



Average
Tariffed Service: ADSL - 6Mb/768k
Summary

1.	Total Material Costs	Page 2 Line 3	\$222,469
2.	Utilized Investment Costs	Page 2 Line 15	\$3,682
3.	Return On Investment	Page 2 Line 21	\$207
4.	Income Taxes	Page 2 Line 22	\$111
5.	Depreciation Expense	Page 2 Line 23	\$241
6.	Operating Expenses & Taxes	Page 2 Lines 24 thru 27	\$1,000
7.	Total Annual Costs	Sum Lines 3 thru 6	<u>\$1,559</u>
8.	Total Monthly Costs	Line 7 / 12 Months	<u>\$129.95</u>
9.	Proposed Nonrecurring Rate	Input	\$0.00



**Average
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Annual Cost**

Description	Source	Cisco IGX 8400 Equipment	DS3/OC3 Trunk Group	DS1 Trunk Group	Fiber - ATM to Switch	6160 DSLAM, DS3 Interface	POTS Splitter Chassis & Cards	DSLAM Cards	DSX3 Cross Connect Panel	NRC Adjustment	Total
Investment Costs											
1. Material Unit Price	Page 4	\$ 32,175	\$ 11,000	\$ 9,900	\$ 1,903	\$ 14,525	\$ 5,492	\$ 802	\$ 1,024	\$ -	\$ 76,821
2. Units In Service	Page 4	1	5	5	20	1	1	32	2	-	
3. Total Material Costs	Line 1 * Line 2	\$ 32,175	\$ 55,000	\$ 49,500	\$ 38,058	\$ 14,525	\$ 5,492	\$ 25,671	\$ 2,049	\$ -	\$ 222,469
4. Sales Tax	Line 3 * 3.63%	\$ 1,168	\$ 1,996	\$ 1,796	\$ 1,381	\$ 527	\$ 199	\$ 932	\$ 74	\$ -	\$ 8,073
5. Total Material Costs	Line 3 + Line 4	\$ 33,343	\$ 56,996	\$ 51,296	\$ 39,439	\$ 15,052	\$ 5,691	\$ 26,603	\$ 2,123	\$ -	\$ 230,542
6. Fill Percent	Page 4	41.00%	47.00%	47.00%	80.00%	78.40%	78.40%	78.40%	85.00%	0.00%	
7. Capacity Investment	Line 5 / Line 6	\$ 81,323	\$ 121,268	\$ 109,141	\$ 49,299	\$ 19,199	\$ 7,259	\$ 33,932	\$ 2,498	\$ -	\$ 423,918
8. EF&I Percent	Page 4	29.00%	29.00%	29.00%	0.00%	29.00%	29.00%	29.00%	29.00%	0.00%	
9. EF&I Costs	Line 7 * Line 8	\$ 23,584	\$ 35,168	\$ 31,651	\$ -	\$ 5,568	\$ 2,105	\$ 9,840	\$ 724	\$ -	\$ 108,640
10. Installed Costs	Line 7 + Line 9	\$ 104,907	\$ 156,435	\$ 140,792	\$ 49,299	\$ 24,766	\$ 9,364	\$ 43,772	\$ 3,222	\$ -	\$ 532,558
11. Power & Common Percent	Page 3	5.73%	5.73%	5.73%	0.00%	4.45%	4.45%	4.45%	4.45%	0.00%	
12. Power & Common Costs	Line 10 * Line 11	\$ 6,014	\$ 8,967	\$ 8,071	\$ -	\$ 1,102	\$ 417	\$ 1,948	\$ 143	\$ -	\$ 26,662
13. Loaded Material Investment	Line 10 + Line 12	\$ 110,921	\$ 165,403	\$ 148,862	\$ 49,299	\$ 25,868	\$ 9,780	\$ 45,720	\$ 3,366	\$ -	\$ 559,220
14. Utilization Percent	Page 4	0.67%	0.69%	0.00%	2.08%	0.85%	0.85%	0.85%	2.08%	0.00%	
15. Utilized Investment Costs	Line 13 * Line 14	\$ 741	\$ 1,149	\$ -	\$ 1,027	\$ 221	\$ 84	\$ 391	\$ 70	\$ -	\$ 3,682
16. Utilized Net Salvage	Page 4 * L14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17. Depreciation Life	Page 3	15	15	15	21	12	12	12	12	15	15
18. Depreciation Expense	Straight Line	\$ 51	\$ 78	\$ -	\$ 48	\$ 18	\$ 7	\$ 33	\$ 6	\$ -	\$ 241
19. Depreciation Reserve	Line 15 / 2	\$ 370	\$ 574	\$ -	\$ 514	\$ 111	\$ 42	\$ 195	\$ 35	\$ -	\$ 1,841
20. Net Investment	Line 15 - Line 19	\$ 370	\$ 574	\$ -	\$ 514	\$ 111	\$ 42	\$ 195	\$ 35	\$ -	\$ 1,841
Annual Costs											
21. Return On Investment	Line 20 * RoR @ 11.25%	\$ 42	\$ 65	\$ -	\$ 58	\$ 12	\$ 5	\$ 22	\$ 4	\$ -	\$ 207
22. Income Tax	Line 21 * 53.44%	22	35	-	31	7	3	12	2	-	111
23. Depreciation Expense	Line 18	\$ 51	\$ 78	\$ -	\$ 48	\$ 18	\$ 7	\$ 33	\$ 6	\$ -	\$ 241
24. Maintenance Expense	Line 15 * Page 3 Line 1	\$ 44	\$ 69	\$ -	\$ 36	\$ 5	\$ 2	\$ 10	\$ 2	\$ -	\$ 168
25. Joint Expense	Line 15 * Page 3 Line 2	\$ 42	\$ 65	\$ -	\$ 58	\$ 13	\$ 5	\$ 22	\$ 4	\$ -	\$ 209
26. Common Expense	Line 15 * Page 3 Line 3	\$ 14	\$ 21	\$ -	\$ 19	\$ 4	\$ 2	\$ 7	\$ 1	\$ -	\$ 68
27. Additional Expenses	Input										\$ 555
28. Total Annual Cost	Sum Lines 21 thru 26	\$ 215	\$ 333	\$ -	\$ 250	\$ 60	\$ 23	\$ 105	\$ 19	\$ -	\$ 1,559



