



**ILEC Average  
Tariffed Service: ADSL Lite Term Discount  
Summary**

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1.	Total Material Costs	Page 2 Line 3	\$394,874
2.	Utilized Investment Costs	Page 2 Line 15	\$617
3.	Return On Investment	Page 2 Line 21	\$34.71
4.	Income Taxes	Page 2 Line 22	\$18.27
5.	Depreciation Expense	Page 2 Line 23	\$45.22
6.	Operating Expenses & Taxes	Page 2 Lines 24 thru 26	\$105.82
7.	Total Annual Costs	Sum Lines 3 thru 6	<u>\$204.02</u>
8.	Total Monthly Costs	Line 7 / 12 Months	<u><u>\$17.00</u></u>



**ILEC Average**  
**Tariffed Service: ADSL Lite Term Discount**  
**Annual Cost**

Description	Source	Cisco IGX 8400 Equipment	DS3 Trunk Group	DS1 Trunk Group	Fiber - ATM to Switch	DSLAM Chassis, Power/Mux, DS3 Interface	POTS Splitter Chassis & Cards	DSLAM Cards	IOS Base Software	DS3/DS1 X- Connect	Total
<b>Investment Costs</b>											
1. Material Unit Price	Page 4	\$ 33,008	\$ 10,000	\$ 9,000	\$ 1,982	\$ 11,569	\$ 5,492	\$ 802	\$ 2,956	\$ 766	\$ 75,575
2. Units In Service	Page 4	1	14	15	20	1	1	32	1	2	
3. Total Material Costs	Line 1 * Line 2	\$ 33,008	\$ 140,000	\$ 135,000	\$ 39,647	\$ 11,569	\$ 5,492	\$ 25,671	\$ 2,956	\$ 1,532	\$ 394,874
4. Sales Tax	Line 3 * 4.19%	\$ 1,384	\$ 5,872	\$ 5,662	\$ 1,663	\$ 485	\$ 230	\$ 1,077	\$ 124	\$ 64	\$ 16,561
5. Total Material Costs	Line 3 + Line 4	\$ 34,392	\$ 145,872	\$ 140,662	\$ 41,310	\$ 12,054	\$ 5,722	\$ 26,748	\$ 3,080	\$ 1,596	\$ 411,435
6. Fill Percent	Page 4	80.00%	80.00%	80.00%	80.00%	71.60%	71.60%	71.60%	71.60%	80.00%	
7. Capacity Investment	Line 5 / Line 6	\$ 42,990	\$ 182,340	\$ 175,827	\$ 51,637	\$ 16,836	\$ 7,991	\$ 37,357	\$ 4,301	\$ 1,995	\$ 521,275
8. EF&I Percent	Page 4	35.00%	35.00%	35.00%	0.00%	32.00%	32.00%	32.00%	32.00%	32.00%	
9. EF&I Costs	Line 7 * Line 8	\$ 15,047	\$ 63,819	\$ 61,540	\$ -	\$ 5,387	\$ 2,557	\$ 11,954	\$ 1,376	\$ 639	\$ 162,319
10. Installed Costs	Line 7 + Line 9	\$ 58,037	\$ 246,158	\$ 237,367	\$ 51,637	\$ 22,223	\$ 10,549	\$ 49,311	\$ 5,677	\$ 2,634	\$ 683,594
11. Power & Common Percent	Page 3	5.95%	5.95%	5.95%	0.00%	4.51%	4.51%	4.51%	4.51%	4.51%	
12. Power & Common Costs	Line 10 * Line 11	\$ 3,453	\$ 14,646	\$ 14,122	\$ -	\$ 1,003	\$ 476	\$ 2,226	\$ 256	\$ 119	\$ 36,302
13. Loaded Material Investment	Line 10 + Line 12	\$ 61,490	\$ 260,804	\$ 251,489	\$ 51,637	\$ 23,226	\$ 11,025	\$ 51,538	\$ 5,934	\$ 2,753	\$ 719,896
14. Utilization Percent	Page 4	0.01%	0.01%	0.01%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	
15. Utilized Investment Costs	Line 13 * Line 14	\$ 5	\$ 21	\$ 20	\$ 202	\$ 91	\$ 43	\$ 201	\$ 23	\$ 11	\$ 617
16. Utilized Net Salvage	Page 4 * L14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17. Depreciation Life	Page 3	14	14	14	22	11	11	11	11	11	14
18. Depreciation Expense	Straight Line	\$ 0	\$ 1	\$ 1	\$ 9	\$ 8	\$ 4	\$ 18	\$ 2	\$ 1	\$ 45
19. Depreciation Reserve	Line 15 / 2	\$ 2	\$ 11	\$ 10	\$ 101	\$ 45	\$ 22	\$ 101	\$ 12	\$ 5	\$ 309
20. Net Investment	Line 15 - Line 19	\$ 2	\$ 11	\$ 10	\$ 101	\$ 45	\$ 22	\$ 101	\$ 12	\$ 5	\$ 309
<b>Annual Costs</b>											
21. Return On Investment	Line 20 * RoR @11.25%	\$ 0.28	\$ 1.18	\$ 1.14	\$ 11.35	\$ 5.10	\$ 2.42	\$ 11.32	\$ 1.30	\$ 0.60	\$ 34.71
22. Income Tax	Line 21 * 52.62%	\$ 0.15	\$ 0.62	\$ 0.60	\$ 5.97	\$ 2.69	\$ 1.27	\$ 5.96	\$ 0.69	\$ 0.32	\$ 18.27
23. Depreciation Expense	Line 18	\$ 0.35	\$ 1.48	\$ 1.43	\$ 9.23	\$ 8.05	\$ 3.82	\$ 17.86	\$ 2.06	\$ 0.95	\$ 45.22
24. Maintenance Expense	Line 15 * Page 3 Line 1	\$ 0.33	\$ 1.38	\$ 1.33	\$ 7.43	\$ 2.15	\$ 1.02	\$ 4.78	\$ 0.55	\$ 0.26	\$ 19.22
25. Joint Expense	Line 15 * Page 3 Line 2	\$ 0.23	\$ 0.98	\$ 0.94	\$ 9.38	\$ 4.22	\$ 2.00	\$ 9.37	\$ 1.08	\$ 0.50	\$ 28.71
26. Common Expense	Line 15 * Page 3 Line 3	\$ 0.10	\$ 0.42	\$ 0.41	\$ 4.05	\$ 1.82	\$ 0.87	\$ 4.05	\$ 0.47	\$ 0.22	\$ 12.40
27. Additional Expenses	Input										\$ 45.49
28. Total Annual Costs	Sum Lines 21 thru 26	\$ 1.43	\$ 6.07	\$ 5.85	\$ 47.42	\$ 24.03	\$ 11.41	\$ 53.33	\$ 6.14	\$ 2.85	\$ 204.02



