CO SURVEY AND IMPLEMENTATION MANAGEMENT COSTS

Direct Cost

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

	DESCRIPTION	(A) LABOR RATE /UNIT (Directly Assigned)	(B) # OF UNITS	(C) TOTAL COST (A * B)
	CO Survey Labor			
1	Real Estate	$130.21 /Hour	4	$520.84
2	Security	$130.21 /Hour	4	$520.84
3	Collocation Point of Contact	$97.98 /Hour	4	$391.92
4	Facility Equipment Engineer	$93.01 /Hour	4	$372.04
5	Detail Engineer	$106.13 /Hour	4	$424.52
6	CSPEC	$93.01 /Hour	4	$372.04
7	Power Engineer	$106.13 /Hour	4	$424.52
8	Site Manager	$48.85 /Hour	4	$195.40
9	Outside Plant Engineer	$84.95 /Hour	4	$339.80
10	Central Office Manager	$93.01 /Hour	4	$372.04
11	Network Terminating Eq Mgr	$55.84 /Hour	4	$223.36
12	***Total Cost, Direct***			$4,157.32
	Implementation Mgmt Labor			
13	Environmental Mgmt	$93.01 /Hour	4	$372.04
14	Risk Mgmt	$93.01 /Hour	4	$372.04
15	CPOC	$97.98 /Hour	4	$391.92
16	***Total Cost, Direct***			$1,136.00

SOURCES

Column A : Labor rates are taken from a 1990 Company study. These rates are directly assigned, and as such include wages and benefits, but no overhead loadings.

Column B: Hours for each function or task are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.

NOTE: Totals may not add due to rounding.

LICENSED SPACE SET UP COST

Cost Including Overhead

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

	DESCRIPTION	COST	SOURCE
1	Licensed Space Enclosures (for 1 building bay; 2 spaces)	$4,336.76	Real Estate Management
2	Ironwork & Cable Racking (for 1 building Bay; 2 spaces)	$23,422.94	Project Team
3	Enclosure + Ironwork & Cable Racking per Building Bay	$27,759.70	Ln 1 + Ln 2
4	Enclosure + Ironwork & Cable Racking per Space	$13,879.85	Ln 3 / 2
5	AC Outlet	$337.73	Real Estate Management
6	Telephone Service Prewire	$68.34	Real Estate Management
7	Fire Detection	$494.38	Real Estate Management
8	Point of Termination Locking Cover	$1,665.50	Project Team
9	Application Processing Cost	$3,070.39	Pg 15, Ln 16
10	**Total Licensed Space Set Up Cost per Space**	**$19,516.18**	Sum Lines 4 thru 9
11	Rate	$19,516.00	Ln 10, Rounded
12	Direct Cost	$19,049.94	Page 14, Ln 10
13	RATIO: Rate/Direct Cost	1.02	Ln 11 / Ln 12
14	Total Building Capital	$3,069	Ln 1/2 + Ln 5 + Ln 6 + Ln 7
15	Total Equipment Capital	$13,377	Ln 2/2 + Ln 8

NOTE: Totals may not add due to rounding.

LICENSED SPACE SET UP COST

Direct Cost

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

	DESCRIPTION	COST	SOURCE
1	Licensed Space Enclosures (for 1 building bay; 2 spaces)	$4,336.76	Real Estate Management
2	Ironwork & Cable Racking (for 1 building Bay; 2 spaces)	$23,422.94	Project Team
3	Enclosure + Ironwork & Cable Racking per Building Bay	$27,759.70	Ln 1 + Ln 2
4	Enclosure + Ironwork & Cable Racking per Space	$13,879.85	Ln 3 / 2
5	AC Outlet	$337.73	Real Estate Management
6	Telephone Service Prewire	$68.34	Real Estate Management
7	Fire Detection	$494.38	Real Estate Management
8	Point of Termination Locking Cover	$1,665.50	Project Team
9	Application Processing Cost	$2,604.15	Pg 16, Ln 16
10	**Total Licensed Space Set Up Cost per Space**	**$19,049.94**	Sum Lines 4 thru 9
11	Total Building Capital	$3,069	Ln 1/2 + Ln 5 + Ln 6 + Ln 7
12	Total Equipment Capital	$13,377	Ln 2/2 + Ln 8

NOTE: Totals may not add due to rounding.

