

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FILED

MAR 21 1995

In the Matter of )  
)  
Local Exchange Carriers' Rates, )  
Terms and Conditions for )  
Expanded Interconnection Through ) CC Docket No. 94-97, Phase 1  
Virtual Collocation for Special Access )  
and Switched Transport )  
)  
)  
) DOCKET FILE COPY ORIGINAL

**DIRECT CASE OF GTE**

GTE Service Corporation ("GTE"), on behalf of its affiliated GTE Telephone Operating Companies ("the GTOCs") and the GTE System Telephone Companies ("the GSTCs")(collectively "GTE"), hereby submits this Direct Case as required by the Order Designating Issues for Investigation ("Designation Order").<sup>1</sup>

**BACKGROUND**

The Designation Order designated two issues for investigation: Issue A with regard to the overhead loadings established in the LECs' virtual collocation tariffs and Issue B with regard to Bell Atlantic's maintenance-related charges.

<sup>1</sup> *In the Matter of GTE Telephone Companies Rates, Terms and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, FCC 94-97 Phase I, D.A. 95-374, released Feb. 28, 1995.*

No. of Copies rec'd 077  
List A B C D E

GTE responds herein to Issue A, specifically to the information requested by the Commission in paragraphs 17, 19, 22 and 24.

**Issue A: Are the overhead loadings established in the LECs' virtual collocation tariffs justified?**

### **COMPARABLE SERVICES**

GTE has maintained that overhead loadings it has assigned to virtual EIS rate elements do not differ from those assigned to comparable services. GTE filed support for this initially with regard to physical EIS and later for virtual EIS.<sup>2</sup> Notwithstanding GTE's representations, and the representations of other LECs, the Commission found that most LECs failed to justify their overheads for virtual EIS.

Paragraph 17 of the Designation Order asks the LECs to provide information with regard to comparable services. As explained previously, GTE believes that DS1 and DS3 services are comparable to the EIS. Each service involves facilities dedicated to the customer. Special access promotional offerings would also be comparable services. However, GTE does not currently have tariffed any promotional offerings. No other services are comparable.

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<sup>2</sup> See GTE Direct Case, CC Docket No. 93-162, filed Aug. 20, 1993; GTOC Transmittal No. 904, filed Sept. 1, 1994; GSTC Transmittal No. 107, filed Sept. 1, 1994. GTE incorporates by reference the information provided therein.

GTE is providing, as Attachment 1, the unit investment components and all of the annual cost factors for the four services requested in Paragraph 17 of the Designation Order: DS1 virtual collocation service; DS3 virtual collocation service; a comparable DS1 service with the lowest overhead loading; and a comparable DS3 service with the lowest overhead loading. Also included is a written explanation of what is contained in the Attachment for the DS1 and the DS3 virtual EIS.

### **ANNUAL COST FACTOR APPLICATION**

In developing its virtual EIS rates, GTE employed the same methodology used in developing its rates for comparable DS1 and DS3 services. In fact, as shown in Attachment 1, in many cases, GTE actually applied more favorable treatment to the EIS rate elements by setting them at or near direct costs. Although similar overhead loadings were used when comparable DS1 and DS3 rates were originally developed, the level of overheads in comparable DS1 and DS3 services currently tariffed may be different.

This difference is entirely reasonable and justified. Since these rates were originally introduced, the rate levels have been changed as a result of the price cap requirements. In order to maintain rates within-band under price caps, LECs are required to raise or lower rates because of changes in the price cap indices and exogenous factors. Over time, these rate changes may have

resulted in movement toward direct cost or above fully allocated cost. This movement away from cost under price caps was anticipated and, for the most part, is beyond the control of the LEC.

Therefore, it should be expected that the overhead loadings for new EIS services would not be the same as comparable services which have been subjected to price cap adjustments over the years. GTE believes that such a comparison fails to take these adjustments into account.

#### **DS1 AND DS3 WITHOUT TRANSPORT**

The Commission has requested (§17(f)) that LECs provide the percentage of DS1 and DS3 channel terminations that are provided without interoffice mileage. This information is not readily available within GTE's access billing system. In order to determine this information, GTE would have to inventory on a circuit by circuit basis each of its' DS1 and DS3 services.

#### **COMPARISON OF OVERHEAD LOADINGS**

Paragraph 19 requests LECs to comment on how the public interest goal of fostering efficient competition is advanced if LECs use average overhead loadings for virtual collocation services provided to competitors and below-average loadings for services provided to their own end users. This inquiry ignores the legitimate affects of price cap adjustments, as discussed *supra*.

GTE provided the fully allocated costs and the direct costs for the virtual EIS rates in its original filing and has set its virtual EIS rates within these limits. Other DS1 and DS3 rates were originally developed using similar methodologies. Thus, each rate development is consistent with the Commission's long-standing policy -- found to be in the public interest -- of setting cost-based rates.<sup>3</sup>

Therefore, it is unreasonable to compare newly developed rates with rates which have been adjusted under price caps. Though the loadings may be different at this time, both sets of rates were developed using cost-based methodologies in the public interest.

#### **NONDEDICATED VIRTUAL EXPANDED INTERCONNECTION RATE ELEMENTS**

Paragraph 22 of the Designation Order requires LECs to list the virtual EIS rate elements. GTE has not tariffed any nondedicated virtual EIS rate elements. All virtual EIS rates are dedicated to providing this service.

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<sup>3</sup> If EIS rates eventually become subject to the price cap requirements, these rates would also move from these original cost-based rates.

**CONCLUSION**

GTE has shown in the support filed with its transmittals and this Direct Case that the overhead loadings applied to virtual EIS rates are just and reasonable.

Respectfully submitted,

GTE Service Corporation, on behalf of  
its affiliated GTE Telephone Operating  
Companies and the GTE System  
Telephone Companies

By   
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March 21, 1995

THEIR ATTORNEY

**NOTES TO ATTACHMENT 1 -- EXPLANATION OF MONTHLY RATE DEVELOPMENT**

The investment components and overhead factors for virtual EIS are provided herein. The non-recurring charges for virtual EIS recover the labor costs involved in the configuration and installation of the arrangement. There are no overhead loadings applied to the non-recurring charges.

