

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

ICB #: CA04-06347 Telepacific / Healthsmart
Rate Element: Special Construction
State: California-G

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| | | | |
|---|-------------|---------------------|-------------------|
| 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 | | |
| | | <u>LABOR HOURS</u> | <u>LABOR RATE</u> |
| 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 | | |
| | | <u>% of Total</u> | <u>Investment</u> |
| 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 | | |
| | | <u>% Unit Cost/</u> | <u>Price</u> |
| VI. Amounts to be Tariffed | | | |
| 39. Proposed Non-Recurring Charge | \$36,530.00 | | |

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 <u>12</u> |
| 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 <u>12</u> |
| 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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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 <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 |
| | | |
| Circuit Equipment Return | | \$0.00 |
| Outside Plant Return | | \$1,817.56 |
| Central Office Equipment Return | | \$0.00 |
| Total Return | | \$1,817.56 |

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 | | | \$794.83 |