APPLICATION PROCESSING

Cost Including Overhead

	FUNCTION	(A) HOURS	(B) LABOR RATE (Fully Assgnd)	(C) COST (A*B)	SOURCE
1	Initial Sales Contact	1	$106.03	$106.03	Column A Hours for each function are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.
2	Application Coordination	2	$143.83	$287.66	
3	Equipment Evaluation	2	$109.39	$218.78	
4	CUSTOMER MEETING				
5	Account Manager	2	$106.03	$212.06	
6	CO Engineering	4	$109.39	$437.56	
7	CPOC*	2	$100.31	$200.62	Column B Labor rates are taken from a 1990 Company study. These labor rates are fully assigned, and as such include wages, benefits, and reasonable overhead loadings.
8	Final Sales Contact	1	$106.03	$106.03	
9	FABS Billing	1	$118.37	$118.37	
10	Space Assignment (CPOC)	2	$100.31	$200.62	
11	Environmental Review	2	$101.49	$202.98	
12	CUSTOMER WALKTHROUGH				Column C Col A * Col B
13	Site Manager	2	$77.16	$154.32	
14	Account Manager	4	$106.03	$424.12	
15	CPOC*	4	$100.31	$401.24	
16	**TOTAL CONSTRUCTION PROVISIONING COST (Including Overhead)**			$3,070.39	Sum Lines 1 thru 15

* Collocation Point of Contact

NOTE: Totals may not add due to rounding.

APPLICATION PROCESSING

Direct Cost

	FUNCTION	(A) HOURS	(B) LABOR RATE (Dir Assgnd)	(C) COST (A*B)	SOURCE
1	Initial Sales Contact	1	$87.48	$87.48	Column A Hours for each function are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.
2	Application Coordination	2	$130.21	$260.42	
3	Equipment Evaluation	2	$93.01	$186.02	
4	CUSTOMER MEETING				
5	Account Manager	2	$87.48	$174.96	
6	CO Engineering	4	$93.01	$372.04	
7	CPOC*	2	$84.95	$169.90	Column B Labor rates are taken from a 1990 Company study. These labor rates are directly assigned, and as such include wages and benefits, but no overhead loadings.
8	Final Sales Contact	1	$87.48	$87.48	
9	FABS Billing	1	$106.51	$106.51	
10	Space Assignment (CPOC)	2	$84.95	$169.90	
11	Environmental Review	2	$86.29	$172.58	
12	CUSTOMER WALKTHROUGH				Column C Col A * Col B
13	Site Manager	2	$63.57	$127.14	
14	Account Manager	4	$87.48	$349.92	
15	CPOC*	4	$84.95	$339.80	
16	**TOTAL CONSTRUCTION PROVISIONING COST (Direct)**			$2,604.15	Sum Lines 1 thru 15

* Collocation Point of Contact

NOTE: Totals may not add due to rounding.

Cost Including Overhead

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

	DESCRIPTION	LABOR RATE /UNIT (Fully Assigened)	# OF UNITS	TOTAL COST
	Engineering			
1	Outside Plant Engineer	$100.31 /Hour	1	$100.31
2	TIES Engineer	$109.39 /Hour	2	$218.78
3	Facility Equipment Engineer	$114.34 /Hour	4	$457.36
4	Engineering Aide	$87.81 /Hour	2	$175.62
5	**Subtotal**			$952.07
	Vertical Placement			
6	1st OSP Technician	$79.74 /Hour	2	$159.48
7	2nd OSP Technician	$79.74 /Hour	2	$159.48
8	Cost per Floor (Ln 6 + Ln 7)			$318.96
9	Collocation Floor		2	
10	**Subtotal** (Ln 8 * Ln 9)			$637.92
	Horizontal Placement			
11	1st OSP Technician-Set Up	$79.74 /Hour	0.5	$39.87
12	2nd OSP Technician-Set Up	$79.74 /Hour	0.5	$39.87
13	Total Set Up (Ln 11 + Ln 12)			$79.74
14	1st OSP Tech-Each 50 Ft	$79.74 /Hour	0.5	$39.87
15	2nd OSP Tech-Each 50 Ft	$79.74 /Hour	0.5	$39.87
16	Cost per 50 Ft (Ln 14 + Ln 15)			$79.74
17	Number of 50 Ft Increments		3	
18	Cost of Horizontal Pull Excluding Set Up (Ln 16 * Ln 17)			$239.22
19	**Subtotal** (Ln 13 + Ln 18)			$318.96
20	***Total Fiber Placement/Removal Cost, Including Overheads*** (Lns 5 + 10 + 19)			**$1,908.95**
21	*Total Fiber Placement/Removal Cost, Direct* (See Following Page)			$1,587.37
22	Rate (Ln 20, Rounded)			$1,909.00
23	RATIO: Rate/Direct Cost (Ln 22 / Ln 21)			1.20

SOURCES

Column A : Labor rates are taken from a 1990 Company study. These rates are fully assigned, and as such include wages, benefits, and reasonable overhead loadings.

Column B: Hours for each function or task are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.

NOTE: Totals may not add due to rounding.