Four monthly recurring rate elements apply to both the DS1 and the DS3 virtual EIS. These elements are power equipment, maintenance, cable space and cross-connect (either DS1 or DS3). This Attachment provides cost numbers for these elements in all the GTOC and GSTC states. For illustrative purposes, the following narrative references GTOC California information.

**I. POWER EQUIPMENT - MRC**

The power equipment rate element is composed of four distinct components power cable, power supply, dc power and floor space.

**A) Power Equipment - Cable**

This component identifies the cabling required to extend power from the GTE power plant to the interconnector's termination equipment. Also included is the cost of a distribution bay, relay rack and fuse panel, so that the interconnector's equipment power source can be identified separately from GTE's equipment. For GTOC California, GTE has estimated a \$2,607 investment to extend power. Initially, when GTE estimated power costs (cable) for a physical EIS arrangement, the cost was estimated at \$5,214. Since GTE is no longer leasing physical floor space (separately identified) to the interconnector, 50% of this investment was applied to the virtual arrangement. Under virtual EIS, the interconnector's equipment will be placed alongside GTE's equipment, but within a separate bay. When the annual charges (financial factors) are applied against an investment of \$2,607, the direct cost is \$69.55. The direct cost was used in the development of the Power Equipment rate element.

**B1) Power Equipment - Power Supply**

This component is an allocation of the cost of the power plant. The material investment amount of \$12,315 represents an allocation of 100 amps of power plant. Annual charges were applied against the investment of \$12,315. The direct cost is \$322.07 or \$3.22 per amp. This cost was used in the development of the DC Power cost described in B2.

It should be noted that the labor component listed in both B1 and B2 in the Attachment are recovered through a non-recurring charge.

## **B2) Power Equipment - DC Power**

DC Power is composed of the monthly utility expense the equipment draws from the power plant and an allocation of the GTE cost of the power plant. The utility expense was estimated by taking 100 amps of power times the cost of common electricity. This cost was restated on a per amp cost (shown on line 11) of \$4.35. This is a fixed monthly utility expense. The total DC Power cost per amp is \$7.58. Since virtual collocation is implemented in 20 amp increments, the DC power portion of the power equipment rate is \$151.60. No annual charge factors were applied to this component since it is a direct expense associated with providing virtual expanded interconnection.

## **C) Power Equipment - Floor Space**

This component identifies six square feet of floor space required for the interconnector's equipment frame. This component was calculated by using the replacement investment cost of the building. This cost was estimated at \$222.50 (average of the previously tariffed physical sites). When applied against the building annual charges, this resulted in a monthly recurring requirement of \$5.46 per square foot, or \$32.76 for six square feet.

## **SUMMARY OF POWER EQUIPMENT**

The total monthly Power Equipment requirement is the sum of the Power Cable, DC Power (Supply & Utility) and Floor Space. This sum equals \$253.91 which was the initial rate tariffed. As identified, this rate is largely composed of direct costs (power cable and power supply). On December 13, 1994, the Commission issued a rate adjustment factor and decreased the tariffed rate to \$172.66. This rate does not recover the direct cost and utility cost of the power service.

## **II. MAINTENANCE - MRC**

The maintenance fee is a cost that is applied to each fiber optic terminal (base module) installed. The fee is based on two components: alarm network and terminal equipment

## **A. Alarm Network**

The alarm network represents costs to provide the interconnector with a port on GTE's alarm system. This system is monitored by the Network Operations Center. The port investment was \$1036.02 (material) and \$346 (labor). When applied against the annual charges for circuit equipment, the resulting fully allocated monthly cost was \$49.07.

## **B. Terminal Equipment**

This component represents the monthly labor cost of central office technicians to troubleshoot and restore the terminal equipment. This cost was \$160.00. There were no annual charges applied to this monthly cost because this is a direct expense associated with maintaining the interconnector's terminal equipment.

## **SUMMARY OF MAINTENANCE FEE**

The total monthly cost for maintenance was originally tariffed at \$209.07. The December 13, 1994 RAF rate reduced the rate to \$152.39. As explained above, this reduced rate does not recover the underlying cost to provide the service.

## **III. CROSS-CONNECT**

The cross-connect reflects the costs of a fully equipped bay with either DS0, DS1 or DS3 patch panels. The investment cost and annual charge factors along with the fully allocated, direct and reduced RAF rates are shown on page 3 of the Attachment.

## **IV. CABLE SPACE**

The cable space includes the investment relating to the space the customer's cable occupies within the manhole, conduit and cable vault. The investment annual charge factors along with the fully allocated and direct cost are shown on page 4 of the Attachment. The cable space was developed on a central office specific basis. The Baldwin Park CO is portrayed in the Attachment.

# GTE TELEPHONE OPERATIONS

## OVERHEAD PERCENTAGE ANALYSIS

	Power Eq. Tariffed Rates (A)	Power Eq. Direct Costs (B)	Power Eq. Full Allocated Costs (C)	Overhead Amount (D = A-B)	Overhead Percent (E = D/B)
CALIFORNIA	\$253.91	\$251.87	\$336.20	\$2.04	0.81%
FLORIDA	\$206.71	\$205.88	\$271.51	\$0.83	0.40%
HAWAII	\$253.92	\$252.31	\$333.71	\$1.61	0.64%
IDAHO	\$218.88	\$218.14	\$276.09	\$0.74	0.34%
ILLINOIS	\$194.44	\$193.20	\$259.39	\$1.24	0.64%
INDIANA	\$193.74	\$192.35	\$277.98	\$1.39	0.72%
KENTUCKY	\$173.25	\$172.41	\$232.25	\$0.84	0.49%
MICHIGAN	\$194.85	\$193.70	\$234.02	\$1.15	0.59%
MISSOURI	\$161.85	\$161.19	\$234.95	\$0.66	0.41%
NORTH CAROLINA	\$183.84	\$183.25	\$257.81	\$0.59	0.32%
OHIO	\$222.44	\$221.19	\$293.19	\$1.25	0.57%
OKLAHOMA	\$206.00	\$204.63	\$254.30	\$1.37	0.67%
OREGON	\$184.99	\$183.75	\$249.91	\$1.24	0.67%
PENNSYLVANIA	\$220.80	\$219.61	\$286.64	\$1.19	0.54%
SOUTH CAROLINA	\$186.00	\$184.81	\$246.96	\$1.19	0.64%
TEXAS	\$194.75	\$193.42	\$252.52	\$1.33	0.69%
WASHINGTON	\$179.72	\$178.47	\$239.47	\$1.25	0.70%
WISCONSIN	\$180.02	\$178.75	\$243.17	\$1.27	0.71%
GTOC AVERAGE	\$200.56	\$199.39	\$265.56	\$1.17	0.59%

