

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

ICB #: TX04-02297

Rate Element: Special Construction

State: Texas-G

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| | | | |
|---|-------------|-----------------------|-------------------|
| I. Cost and Salvage Value of Equipment | | | |
| 1. Circuit Equipment Material | \$0.00 | | |
| 2. Outside Plant Material | \$7,341.17 | | |
| 3. Central Office Equipment Material | \$0.00 | | |
| 4. Total Material Cost (1)+(2)+(3) | \$7,341.17 | | |
| 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) | \$7,341.17 | | |
| | | <u>LABOR HOURS</u> | <u>LABOR RATE</u> |
| II. Installation Cost | | | |
| 9. Circuit Equipment Engineering Labor | \$0.00 | 0.00 | \$72.53 |
| 10. Outside Plant Engineering Labor | \$4,385.99 | 49.00 | \$89.51 |
| 11. Central Office Equipment Engineering Labor | \$0.00 | 0.00 | \$72.53 |
| 12. Total Engineering Labor (9)+(10)+(11) | \$4,385.99 | | |
| 13. Circuit Equipment Installation Labor | \$0.00 | 0.00 | \$64.76 |
| 14. Outside Plant Installation Labor | \$13,566.00 | 200.00 | \$67.83 |
| 15. Central Office Equipment Installation Labor | \$0.00 | 0.00 | \$64.76 |
| 16. Total Installation Labor (13)+(14)+(15) | \$13,566.00 | | |
| 17. Total Installed Cost (4)+(12)+(16) | \$25,293.16 | | |
| III. Non-Reusable Cost | | | |
| 18. Engineering/Installation Labor Cost (12)+(16) | \$17,951.99 | | |
| 19. Cost of Removal Net of Salvage | \$0.00 | | |
| 20. Total Non-Reusable Cost (18)+(19) | \$17,951.99 | | |
| IV. Net Investment | | | |
| 21. Total Net Investment (17)-(5)-(6)-(7) | \$25,293.16 | % of Total Investment | |
| V. Total Annual Costs | | | |
| 22. Circuit Equipment Depreciation | \$0.00 | 0.00% | |
| 23. Outside Plant Depreciation | \$24,489.96 | 96.82% | |
| 24. Central Office Equipment Depreciation | \$0.00 | 0.00% | |
| 25. Return | \$1,517.88 | 6.00% | |
| 26. Federal and State Income Tax | \$544.56 | 2.15% | |
| 27. Plant Specific - Maintenance/Repair | \$38.87 | 0.15% | |
| 28. Direct Administration | \$644.28 | 2.55% | |
| 29. Non-Capitalized Expenses | \$0.00 | 0.00% | |
| 30. GRT on Incremental Cost | \$0.00 | 0.00% | |
| 31. Total Incremental Cost (22)..(30) | \$27,235.55 | | |
| Indirect Administration: | | | |
| 32. Plant Specific - Support | \$358.14 | 1.42% | |
| 33. Plant Non-Specific | \$571.69 | 2.26% | |
| 34. Corporate Operations | \$623.76 | 2.47% | |
| 35. Miscellaneous Loadings | \$388.09 | 1.53% | |
| 36. Other Taxes | \$46.53 | 0.18% | |
| 37. GRT on Indirect Admin. | \$0.00 | 0.00% | |
| 38. Total Fully Allocated Cost (31)+(32)..(37) | \$29,223.76 | | |
| | | <u>% Unit Cost/</u> | <u>Price</u> |
| VI. Amounts to be Tariffed | | | |
| 39. Proposed Non-Recurring Charge | \$29,343.00 | | |

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 | \$7,341.17 | \$649.68 |
| Outside Plant Engineering | \$4,385.99 | \$388.15 |
| Outside Plant Installation | \$13,566.00 | \$1,200.57 |
| Total Outside Plant | \$25,293.16 | \$2,238.40 |
| Less | | |
| Net Salvage Value | \$0.00 | \$0.00 |
| Monthly Outside Plant Capital Recovery x 12 Months | | \$2,238.40 12 |
| Annual Outside Plant Capital Recovery | | \$26,860.82 |
| Less: | | |
| Annual Outside Plant Depreciation | | \$25,293.16 |
| Annual Outside Plant Return | | \$1,567.66 |

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 | | \$1,567.66 |
| Central Office Equipment Return | | \$0.00 |
| Total Return | | <u>\$1,567.66</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 | \$25,293.16 | 0.0019 | \$46.87 |
| Total Central Office Equipment | \$0.00 | 0.0000 | \$0.00 |
| Total Monthly Federal and State Income Tax X 12 Months | | | \$45.38 12 |
| Total Annual Federal and State Income Tax | | | <u>\$544.56</u> |