

VERIZON TELEPHONE COMPANIES FCC TARIFF NO. 21

INVESTMENT AND COST DATA

SUMMARY

ICB #: CA04-06347 Telepacific / Healthsmart

Rate Element: Special Construction

State: California-G

page 1 of 3

I. Cost and Salvage Value of Equipment

1. Circuit Equipment Material	\$0.00
2. Outside Plant Material	\$11,272.59
3. Central Office Equipment Material	\$0.00
4. Total Material Cost (1)+(2)+(3)	\$11,272.59
5. Circuit Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
6. Outside Plant Net Salvage (Incl. Cost of Removal)	-\$901.81
7. Central Office Equipment Net Salvage (Incl. Cost of Removal)	\$0.00
8. Net Material Cost (4)-(5)-(6)-(7)	\$12,174.40

LABOR HOURS LABOR RATE

II. Installation Cost

9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$79.40
10. Outside Plant Engineering Labor	\$1,665.44	14.00	\$118.96
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$79.40
12. Total Engineering Labor (9)+(10)+(11)	\$1,665.44		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$51.43
14. Outside Plant Installation Labor	\$17,122.15	280.00	\$61.15
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$51.43
16. Total Installation Labor (13)+(14)+(15)	\$17,122.15		
17. Total Installed Cost (4)+(12)+(16)	\$30,060.18		

III. Non-Reusable Cost

18. Engineering/Installation Labor Cost (12)+(16)	\$18,787.59
19. Cost of Removal Net of Salvage	\$901.81
20. Total Non-Reusable Cost (18)+(19)	\$19,689.40

IV. Net Investment

21. Total Net Investment (17)-(5)-(6)-(7)	\$30,961.99	% of Total Investment
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V. Total Annual Costs

22. Circuit Equipment Depreciation	\$0.00	0.00%
23. Outside Plant Depreciation	\$29,154.97	96.99%
24. Central Office Equipment Depreciation	\$0.00	0.00%
25. Return	\$1,711.49	5.69%
26. Federal and State Income Tax	\$794.83	2.64%
27. Plant Specific - Maintenance/Repair	\$379.99	1.26%
28. Direct Administration	\$538.42	1.79%
29. Non-Capitalized Expenses	\$0.00	0.00%
30. GRT on Incremental Cost	\$0.00	0.00%
31. Total Incremental Cost (22)..(30)	\$32,579.69	

Indirect Administration:

32. Plant Specific - Support	\$881.56	2.93%
33. Plant Non-Specific	\$760.68	2.53%
34. Corporate Operations	\$843.35	2.81%
35. Miscellaneous Loadings	\$317.68	1.06%
36. Other Taxes	\$0.00	0.00%
37. GRT on Indirect Admin.	\$0.00	0.00%
38. Total Fully Allocated Cost (31)+(32)..(37)	\$35,382.96	

% Unit Cost/
Price

VI. Amounts to be Tariffed

39. Proposed Non-Recurring Charge	\$36,530.00
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RETURN AND INCOME TAX CALCULATIONS (11.25% RATE OF RETURN)

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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	\$11,272.59	\$997.61
Outside Plant Engineering	\$1,665.44	\$147.39
Outside Plant Installation	\$17,122.15	\$1,515.28
Total Outside Plant	\$30,060.18	\$2,660.28
Less		
Net Salvage Value	-\$901.81	-\$71.35
Monthly Outside Plant Capital Recovery x 12 Months		\$2,731.63 12
Annual Outside Plant Capital Recovery		\$32,779.55
Less:		
Annual Outside Plant Depreciation		\$30,961.99
Annual Outside Plant Return		\$1,817.56

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

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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		\$1,817.56
Central Office Equipment Return		\$0.00
Total Return		<u>\$1,817.56</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	\$30,060.18	0.0023	\$70.34
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$66.24 12
Total Annual Federal and State Income Tax			<u>\$794.83</u>