STATE: CALIFORNIA  
Power Equipment Components

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Cable Rate (BB x CC)	(EE) Percent Investmt
A. Power Equipment - Cable Labor (NRC)	5,214.00	50.00%		2,607.00	
Annual Charge (s)	3,060.00	50.00%		1,540.00	
1. Depreciation			911.43	455.72	10.00%
2. Return			467.58	233.79	5.64%
3. Fed/St Income Tax			266.78	144.30	3.46%
4. Ann Nonrec Cost			(751.16)	(375.58)	-9.06%
5. Maintenance			662.80	346.40	8.35%
6. Administration			1,036.82	519.41	12.52%
7. Other Taxes			59.72	29.86	0.72%
8. Total Annual Charge (s)			\$2,707.97	1,353.99	32.65%
Fully Allocated Monthly Cost ( L8 / 12 )			\$225.66	112.83	
Unit Cost ( L8 - L6 / 12 )			\$139.10	69.55	

FINANCIAL FACTORS ( A, B1, B2 )	
Admin Annual Charge Factor	12.53%
Maint Annual Charge Factor	5.35%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	9.30%

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
B1. Power Equipment - Power Supply * Labor (NRC)	12,315.00			
Annual Charge (s)	6,378.00			
1. Depreciation			2,053.96	10.00%
2. Return			1,079.61	5.78%
3. Fed/St Income Tax			666.77	3.57%
4. Ann Nonrec Cost			(1,631.28)	-8.73%
5. Maintenance			1,561.26	8.35%
6. Administration			2,341.05	12.53%
7. Other Taxes			134.58	0.72%
8. Total Annual Charge (s)			\$6,205.95	33.20%
Fully Allocated Monthly Cost ( L8 / 12 )			\$517.16	
Unit Cost ( L8 - L6 / 12 )			\$322.07	

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) DC Power Rate (BB x CC)
B2. Power Equipment - DC Power		20 Amps		
1. Amperage rating of equipment				100
2. Voltage rating of equipment				48
3. Equip Power Req (L1 * L2) / 1000 KWH				4.8
4. Cost of common elec (\$ / KWH)				\$0.00
5. Hourly cost power equip (L3 * L4)				\$0.43
6. Hours per day				24
7. Days per month				30
8. Monthly cost power Equip (L5 * L6 * L7)				\$311.04
9. Efficiency and heat loss factor				1.4
10. Monthly power cost corrected for power lost (L8 * L9)				\$435.46
11. Monthly cost (L10 / 100)				\$4.35
12. Power Supply unit cost*				322.07
13. Power Supply unit cost (L12 / 100)				\$3.22
14. Total unit cost (L11 / L13)			\$7.58	\$7.58 \$151.60

\* This unit cost is being recovered in Power Equipment - DC Power

	(AA) Bldg Rpic Cost Per Sq Ft	(BB) Allocation Factor Per Sq Ft	(CC) Total Annual Cost	(DD) Bldg Rpic Rate (BB x CC) (Mo Cost)	(EE) Percent Investmt
C. Power Equipment - Floor Space	\$222.50	6			
Annual Charge (s)					
1. Depreciation			7.43		3.34%
2. Return			12.56		5.64%
3. Fed/St Income Tax			7.76		3.49%
4. Ann Nonrec Cost			2.64		1.19%
5. Administration			4.07		1.83%
6. Maintenance			29.26		13.15%
7. Other Taxes			1.78		0.80%
8. Total Annual Charge (s)			\$65.50		29.44%
Fully Allocated Monthly Cost ( L8 / 12 )			\$5.46	\$32.78	

FINANCIAL FACTORS ( C )	
Admin Annual Charge Factor	13.15%
Maint Annual Charge Factor - BLDG	1.63%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	9.30%

Power Equipment Rate ( A + B2 + C Unit Costs ) \$253.91

RAF Rate 12/13/94

\$172.00



STATE: CALIFORNIA  
**DSO Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/04	(EE) Percent Investmt
A. Circuit Equipment - Per Port	5.81				
Labor	21.86				
Annual Charge (\$)					
1. Depreciation			3.37	10.98%	
2. Return			1.73	5.64%	
3. Fed/St Income Tax			1.07	3.49%	
4. Ann Nonrec Cost			1.07	3.49%	
5. Maintenance			0.56	1.82%	
6. Administration			3.84	12.51%	
7. Other Taxes			0.22	0.72%	
8. Total Annual Charge (\$)			\$11.86		38.64%
Fully Allocated Monthly Cost ( L8 / 12 )			\$0.99		\$0.99
Unit Cost ( L8 - L8 / 12 )			\$0.67		

FINANCIAL FACTORS	
Admin Annual Charge Factor	12.53%
Maint Annual Charge Factor	8.35%
Gross Ropte Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	8.40%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	9.30%

**DS1 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/04	(EE) Percent Investmt
A. Circuit Equipment - Per Port	50.28				
Labor	56.44				
Annual Charge (\$)					
1. Depreciation			10.67	10.00%	
2. Return			6.04	5.66%	
3. Fed/St Income Tax			3.73	3.50%	
4. Ann Nonrec Cost			4.66	4.37%	
5. Maintenance			5.21	4.88%	
6. Administration			14.03	13.15%	
7. Other Taxes			0.85	0.80%	
8. Total Annual Charge (\$)			\$45.19		42.34%
Fully Allocated Monthly Cost ( L8 / 12 )			\$3.77		\$3.20
Unit Cost ( L8 - L8 / 12 )			\$2.60		

