

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

ICB #: NV 2004-291587 Starbucks

Rate Element: DS3 - Special Construction

State: Nevada-C

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I. Cost and Salvage Value of Equipment			
1. Circuit Equipment Material	\$0.00		
2. Outside Plant Material	\$6,751.25		
3. Central Office Equipment Material	\$0.00		
4. Total Material Cost (1)+(2)+(3)	\$6,751.25		
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)	\$6,751.25		
		<u>LABOR HOURS</u>	<u>LABOR RATE</u>
II. Installation Cost			
9. Circuit Equipment Engineering Labor	\$0.00	0.00	\$71.59
10. Outside Plant Engineering Labor	\$5,367.84	48.00	\$111.83
11. Central Office Equipment Engineering Labor	\$0.00	0.00	\$71.59
12. Total Engineering Labor (9)+(10)+(11)	\$5,367.84		
13. Circuit Equipment Installation Labor	\$0.00	0.00	\$45.76
14. Outside Plant Installation Labor	\$9,328.16	169.36	\$55.08
15. Central Office Equipment Installation Labor	\$0.00	0.00	\$45.76
16. Total Installation Labor (13)+(14)+(15)	\$9,328.16		
17. Total Installed Cost (4)+(12)+(16)	\$21,447.25		
III. Non-Reusable Cost			
18. Engineering/Installation Labor Cost (12)+(16)	\$14,696.00		
19. Cost of Removal Net of Salvage	\$0.00		
20. Total Non-Reusable Cost (18)+(19)	\$14,696.00		
IV. Net Investment			
21. Total Net Investment (17)-(5)-(6)-(7)	\$21,447.25		<u>% of Total Investment</u>
V. Total Annual Costs			
22. Circuit Equipment Depreciation	\$0.00	0.00%	
23. Outside Plant Depreciation	\$20,195.54	94.16%	
24. Central Office Equipment Depreciation	\$0.00	0.00%	
25. Return	\$1,251.71	5.84%	
26. Federal and State Income Tax	\$419.50	1.96%	
27. Plant Specific - Maintenance/Repair	\$20.82	0.10%	
28. Direct Administration	\$377.23	1.76%	
29. Non-Capitalized Expenses	\$0.00	0.00%	
30. GRT on Incremental Cost	\$0.00	0.00%	
31. Total Incremental Cost (22)..(30)	\$22,264.81		
Indirect Administration:			
32. Plant Specific - Support	\$318.77	1.49%	
33. Plant Non-Specific	\$0.00	0.00%	
34. Corporate Operations	\$0.00	0.00%	
35. Miscellaneous Loadings	\$0.00	0.00%	
36. Other Taxes	\$0.00	0.00%	
37. GRT on Indirect Admin.	\$0.00	0.00%	
38. Total Fully Allocated Cost (31)+(32)..(37)	\$22,583.57		
VI. Amounts to be Tariffed			
39. Proposed Non-Recurring Charge	\$24,633.00		<u>% Unit Cost/ Price</u>

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	\$6,751.25	\$597.47
Outside Plant Engineering	\$5,367.84	\$475.04
Outside Plant Installation	\$9,328.16	\$825.53
Total Outside Plant	\$21,447.25	\$1,898.05
Less		
Net Salvage Value	\$0.00	\$0.00
Monthly Outside Plant Capital Recovery x 12 Months		\$1,898.05 12
Annual Outside Plant Capital Recovery		\$22,776.55
Less:		
Annual Outside Plant Depreciation		\$21,447.25
Annual Outside Plant Return		\$1,329.30

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		\$1,329.30
Central Office Equipment Return		\$0.00
Total Return		<u>\$1,329.30</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	\$21,447.25	0.0017	\$37.13
Total Central Office Equipment	\$0.00	0.0000	\$0.00
Total Monthly Federal and State Income Tax X 12 Months			\$34.96 12
Total Annual Federal and State Income Tax			<u>\$419.50</u>