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Factors

Factors	Total	Switch Hardware	Switch Software	Circuit Equipment	Copper Cable	Fiber Cable
1. Maintenance Expense		6.00%	6.00%	2.47%	3.49%	3.52%
2. Joint Expense		5.68%	5.68%	5.68%	5.68%	5.68%
3. Common Expense		1.84%	1.84%	1.84%	1.84%	1.84%
4. Power & Common Factor		5.73%	0.00%	4.45%	0.00%	0.00%
5. Depreciation Life		15	15	12	21	21
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	3.63%					
10. State Income Taxes	0.00%					
11. Federal Income Tax	0.00%					
12. Composite Tax Rate	0.00%					
13. Effective Tax Rate	53.44%					
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	\$ 32,175.00	1	0.00%	41.00%	0.66794%	29.00%	Hardware
2. DS3/OC3 Trunk Group	\$ 11,000.00	5	0.00%	47.00%	0.69444%	29.00%	Hardware
3. DS1 Trunk Group	\$ 9,900.00	5	0.00%	47.00%	0.00000%	29.00%	Hardware
4. Fiber - ATM to Switch	\$ 1,902.91	20	0.00%	80.00%	2.08333%	0.00%	Fiber
5. 6160 DSLAM, DS3 Interface	\$ 14,524.68	1	0.00%	78.40%	0.85470%	29.00%	Circuit
6. POTS Splitter Chassis & Cards	\$ 5,491.53	1	0.00%	78.40%	0.85470%	29.00%	Circuit
7. DSLAM Cards	\$ 802.22	32	0.00%	78.40%	0.85470%	29.00%	Circuit
8. DSX3 Cross Connect Panel	\$ 1,024.43	2	0.00%	85.00%	2.08333%	29.00%	Circuit