**DS3 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/04	(EE) Percent Investmt
A. Circuit Equipment - Per Port	756.40				
Labor	187.19				
Annual Charge (\$)					
1. Depreciation			94.36	10.00%	
2. Return			53.68	5.69%	
3. Fed/St Income Tax			33.15	3.51%	
4. Ann Nonrec Cost			39.60	4.20%	
5. Maintenance			46.05	4.88%	
6. Administration			124.08	13.15%	
7. Other Taxes			7.55	0.80%	
8. Total Annual Charge (\$)			\$398.47		42.23%
Fully Allocated Monthly Cost ( L8 / 12 )			\$33.21		\$25.24
Unit Cost ( L8 - L8 / 12 )			\$22.87		

STATE: CALIFORNIA  
 CENTRAL OFFICE: Balwin Park  
**Cable Space**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
A. Conduit	277.17			
Vault	94.57			
Labor	2,126.07			
<b>Annual Charge (s)</b>				
1. Depreciation			49.66	2.00%
2. Return			140.58	5.63%
3. Fed/St Income Tax			66.82	3.48%
4. Ann Nonrec Cost			110.36	4.42%
5. Maintenance			54.66	2.19%
6. Administration			326.46	13.15%
7. Other Taxes			<u>19.97</u>	0.80%
8. Total Annual Charge (s)			\$790.73	31.66%
<b>Fully Allocated Monthly Cost ( L8 / 12 )</b>			<b>\$65.89</b>	
<b>Unit Cost ( L8 - L6 / 12 )</b>			<b>\$36.52</b>	

FINANCIAL FACTORS	
Admin Annual Charge Factor	13.15%
Maint Annual Charge Factor - OSP	2.23%
Maint Annual Charge Factor - BLDG	1.83%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.72%
Fraction of Equity	60.50%
Fraction of Debt	39.50%
Return on Equity	13.11%
Debt Rate	6.40%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	9.30%

STATE: FLORIDA  
**Power Equipment Components**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Cable Rate (BB x CC)	(EE) Percent Investmt
A. Power Equipment - Cable	5,539.00	50.00%		2,769.50	
Labor (NRC)	1,587.00	50.00%		793.50	
Annual Charge (s)					
1. Depreciation			902.03	451.02	12.66%
2. Return			401.95	200.98	5.64%
3. Fed/St Income Tax			230.44	115.22	3.23%
4. Ann Nonrec Cost			(628.89)	(314.45)	-8.63%
5. Maintenance			600.51	300.26	8.43%
6. Administration			810.65	405.33	11.36%
7. Other Taxes			155.88	77.94	2.10%
8. Total Annual Charge (s)			\$2,472.57	1,236.29	34.70%
Fully Allocated Monthly Cost (L8 / 12)			\$206.05	103.02	
Unit Cost (L8 - L6 / 12)			\$138.49	69.25	

FINANCIAL FACTORS (A, B1, B2)	
Admin Annual Charge Factor	11.36%
Maint Annual Charge Factor	8.43%
Gross Rcpte Rate	2.50%
Property Tax Rate	1.32%
Fraction of Equity	64.12%
Fraction of Debt	35.88%
Return on Equity	12.00%
Debt Rate	8.67%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	5.50%

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
B1. Power Equipment - Power Supply *	13,083.00			
Labor (NRC)	3,264.00			
Annual Charge (s)				
1. Depreciation			2,071.77	12.66%
2. Return			923.26	5.64%
3. Fed/St Income Tax			529.31	3.23%
4. Ann Nonrec Cost			(1,396.67)	-8.55%
5. Maintenance			1,379.25	8.43%
6. Administration			1,661.91	11.36%
7. Other Taxes			359.19	2.19%
8. Total Annual Charge (s)			\$5,726.02	34.99%
Fully Allocated Monthly Cost (L8 / 12)			\$477.17	
Unit Cost (L8 - L6 / 12)			\$322.01	

\* This unit cost is being recovered in Power Equipment-DC Power

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) DC Power Rate (BB x CC)
B2. Power Equipment - DC Power				
20 Amps				
Par Amp				
1. Amperage rating of equipment			100	
2. Voltage rating of equipment			48	
3. Equip Power Req (L1 * L2) / 1000 KWH			4.8	
4. Cost of common elec (\$ / KWH)			\$0.06	
5. Hourly cost power equip (L3 * L4)			\$0.29	
6. Hours per day			24	
7. Days per month			30	
8. Monthly cost power Equip (L5 * L6 * L7)			\$207.36	
9. Efficiency and heat loss factor			1.4	
10. Monthly power cost corrected for power lost (L8 * L9)			\$290.30	
11. Monthly cost (L10 / 100)			\$2.90	
12. Power Supply unit cost*			322.01	
13. Power Supply unit cost (\$ / 100)			\$3.22	
14. Total unit cost (L11 / L13)			\$6.12	\$122.40

	(AA) Bldg Rplc Cost Per Sq Ft	(BB) Allocation Factor Per Sq Ft	(CC) Total Annual Cost	(DD) Bldg Rplc Rate (BB x CC) (Mo Cost)	(EE) Percent Investmt
C. Power Equipment - Floor Space	\$102.25	6			
Annual Charge (s)					
1. Depreciation			2.69	2.63%	
2. Return			5.77	5.64%	
3. Fed/St Income Tax			3.31	3.24%	
4. Ann Nonrec Cost			2.15	2.10%	
5. Administration			1.65	1.61%	
6. Maintenance			12.54	12.20%	
7. Other Taxes			2.01	1.97%	
8. Total Annual Charge (s)			\$30.12	29.46%	
Fully Allocated Monthly Cost (L8 / 12)			\$2.51	\$15.06	