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**Factors**

Factors	Total	Switch Hardware	Switch Software	Circuit Equipment	Other	Fiber Cable
1. Maintenance Expense		6.55%	6.55%	2.37%	0.00%	3.68%
2. Joint Expense		4.65%	4.65%	4.65%	4.65%	4.65%
3. Common Expense		2.01%	2.01%	2.01%	2.01%	2.01%
4. Power & Common Factor		5.95%	0.00%	4.51%	0.00%	0.00%
5. Depreciation Life		14	14	11	2	22
6. Present Worth of Future Amount (P/F)						
7. Present Worth of Annuity (P/A)						
8. Annuity of Present Amount (A/P)						
9. Sales Tax Rate	4.19%					
10. State Income Taxes	4.97%					
11. Federal Income Tax	35.00%					
12. Composite Tax Rate	38.99%					
13. Effective Tax Rate	52.62%					
14. Rate of Return	11.25%					



**ILEC Average**  
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**Material List**

Description	Material Unit Price	Units Required	Net Salvage Percent	Fill Percent	Utilization Percent	EF&I Percent	Investment Category
1. Cisco IGX 8400 Equipment	\$ 33,008.00	1	0.0%	80.0%	0.00807%	35.0%	Hardware
2. DS3 Trunk Group	\$ 10,000.00	14	0.0%	80.0%	0.00807%	35.0%	Hardware
3. DS1 Trunk Group	\$ 9,000.00	15	0.0%	80.0%	0.00807%	35.0%	Hardware
4. Fiber - ATM to Switch	\$ 1,982.35	20	0.0%	80.0%	0.39062%	0.0%	Fiber
5. DSLAM Chassis, Power/Mux, DS3 Interface	\$ 11,569.12	1	0.0%	71.6%	0.39062%	32.0%	Circuit
6. POTS Splitter Chassis & Cards	\$ 5,491.53	1	0.0%	71.6%	0.39062%	32.0%	Circuit
7. DSLAM Cards	\$ 802.22	32	0.0%	71.6%	0.39062%	32.0%	Circuit
8. IOS Base Software	\$ 2,955.56	1	0.0%	71.6%	0.39062%	32.0%	Circuit
9. DS3/DS1 X-Connect	\$ 766.00	2	0.0%	80.0%	0.39062%	32.0%	Circuit