

**Case Number:** 2006-383725  
**Jurisdiction:** IN  
**Customer Name:** Western & Southern Life Insurance Co  
**Service:** Special Construction  
**Contract Length:** [User - please input # of months here]



## VICCS Special Construction Capital - Direct

### Rate Element: Special Construction Site # {Direct}

|    | <u>Description</u>                     | <u>Source</u>  | <u>Conduit 4C</u> | <u>Fiber BU 845C</u> | <u>Fiber UG 85C</u> | <u>Total</u> |
|----|--|--|-------------------|----------------------|---------------------|--------------|
| 1  | Loaded Investment New Reusable \$      | {VICCS Investment & Loading(L7)}   | \$0               | \$0                  | \$0                 | \$0          |
| 2  | Loaded Investment Existing Reusable \$ | {VICCS Investment & Loading(L9+L13)}   | \$0               | \$0                  | \$0                 | \$0          |
| 3  | Loaded Investment New NonReusable \$   | {VICCS Investment & Loading(L8+L14)}   | \$3,154.48        | \$890.91             | \$13,224.10         | \$17,269.49  |
| 4  | Reusable Depreciation Factor           | Depr(CAPITAL_FACTORS_JAN2306_1)  | 0.0016            | 0.0029               | 0.0027              |              |
| 5  | Reusable Income Tax Factor             | Inc_Tax(CAPITAL_FACTORS_JAN2306_1)   | 0.003             | 0.0027               | 0.0028              |              |
| 6  | Reusable Return Factor                 | Retrn(CAPITAL_FACTORS_JAN2306_1)   | 0.0067            | 0.0061               | 0.0062              |              |
| 7  | NonReusable Depreciation Factor        | Depr(CAPITAL_FACTORS_JAN2306_1)  | 0.0167            | 0.0167               | 0.0167              |              |
| 8  | NonReusable Income Tax Factor          | Inc_Tax(CAPITAL_FACTORS_JAN2306_1)   | 0.0023            | 0.0023               | 0.0023              |              |
| 9  | NonReusable Return Factor              | Retrn(CAPITAL_FACTORS_JAN2306_1)   | 0.0051            | 0.0051               | 0.0051              |              |
| 10 | Property Tax Factor                    | PROP_TAX_FACTORS_NOV0205_1   | 0.0006            | 0.0006               | 0.0006              |              |
| 11 |  |  |                   |                      |                     |              |
| 12 | Present Value Annuity Factor           | $((1+COM/12)^{(period-placementMonth)} - 1) / (COM/12 * (1+COM/12)^{(period-placementMonth)})$ | 46.302            | 46.302               | 46.302              |              |
| 13 | Depreciation New Reusable \$           | L1*L4*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 14 | Income Tax New Reusable \$             | L1*L5*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 15 | Return New Reusable \$                 | L1*L6*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 16 | Depreciation Existing Reusable \$      | L2*L4*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 17 | Income Tax Existing Reusable \$        | L2*L5*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 18 | Return Existing Reusable \$            | L2*L6*L12  | \$0               | \$0                  | \$0                 | \$0          |
| 19 | Depreciation New NonReusable \$        | L3*L7*L12  | \$2,434.31        | \$687.52             | \$10,205.05         | \$13,326.88  |
| 20 | Income Tax New NonReusable \$          | L3*L8*L12  | \$333.50          | \$94.19              | \$1,398.07          | \$1,825.75   |
| 21 | Return New NonReusable \$              | L3*L9*L12  | \$748.12          | \$211.29             | \$3,136.25          | \$4,095.66   |
| 22 |  |  |                   |                      |                     |              |
| 23 | Total Depreciation                     | L13+L16+L19  | \$2,434.31        | \$687.52             | \$10,205.05         | \$13,326.88  |
| 24 | Total Income Tax                       | L14+L17+L20  | \$333.50          | \$94.19              | \$1,398.07          | \$1,825.75   |
| 25 | Total Return \$                        | L15+L18+L21  | \$748.12          | \$211.29             | \$3,136.25          | \$4,095.66   |
| 26 | Total Property Tax \$                  | {VICCS Investment & Loading (L16...)}*L10*L12  | \$84.44           | \$23.85              | \$353.97            | \$462.26     |
| 27 |  |  |                   |                      |                     |              |
| 28 | Total Present Value Capital            | Sum(L23...L26)   | \$3,600.37        | \$1,016.85           | \$15,093.33         | \$19,710.55  |



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## VICCS Special Construction Summary