FINANCIAL FACTORS (C)	
Admin Annual Charge Factor	12.20%
Maint Annual Charge Factor -BLDG	1.61%
Gross Rcpte Rate	2.50%
Property Tax Rate	1.32%
Fraction of Equity	64.12%
Fraction of Debt	35.88%
Return on Equity	12.00%
Debt Rate	8.67%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	5.50%

Power Equipment Rate (A + B2 + C Unit Costs) \$206.71

RAF Rate 12/13/94 \$138.50

STATE: FLORIDA

**Maintenance Fee - Alarm Network**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/04	(EE) Percent Investmt
A. Circuit Equipment - Per Port Labor	1,102.78				
Annual Charge (s)	346.00				
1. Depreciation			183.39	12.00%	
2. Return			82.38	5.00%	
3. Fed/St Income Tax			47.23	3.20%	
4. Ann Nonrec Cost			23.90	1.65%	
5. Maintenance			65.47	4.52%	
6. Administration			164.81	11.36%	
7. Other Taxes			34.16	2.30%	
B. Total Annual Charge (s)			\$601.34	41.51%	
Fully Allocated Monthly Cost ( L8 / 12 )			\$50.11		
Unit Cost ( L8 - L6 / 12 )			\$36.38		

FINANCIAL FACTORS	
Admin Annual Charge Factor	11.36%
Maint Annual Charge Factor	8.43%
Gross Ropls Rate	2.50%
Property Tax Rate	1.32%
Fraction of Equity	64.12%
Fraction of Debt	35.88%
Return on Equity	12.00%
Debt Rate	8.07%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	5.50%

STATE: FLORIDA

**Maintenance Fee - Terminal Equipment**

	(AA) Hourly Rate	(BB) Labor Hours	(CC) Total Cost (AA X BB)
B. Circuit Equipment - Labor			
1. Cir Equip Troubleshoot	68.86	0.50	34.43
2. CO Equip Restoration	68.86	3.00	206.58
3. Total ( L1 + L2 )			\$241.01
4. Twelve (12) Alarms Per Year ( L3 x 12 )			\$2,892.12
5. Routine Maintenance Per Year	68.86	2.00	\$137.72
6. Total Net Cost ( L4 + L5 )			\$3,029.84
Proposed Monthly Recurring Charge ( L6 / 12 )			\$252.00
Maintenance Fee ( A + B )			\$302.11
			\$220.54

STATE: FLORIDA  
DSO Cross Connect

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	9.36				
Labor	16.26				
Annual Charge (\$)					
1. Depreciation			3.24		12.65%
2. Return			1.45		5.66%
3. Fed/St Income Tax			0.83		3.24%
4. Ann Nonrec Cost			0.47		1.83%
5. Maintenance			0.41		1.60%
6. Administration			2.91		11.36%
7. Other Taxes			<u>0.59</u>		2.30%
8. Total Annual Charge (\$)			\$0.00		36.64%
Fully Allocated Monthly Cost ( L8 / 12 )			\$0.83	\$0.85	
Unit Cost ( L8 - L6 / 12 )			\$0.58		

FINANCIAL FACTORS	
Admin Annual Charge Factor	11.38%
Maint Annual Charge Factor	8.43%
Gross Rcpts Rate	2.50%
Property Tax Rate	1.32%
Fraction of Equity	64.12%
Fraction of Debt	35.88%
Return on Equity	12.69%
Debt Rate	8.67%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	5.50%

DS1 Cross Connect

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	51.70				
Labor	46.11				
Annual Charge (\$)					
1. Depreciation			8.97		9.17%
2. Return			5.54		5.66%
3. Fed/St Income Tax			3.18		3.25%
4. Ann Nonrec Cost			5.14		5.26%
5. Maintenance			8.38		8.57%
6. Administration			11.99		12.26%
7. Other Taxes			<u>2.34</u>		2.30%
8. Total Annual Charge (\$)			\$45.54		46.56%
Fully Allocated Monthly Cost ( L8 / 12 )			\$3.80	\$3.50	
Unit Cost ( L8 - L6 / 12 )			\$2.80		

DS3 Cross Connect

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	777.76				
Labor	152.76				
Annual Charge (\$)					
1. Depreciation			85.37		9.17%
2. Return			52.96		5.66%
3. Fed/St Income Tax			30.36		3.26%
4. Ann Nonrec Cost			47.44		5.10%
5. Maintenance			79.75		8.57%
6. Administration			114.08		12.26%
7. Other Taxes			<u>22.25</u>		2.30%
8. Total Annual Charge (\$)			\$432.21		46.45%
Fully Allocated Monthly Cost ( L8 / 12 )			\$36.02	\$36.85	
Unit Cost ( L8 - L6 / 12 )			\$26.51		

STATE: FLORIDA  
 CENTRAL OFFICE: Auburndale  
**Cable Space**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate	(EE) Percent Investmt
A. Conduit	38.02				
Vault	94.57				
Labor	563.55				
Annual Charge (s)					
1. Depreciation			15.57	2.24%	
2. Return			39.18	5.63%	
3. Fed/St Income Tax			22.46	3.23%	
4. Ann Nonrec Cost			25.91	3.72%	
5. Maintenance			12.16	1.75%	
6. Administration			85.35	12.26%	
7. Other Taxes			13.83	2.00%	
8. Total Annual Charge (s)			\$214.56	30.82%	
Fully Allocated Monthly Cost ( L8 / 12 )			\$17.88		\$14.98
Unit Cost ( L8 - L6 / 12 )			\$10.77		

FINANCIAL FACTORS	
Admin Annual Charge Factor	12.26%
Maint Annual Charge Factor - OSP	1.63%
Maint Annual Charge Factor - BLDG	1.61%
Gross Rpts Rate	2.50%
Property Tax Rate	1.32%
Fraction of Equity	64.12%
Fraction of Debt	35.88%
Return on Equity	12.69%
Debt Rate	6.67%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	5.50%

