



Average
Tariffed Service: ADSL 3MB/384K
Summary

1.	Total Material Costs	Page 2 Line 3	\$386,937
2.	Utilized Investment Costs	Page 2 Line 15	\$1,174
3.	Return On Investment	Page 2 Line 21	\$66
4.	Income Taxes	Page 2 Line 22	\$35
5.	Depreciation Expense	Page 2 Line 23	\$169
6.	Operating Expenses & Taxes	Page 2 Lines 24 thru 26	\$149
7.	Total Annual Costs	Sum Lines 3 thru 6	<u>\$419</u>
8.	Total Monthly Costs	Line 7 / 12 Months	<u><u>\$34.95</u></u>
9.	Proposed Nonrecurring Rate	Input	\$0.00



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Annual Cost

Description	Source	Cisco IGX	DS3 Trunk	DST Trunk	Fiber - ATM	DSLAM	POTS	DSLAM	IOS Base	DS3/DST X-	Modem	NRC	Total
Investment Costs													
1. Material Unit Price	Page 4	\$ 33,008	\$ 10,000	\$ 9,000	\$ 1,982	\$ 11,569	\$ 5,492	\$ 802	\$ 2,956	\$ 766	\$ 63	\$ -	\$ 75,638
2. Units In Service	Page 4		6	23	20		1	32	1	2	1	-	
3. Total Material Costs	Line 1 * Line 2	\$ 33,008	\$ 60,000	\$ 207,000	\$ 39,647	\$ 11,569	\$ 5,492	\$ 25,671	\$ 2,956	\$ 1,532	\$ 63	\$ -	\$ 386,937
4. Sales Tax	Line 3 * 4.19%	\$ 1,384	\$ 2,516	\$ 8,682	\$ 1,663	\$ 485	\$ 230	\$ 1,077	\$ 124	\$ 64	\$ 3	\$ -	\$ 16,228
5. Total Material Costs	Line 3 + Line 4	\$ 34,392	\$ 62,516	\$ 215,682	\$ 41,310	\$ 12,054	\$ 5,722	\$ 26,748	\$ 3,080	\$ 1,596	\$ 66	\$ -	\$ 403,165
6. Fill Percent	Page 4	80.00%	80.00%	80.00%	80.00%	71.75%	71.75%	71.75%	71.75%	85.00%	100.00%	0.00%	
7. Capacity Investment	Line 5 / Line 6	\$ 42,990	\$ 78,146	\$ 269,602	\$ 51,637	\$ 16,800	\$ 7,975	\$ 37,279	\$ 4,292	\$ 1,878	\$ 66	\$ -	\$ 510,665
8. BF&I Percent	Page 4	35.00%	35.00%	35.00%	0.00%	32.00%	32.00%	32.00%	32.00%	32.00%	49.51%	0.00%	
9. BF&I Costs	Line 7 * Line 8	\$ 15,047	\$ 27,351	\$ 94,361	\$ -	\$ 5,376	\$ 2,552	\$ 11,929	\$ 1,373	\$ 601	\$ 33	\$ -	\$ 158,622
10. Installed Costs	Line 7 + Line 9	\$ 58,037	\$ 105,496	\$ 363,963	\$ 51,637	\$ 22,177	\$ 10,527	\$ 49,208	\$ 5,665	\$ 2,479	\$ 98	\$ -	\$ 669,287
11. Power & Common Percent	Page 3	5.95%	5.95%	5.95%	0.00%	4.51%	4.51%	4.51%	4.51%	4.51%	0.00%	0.00%	
12. Power & Common Costs	Line 10 * Line 11	\$ 3,453	\$ 6,277	\$ 21,654	\$ -	\$ 1,001	\$ 475	\$ 2,222	\$ 256	\$ 112	\$ -	\$ -	\$ 35,450
13. Loaded Material Investment	Line 10 + Line 12	\$ 61,490	\$ 111,773	\$ 385,617	\$ 51,637	\$ 23,178	\$ 11,002	\$ 51,430	\$ 5,921	\$ 2,591	\$ 98	\$ -	\$ 704,737
14. Utilization Percent	Page 4	0.04%	0.04%	0.04%	0.89%	0.39%	0.39%	0.39%	0.39%	0.89%	100.00%	0.00%	
15. Utilized Investment Costs	Line 13 * Line 14	\$ 26	\$ 47	\$ 162	\$ 461	\$ 91	\$ 43	\$ 201	\$ 23	\$ 23	\$ 98	\$ -	\$ 1,174
16. Utilized Net Salvage	Page 4 * L14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17. Depreciation Life	Page 3	14	14	14	22	11	11	11	11	11	1	7	7
18. Depreciation Expense	Straight Line	\$ 2	\$ 3	\$ 11	\$ 21	\$ 8	\$ 4	\$ 18	\$ 2	\$ 2	\$ 98	\$ -	\$ 169
19. Depreciation Reserve	Line 15 / 2	\$ 13	\$ 23	\$ 81	\$ 231	\$ 45	\$ 21	\$ 100	\$ 12	\$ 12	\$ 49	\$ -	\$ 587
20. Net Investment	Line 15 - Line 19	\$ 13	\$ 23	\$ 81	\$ 231	\$ 45	\$ 21	\$ 100	\$ 12	\$ 12	\$ 49	\$ -	\$ 587
Annual Costs													
21. Return On Investment	Line 20 * RoR @11.25%	\$ 1	\$ 3	\$ 9	\$ 26	\$ 5	\$ 2	\$ 11	\$ 1	\$ 1	\$ 6	\$ -	\$ 66
22. Income Tax	Line 21 * 52.62%	\$ 1	\$ 1	\$ 5	\$ 14	\$ 3	\$ 1	\$ 6	\$ 1	\$ 1	\$ 3	\$ -	\$ 35
23. Depreciation Expense	Line 18	\$ 2	\$ 3	\$ 11	\$ 21	\$ 8	\$ 4	\$ 18	\$ 2	\$ 2	\$ 98	\$ -	\$ 169
24. Maintenance Expense	Line 15 * Page 3 Line 1	\$ 2	\$ 3	\$ 11	\$ 17	\$ 2	\$ 1	\$ 5	\$ 1	\$ 1	\$ 0	\$ -	\$ 41
25. Joint Expense	Line 15 * Page 3 Line 2	\$ 1	\$ 3	\$ 9	\$ 26	\$ 5	\$ 2	\$ 11	\$ 1	\$ 1	\$ 6	\$ -	\$ 66
26. Common Expense	Line 15 * Page 3 Line 3	\$ 1	\$ 1	\$ 3	\$ 9	\$ 2	\$ 1	\$ 4	\$ 0	\$ 0	\$ 2	\$ -	\$ 24
27. Additional Expenses	Input												\$ 18
28. Total Annual Costs	Sum Lines 21 thru 26	\$ 8	\$ 14	\$ 48	\$ 113	\$ 25	\$ 12	\$ 55	\$ 6	\$ 6	\$ 114	\$ -	\$ 419