### Rate Element: Special Construction Site #

|    | <u>Description</u>                | <u>Source</u>                                    | <u>Direct</u>      | <u>Shared</u> | <u>Total</u>       |
|----|-----------------------------------|--|--------------------|---------------|--------------------|
| 1  | Total Present Value Capital       | {VICCS Special Construction Capital (L28)}       | \$19,710.55        |               | \$19,710.55        |
| 2  |                                   |  |                    |               |                    |
| 3  |                                   |  |                    |               |                    |
| 4  |                                   |  |                    |               |                    |
| 5  |                                   |  |                    |               |                    |
| 6  |                                   |  |                    |               |                    |
| 7  | GRL                               | $L1 * [L11 / (1 - L11)]$                         | \$617.99           |               | \$617.99           |
| 8  | <b>Total Lump Sum Cost w/ GRL</b> | <b>L1+L7</b>                                     | <b>\$20,328.54</b> |               | <b>\$20,328.54</b> |
| 9  |                                   |  |                    |               |                    |
| 10 | Factor:                           |  |                    |               |                    |
| 11 | Gross Revenue Loading(GRL)        | GRL_FACTORS_JAN2506_1                            | 0.0304             | 0.0304        |                    |
| 12 | Annual Cost of Money              |  | 0.1125             | 0.1125        |                    |
| 13 |                                   |  |                    |               |                    |
| 14 | NRC + MRC Calculation:            |  |                    |               |                    |
| 15 |                                   |  |                    |               |                    |
| 16 | Spec Const Non-Recurring Cost     | User Input                                       |                    |               |                    |
| 17 | Spec Const Monthly Recurring Cost | $PMT[L12/12, \text{Contract Length}, -(L8-L16)]$ |                    |               |                    |

Verizon - Confidential & Proprietary  
 VICCS Version 2.3.2

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**Service:** Special Construction  
**Contract Length:** 60



## VICCS Investment and Loading

### Rate Element: Special Construction Site #

|    | <u>Description</u>               | <u>Source</u>                   | <u>Conduit 4C</u>   | <u>Fiber BU 845C</u> |
|----|----------------------------------|---------------------------------|---|----------------------|
| 1  | New \$                           | VICCS Input                     | \$990   | \$434                |
| 2  | New Reusability %                | VICCS Input                     | 0%  | 0%                   |
| 3  | Existing \$                      |                                 | \$0   | \$0                  |
| 4  | Existing Reusability %           | VICCS Input                     | 0%  | 0%                   |
| 5  | EFI                              | TLOAD(EFI_FACTORS_AUG1505_1)    | 0   | 1.0528               |
| 6  | Power & Common                   | TLOAD(EFI_FACTORS_AUG1505_1)    | 0   | 0                    |
| 7  | New Reusable \$                  | $[L1*L2(1+L5)*(1+L6)]/L19$      | \$0   | \$0                  |
| 8  | New Non-Reusable \$              | $[L1*(1-L2)*(1+L5)*(1+L6)]/L19$ | \$990   | \$790.91             |
| 9  | Existing Reusable \$             | $[L3*L4(1+L5)*(1+L6)]/L19$      | \$0   | \$0                  |
| 10 | Existing Non-Reusable \$         | $[L3*(1-L4)*(1+L5)*(1+L6)]/L19$ | \$0   | \$0                  |
| 11 | Supplemental Loading New \$      | VICCS Input                     | \$100   |                      |
| 12 | Supplemental Loading Existing \$ | VICCS Input                     |   |                      |
| 13 | Labor Loading Reusable \$        | VICCS Input                     | \$0   | \$0                  |
| 14 | Labor Loading Non-Reusable \$    | VICCS Input                     | \$2,064.48  | \$0                  |
| 15 |                                  |                                 |   |                      |
| 16 | Total Loaded Investment          | SUM(L7...L14)                   | \$3,154.48  | \$890.91             |
| 17 |                                  |                                 |   |                      |
| 18 |                                  |                                 |   |                      |
| 19 | Unitize Factor                   |                                 | 1   | 1                    |
| 20 | Engineering Labor Rate           | LABOR_RATES_OCT1805_1           | LG 020 NETWORK AND CENTRAL OFFICE PLANNING (ENGR)/ LG 011 EQUIP ENGR= \$86.02<br>LG 020 NETWORK AND CENTRAL OFFICE PLANNING (ENGR)/ LG 011 EQUIP ENGR= \$86.02<br>LG 020 NETWORK AND CENTRAL OFFICE PLANNING (ENGR)/ LG 011 EQUIP ENGR= \$86.02 |                      |
| 21 | Installation Labor Rate          | LABOR_RATES_OCT1805_1           |   |                      |
| 22 | Splicing Labor Rate              | LABOR_RATES_OCT1805_1           |   |                      |

Verizon - Confidential & Proprietary

|             | <u>Fiber UG 85C</u> | <u>Total</u> |
|-------------|---------------------|--------------|
| \$1,214     |                     | \$2,638      |
| 0%          |                     |              |
| \$0         |                     | \$0          |
| 0%          |                     |              |
| 1.0528      |                     |              |
| 0           |                     |              |
| \$0         |                     | \$0          |
| \$2,492.10  |                     | \$4,273.01   |
| \$0         |                     | \$0          |
| \$0         |                     | \$0          |
| \$0         |                     | \$100        |
|             |                     | \$0          |
| \$0         |                     | \$0          |
| \$10,732    |                     | \$12,796.48  |
|             |                     |              |
| \$13,224.10 |                     | \$17,269.49  |

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021 - OUTSIDE PLANT ENGR= \$55.27

111 - CONSTR PLACER= \$50.37

121 - CONSTR SPLICER= \$51.6