STATE: HAWAII

**Power Equipment Components**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Cable Rate  (BB x CC)	(EE) Percent Investmt
A. Power Equipment - Cable	5,520.00	50.00%		2,760.00	
Labor (NRC)	3,034.00	50.00%		1,517.00	
Annual Charge (s)					
1. Depreciation			701.15	350.58	8.20%
2. Return			482.27	241.14	5.64%
3. Fed/St Income Tax			281.40	140.70	3.29%
4. Ann Nonrec Cost			(544.26)	(272.13)	-6.36%
5. Maintenance			550.96	275.48	6.44%
6. Administration			1,005.95	502.98	11.76%
7. Other Taxes			<u>161.93</u>	<u>80.97</u>	1.89%
8. Total Annual Charge (s)			\$2,639.40	1,319.70	30.86%
Fully Allocated Monthly Cost ( L8 / 12 )			\$219.95	109.98	
Unit Cost ( L8 - L6 / 12 )			\$136.12	68.06	

FINANCIAL FACTORS ( A, B1, B2 )	
Admin Annual Charge Factor	11.76%
Maint Annual Charge Factor	6.44%
Gross Rcpts Rate	6.54%
Property Tax Rate	0.00%
Fraction of Equity	53.00%
Fraction of Debt	47.00%
Return on Equity	13.64%
Debt Rate	8.55%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	6.40%

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
B1. Power Equipment - Power Supply *	13,038.00			
Labor (NRC)	6,281.00			
Annual Charge (s)				
1. Depreciation			1,583.52	8.20%
2. Return			1,089.30	5.64%
3. Fed/St Income Tax			635.61	3.29%
4. Ann Nonrec Cost			(1,156.86)	-5.99%
5. Maintenance			1,244.34	6.44%
6. Administration			2,271.91	11.76%
7. Other Taxes			<u>370.45</u>	1.92%
8. Total Annual Charge (s)			\$6,038.27	31.26%
Fully Allocated Monthly Cost ( L8 / 12 )			\$503.19	
Unit Cost ( L8 - L6 / 12 )			\$313.86	

B2. Power Equipment - DC Power	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) DC Power Rate (BB x CC)
		20 Amps		Per Amp
1. Amperage rating of equipment				100
2. Voltage rating of equipment				48
3. Equip Power Req (L1 * L2) / 1000 KWH				4.8
4. Cost of common elec (\$ / KWH)				\$0.09
5. Hourly cost power equip (L3 * L4)				\$0.43
6. Hours per day				24
7. Days per month				30
8. Monthly cost power Equip (L5 * L6 * L7)				\$311.04
9. Efficiency and heat loss factor				1.4
10. Monthly power cost corrected for power lost (L8 * L9)				\$435.46
11. Monthly cost (L10 / 100)				\$4.35
12. Power Supply unit cost*				313.86
13. Power Supply unit cost (L12 / 100)				\$3.14
14. Total unit cost (L11 / L13)				\$7.49

\* This unit cost is being recovered in Power Equipment-DC Power

	(AA) Bldg Rplc Cost Per Sq Ft	(BB) Allocation Factor Per Sq Ft	(CC) Total Annual Cost	(DD) Bldg Rplc Rate (BB x CC) (Mo Cost)	(EE) Percent Investmt
C. Power Equipment - Floor Space	\$256.47	6			
Annual Charge (s)					
1. Depreciation			6.26		2.44%
2. Return			14.48		5.65%
3. Fed/St Income Tax			8.45		3.29%
4. Ann Nonrec Cost			5.01		1.95%
5. Administration			3.23		1.26%
6. Maintenance			32.67		12.74%
7. Other Taxes			<u>1.98</u>		0.77%
8. Total Annual Charge (s)			\$72.08		28.10%
Fully Allocated Monthly Cost ( L8 / 12 )			\$6.01	\$36.06	

FINANCIAL FACTORS ( C )	
Admin Annual Charge Factor	12.74%
Maint Annual Charge Factor - BLDG	1.26%
Gross Rcpts Rate	6.54%
Property Tax Rate	0.00%
Fraction of Equity	53.00%
Fraction of Debt	47.00%
Return on Equity	13.64%
Debt Rate	8.55%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	6.40%

**Power Equipment Rate ( A + B2 + C Unit Costs ) \$253.93**

RAF Rate 12/13/94

\$253.92

STATE: HAWAII

**Maintenance Fee -- Alarm Network**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment -- Per Port Labor	1,098.96				
	348.00				
Annual Charge (s)					
1. Depreciation			118.44	8.20%	
2. Return			82.16	5.69%	
3. Fed/St Income Tax			47.94	3.32%	
4. Ann Nonrec Cost			83.65	5.79%	
5. Maintenance			91.41	6.33%	
6. Administration			169.93	11.76%	
7. Other Taxes			<u>9.87</u>	0.68%	
8. Total Annual Charge (s)			\$603.40	41.76%	
Fully Allocated Monthly Cost ( L8 / 12 )			\$50.28		
Unit Cost ( L8 - L6 / 12 )			\$36.12		

FINANCIAL FACTORS	
Admin Annual Charge Factor	11.76%
Maint Annual Charge Factor	6.44%
Gross Rpts Rate	6.54%
Property Tax Rate	0.00%
Fraction of Equity	53.00%
Fraction of Debt	47.00%
Return on Equity	13.64%
Debt Rate	8.55%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	6.40%

STATE: HAWAII

**Maintenance Fee -- Terminal Equipment**

	(AA) Hourly Rate	(BB) Labor Hours	(CC) Total Cost (AA X BB)
B. Circuit Equipment -- Labor			
1. Cir Equip Troubleshoot	39.59	0.50	19.80
2. CO Equip Restoration	39.59	3.00	<u>118.77</u>
3. Total ( L1 + L2 )			\$138.57
4. Twelve (12) Alarms Per Year ( L3 x 12 )			\$1,662.78
5. Routine Maintenance Per Year	39.59	2.00	\$79.18
6. Total Net Cost ( L4 + L5 )			\$1,741.96
Proposed Monthly Recurring Charge (L6 / 12 )			\$145.00
<b>Maintenance Fee ( A + B )</b>			<b>\$195.28</b>

