		12
Annual Outside Plant Capital Recovery		\$9,761.92
Less:		
Annual Outside Plant Depreciation		\$9,192.19
Annual Outside Plant Return		\$569.73

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		\$318.37
Outside Plant Return		\$569.73
Central Office Equipment Return		\$0.00
Total Return		<u>\$888.10</u>

Federal and State Income Tax

Components	Investment	Factor	Monthly Present Value Cost
Total Circuit Equipment	\$5,136.70	0.0019	\$9.92
Total Outside Plant	\$9,192.19	0.0025	\$23.10
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$31.10 12
Total Annual Federal and State Income Tax			<u>\$373.16</u>