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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		5.64%	5.64%	5.64%	5.64%	5.64%
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	1	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%					



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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	0.00%	80.00%	0.04195%	35.00%	Hardware
2. DS3 Trunk Group	\$ 10,000.00	6	0.00%	80.00%	0.04195%	35.00%	Hardware
3. DS1 Trunk Group	\$ 9,000.00	23	0.00%	80.00%	0.04195%	35.00%	Hardware
4. Fiber - ATM to Switch	\$ 1,982.35	20	0.00%	80.00%	0.89286%	0.00%	Fiber
5. DSLAM Chassis, Power/Mux, DS3 Interface	\$ 11,569.12	1	0.00%	71.75%	0.39063%	32.00%	Circuit
6. POTS Splitter Chassis & Cards	\$ 5,491.53	1	0.00%	71.75%	0.39063%	32.00%	Circuit
7. DSLAM Cards	\$ 802.22	32	0.00%	71.75%	0.39063%	32.00%	Circuit
8. IOS Base Software	\$ 2,955.56	1	0.00%	71.75%	0.39063%	32.00%	Circuit
9. DS3/DS1 X-Connect	\$ 766.00	2	0.00%	85.00%	0.89286%	32.00%	Circuit
10. Modem	\$ 63.00	1	0.00%	100.00%	100.00%	49.51%	Other