\$178.71

STATE: HAWAII  
**DSO Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	9.33				
Labor	19.80				
Annual Charge (s)					
1. Depreciation			2.39		8.20%
2. Return			1.65		5.66%
3. Fed/St Income Tax			0.96		3.30%
4. Ann Nonrec Cost			1.74		5.97%
5. Maintenance			0.37		1.27%
6. Administration			3.43		11.77%
7. Other Taxes			<u>0.69</u>		2.37%
8. Total Annual Charge (s)			\$11.23		38.55%
Fully Allocated Monthly Cost ( L8 / 12 )			\$0.94	\$0.94	
Unit Cost ( L8 - L6 / 12 )			\$0.65		

FINANCIAL FACTORS	
Admin Annual Charge Factor	11.76%
Maint Annual Charge Factor	6.44%
Gross Rcpts Rate	6.54%
Property Tax Rate	0.00%
Fraction of Equity	53.00%
Fraction of Debt	47.00%
Return on Equity	13.64%
Debt Rate	8.55%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	6.40%

**DS1 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	57.39				
Labor	42.16				
Annual Charge (s)					
1. Depreciation			8.09		8.13%
2. Return			5.65		5.68%
3. Fed/St Income Tax			3.29		3.30%
4. Ann Nonrec Cost			5.92		5.95%
5. Maintenance			3.76		3.78%
6. Administration			12.68		12.74%
7. Other Taxes			<u>1.11</u>		1.12%
8. Total Annual Charge (s)			\$40.50		40.68%
Fully Allocated Monthly Cost ( L8 / 12 )			\$3.38	\$3.18	
Unit Cost ( L8 - L6 / 12 )			\$2.32		

**DS3 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	863.36				
Labor	140.31				
Annual Charge (s)					
1. Depreciation			81.60		8.13%
2. Return			57.15		5.69%
3. Fed/St Income Tax			33.35		3.32%
4. Ann Nonrec Cost			58.27		5.81%
5. Maintenance			37.94		3.78%
6. Administration			127.87		12.74%
7. Other Taxes			<u>11.16</u>		1.11%
8. Total Annual Charge (s)			\$407.34		40.59%
Fully Allocated Monthly Cost ( L8 / 12 )			\$33.95	\$28.52	
Unit Cost ( L8 - L6 / 12 )			\$23.29		

STATE: HAWAII  
 CENTRAL OFFICE: ALAKEA/HONOLULU  
**Cable Space**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
A. Conduit	119.88			
Vault	94.57			
Labor	943.84			
Annual Charge (s)				
1. Depreciation			23.82	2.04%
2. Return			65.20	5.63%
3. Fed/St Income Tax			38.04	3.28%
4. Ann Nonrec Cost			44.58	3.85%
5. Maintenance			24.10	2.08%
6. Administration			147.57	12.74%
7. Other Taxes			<u>9.67</u>	0.83%
8. Total Annual Charge (s)			\$352.78	30.46%
Fully Allocated Monthly Cost ( L8 / 12 )			\$29.40	
Unit Cost ( L8 - L6 / 12 )			\$17.10	

FINANCIAL FACTORS	
Admin Annual Charge Factor	12.74%
Maint Annual Charge Factor - OSP	2.32%
Maint Annual Charge Factor - BLDG	1.26%
Gross Rcpts Rate	6.54%
Property Tax Rate	0.00%
Fraction of Equity	53.00%
Fraction of Debt	47.00%
Return on Equity	13.64%
Debt Rate	8.55%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	6.40%

STATE IDAHO

**Power Equipment Components**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Cable Rate (BB x CC)	(EE) Percent Investmt
A. Power Equipment – Cable Labor (NRC)	5,311.00	50.00%		2,655.50	
Annual Charge (s)	1,694.00	50.00%		847.00	
1. Depreciation			500.36	250.18	7.14%
2. Return			395.09	197.55	5.64%
3. Fed/St Income Tax			237.89	118.95	3.40%
4. Ann Nonrec Cost			(271.88)	(135.94)	-3.88%
5. Maintenance			414.77	207.39	5.92%
6. Administration			716.40	358.20	10.23%
7. Other Taxes			<u>707.51</u>	<u>353.76</u>	10.10%
8. Total Annual Charge (s)			\$2,700.14	1,350.07	38.55%
Fully Allocated Monthly Cost ( L8 / 12 )			\$225.01	112.51	
Unit Cost ( L8 – L6 / 12 )			\$165.31	82.66	

Admin Annual Charge Factor	10.53%
Maint Annual Charge Factor	1.74%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.97%
Fraction of Equity	57.38%
Fraction of Debt	42.62%
Return on Equity	12.54%
Debt Rate	9.51%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	8.00%

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) Percent Investmt
B1. Power Equipment – Power Supply * Labor (NRC)	12,545.00			
Annual Charge (s)	3,507.00			
1. Depreciation			1,146.57	7.14%
2. Return			905.43	5.64%
3. Fed/St Income Tax			545.16	3.40%
4. Ann Nonrec Cost			(575.54)	-3.59%
5. Maintenance			950.44	5.92%
6. Administration			1,641.64	10.23%
7. Other Taxes			<u>1,621.25</u>	10.10%
8. Total Annual Charge (s)			\$6,234.95	38.84%
Fully Allocated Monthly Cost ( L8 / 12 )			\$519.58	
Unit Cost ( L8 – L6 / 12 )			\$382.78	

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) DC Power Rate (BB x CC)
B2. Power Equipment – DC Power		20 Amps	Per Amp	
1. Amperage rating of equipment				100
2. Voltage rating of equipment				48
3. Equip Power Req (L1 * L2) / 1000 KWH				4.8
4. Cost of common elec (\$ / KWH)				\$0.05
5. Hourly cost power equip (L3 * L4)				\$0.24
6. Hours per day				24
7. Days per month				30
8. Monthly cost power Equip (L5 * L6 * L7)				\$172.80
9. Efficiency and heat loss factor				1.4
10. Monthly power cost corrected for power lost (L8 * L9)				\$241.92
11. Monthly cost (L10 / 100)				\$2.42
12. Power Supply unit cost*				382.78
13. Power Supply unit cost (L12 / 100)				\$3.83
14. Total unit cost (L11 / L13)			\$6.25	\$6.25 \$125.00

\* This unit cost is being recovered in Power Equipment – DC Power

	(AA) Bidg Rplc Cost Per Sq Ft	(BB) Allocation Factor Per Sq Ft	(CC) Total Annual Cost	(DD) Bidg Rplc Rate (BB x CC (Mo Cost)	(EE) Percent Investmt
C. Power Equipment – Floor Space	\$84.50	6			
Annual Charge (s)					
1. Depreciation			2.35		2.78%
2. Return			4.77		5.64%
3. Fed/St Income Tax			2.87		3.40%
4. Ann Nonrec Cost			1.30		1.54%
5. Administration			1.47		1.74%
6. Maintenance			8.90		10.53%
7. Other Taxes			<u>0.82</u>		0.97%
8. Total Annual Charge (s)			\$22.48		26.60%
Fully Allocated Monthly Cost ( L8 / 12 )			\$1.87	\$11.22	

Admin Annual Charge Factor	10.53%
Maint Annual Charge Factor –BLDG	1.74%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.97%
Fraction of Equity	57.38%
Fraction of Debt	42.62%
Return on Equity	12.54%
Debt Rate	9.51%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	8.00%

**Power Equipment Rate ( A + B2 + C Unit Costs ) \$218.88**

RAF Rate 12/13/94

\$210.12

STATE: IDAHO

**Maintenance Fee – Alarm Network**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment – Per Port	1,052.89				
Labor	345.00				
Annual Charge (s)					
1. Depreciation			99.92	7.14%	
2. Return			79.53	5.69%	
3. Fed/St Income Tax			47.89	3.42%	
4. Ann Nonrec Cost			95.34	6.82%	
5. Maintenance			53.17	3.80%	
6. Administration			143.06	10.23%	
7. Other Taxes			<u>141.29</u>	10.10%	
8 Total Annual Charge (s)			\$660.20	47.19%	
Fully Allocated Monthly Cost ( L8 / 12 )			\$55.02		
Unit Cost ( L8 – L6 / 12 )			\$43.10		

FINANCIAL FACTORS	
Admin Annual Charge Factor	10.53%
Maint Annual Charge Factor	1.74%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.97%
Fraction of Equity	57.38%
Fraction of Debt	42.62%
Return on Equity	12.54%
Debt Rate	9.51%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	8.00%

STATE: IDAHO

**Maintenance Fee – Terminal Equipment**

	(AA) Hourly Rate	(BB) Labor Hours	(CC) Total Cost (AA X BB)
B. Circuit Equipment – Labor			
1. Cir Equip Troubleshoot	45.53	0.50	22.77
2. CO Equip Restoration	45.53	3.00	<u>136.59</u>
3 Total ( L1 + L2 )			\$159.36
4. Twelve (12) Alarms Per Year ( L3 x 12 )			\$1,912.26
5. Routine Maintenance Per Year	45.53	2.00	\$91.06
6. Total Net Cost ( L4 + L5 )			\$2,003.32
Proposed Monthly Recurring Charge ( L6 / 12 )			\$167.00

**Maintenance Fee ( A + B )** **\$222.02**    \$178.71

STATE: IDAHO

**DSO Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	8.97				
Labor	22.77				
Annual Charge (s)					
1. Depreciation			2.27		7.15%
2. Return			1.79		5.64%
3. Fed/St Income Tax			1.08		3.40%
4. Ann Nonrec Cost			2.24		7.06%
5. Maintenance			0.55		1.73%
6. Administration			3.25		10.24%
7. Other Taxes			<u>3.21</u>		10.11%
8. Total Annual Charge (s)			\$14.39		45.34%
<b>Fully Allocated Monthly Cost ( L8 / 12 )</b>			<b>\$1.20</b>	\$1.20	
Unit Cost ( L8 - L6 / 12 )			\$0.93		

FINANCIAL FACTORS	
Admin Annual Charge Factor	10.53%
Maint Annual Charge Factor	1.74%
Gross Rcpts Rate	0.00%
Property Tax Rate	0.97%
Fraction of Equity	57.38%
Fraction of Debt	42.62%
Return on Equity	12.54%
Debt Rate	9.51%
Cost of Money	11.25%
Federal Income Tax	34.00%
State Income Tax	8.00%

**DS1 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	52.02				
Labor	58.53				
Annual Charge (s)					
1. Depreciation			7.90		7.15%
2. Return			6.26		5.66%
3. Fed/St Income Tax			3.77		3.41%
4. Ann Nonrec Cost			7.69		6.96%
5. Maintenance			4.31		3.90%
6. Administration			11.64		10.53%
7. Other Taxes			<u>1.07</u>		0.97%
8. Total Annual Charge (s)			\$42.64		38.57%
<b>Fully Allocated Monthly Cost ( L8 / 12 )</b>			<b>\$3.55</b>	\$3.51	
Unit Cost ( L8 - L6 / 12 )			\$2.58		

**DS3 Cross Connect**

	(AA) Cost	(BB) Allocation Factor	(CC) Total Annual Cost	(DD) RAF Rate 12/13/94	(EE) Percent Investmt
A. Circuit Equipment - Per Port	782.52				
Labor	194.07				
Annual Charge (s)					
1. Depreciation			69.76		7.14%
2. Return			55.56		5.69%
3. Fed/St Income Tax			33.45		3.43%
4. Ann Nonrec Cost			66.32		6.79%
5. Maintenance			38.09		3.90%
6. Administration			102.83		10.53%
7. Other Taxes			<u>9.47</u>		0.97%
8. Total Annual Charge (s)			\$375.48		38.45%
<b>Fully Allocated Monthly Cost ( L8 / 12 )</b>			<b>\$31.29</b>	\$30.04	
Unit Cost ( L8 - L6 / 12 )			\$22.72		