Direct Cost

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

	DESCRIPTION	LABOR RATE /UNIT (Directly Assigned)	# OF UNITS	TOTAL COST (A * B)
	Engineering per Placement/Removal			
1	Outside Plant Engineer	$84.95 /Hour	1	$84.95
2	TIES Engineer	$93.01 /Hour	2	$186.02
3	Facility Equipment Engineer	$97.98 /Hour	4	$391.92
4	Engineering Aide	$72.60 /Hour	2	$145.20
5	**Subtotal**			$808.09
	Vertical Placement/Removal per Floor			
6	1st OSP Technician	$64.94 /Hour	2	$129.88
7	2nd OSP Technician	$64.94 /Hour	2	$129.88
8	Cost per Floor (Ln 6 + Ln 7)			$259.76
9	Collocation Floor		2	
10	**Subtotal** (Ln 8 * Ln 9)			$519.52
	Horizontal Placement/Removal per 50 Foot Increment			
11	1st OSP Technician-Set Up	$64.94 /Hour	0.5	$32.47
12	2nd OSP Technician-Set Up	$64.94 /Hour	0.5	$32.47
13	Total Set Up (Ln 11 + Ln 12)			$64.94
14	1st OSP Tech-Each 50 Ft	$64.94 /Hour	0.5	$32.47
15	2nd OSP Tech-Each 50 Ft	$64.94 /Hour	0.5	$32.47
16	Cost per 50 Ft (Ln 14 + Ln 15)			$64.94
17	Number of 50 Ft Increments		3	
18	Cost of Horizontal Pull Excluding Set Up (Ln 16 * Ln 17)			$194.82
19	**Subtotal** (Ln 13 + Ln 18)			$259.76
20	*Total Entrance Facility Installation Cost, Direct* (Lns 5+10+19)			$1,587.37

SOURCES

Column A : Labor rates are taken from a 1990 Company study. These rates are directly assigned, and as such include wages and benefits, but no overhead loadings.

Column B: Hours for each function or task are estimates made by Company subject matter experts drawing on experience with EIS collocation or with similar products or situations.

NOTE: Totals may not add due to rounding.

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

DC POWER RUN PROVISIONING

Length of run falls in this range: 101 to 140 Feet

			Source
1	Engineering	$453	Project Team
2	Cable Placement per Ft (Contract Labor & Mat'l)	$9.74	Project Team
3	Length of Run at Midpoint	120	Project Team
4	Placement Labor and Material, Midpoint	$1,169	Ln 6 * Ln 7
5	DC Power Run Provisioning per 40 Amps, at Midpoint	$1,623	Ln 5 + Ln 8

Line 5 is included in the calculation which identifies maintenance, administration, and overheads on material and equipment that are part of the floor space rate element. (See page 4, line 9 of the workpapers for this C.O.)

NOTE: Totals may not add due to rounding.

PRICE/COST RATIOS
FOR RECURRING RATE ELEMENTS

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

CENTRAL OFFICE SPACE

			Source
1	Direct Investment	$39,840	Page 2: Ln 12 * 100 * (1 + Ln 25)
2	Direct Cost per Year	$8,883	Page 2: Ln 20 * 100 * (1 + Ln 25) + Page 3: Ln 17
3	Price per Year	$9,924	Proposed Monthly Rate * 12
4	Ratio of Direct Cost to Direct Investment	0.22	Ln 2 / Ln 1
5	Ratio of Price to Direct Cost	1.12	Ln 3 / Ln 2

CABLE RISER SPACE

			Source
6	Average Land & Building Inv / Sq Ft	$321.88	App A, Pg A.2, Ln 52
7	Average Land & Bldg Direct Cost /Sq Ft/Yr	$55.50	App A, Pg A.3, Ln 52
8	Direct Investment	$3,681	See Below *
9	Direct Cost per Year	$678	See Below **
10	Price per Year	$720	Proposed Monthly Rate * 12
11	Ratio of Direct Cost to Direct Investment	0.18	Ln 9 / Ln 8
12	Ratio of Price to Direct Cost	1.06	Ln 10 / Ln 9

* (Pg5:Ln10 + (Pg12:Ln6*Pg5:Ln22))*Pg5:Ln25 + (Pg7:Ln10 + (Pg12:Ln6*Pg7:Ln22))*Pg7:Ln25
** (Pg5:Ln17 + (Pg12:Ln7*Pg5:Ln22))*Pg5:Ln25 + (Pg7:Ln17 + (Pg12:Ln7*Pg7:Ln22))*Pg7:Ln25

NOTE: Totals may not add due to rounding.

FLOOR SPACE FUNCTION
Recurring

RATE ELEMENT NAME: Central Office Floor Space per 100 Square Feet - Partitioned

CENTRAL OFFICE:	*MADRCA11*	*221 S. East Street, Madera, CA 93637*		
	(A)	(B)	(C)	SOURCE
Account Number	211100	212100		
Account Description	LAND	BUILDING		
Cost Factors				
1 Net Plant	1.0000	1.0000		Accounted For in RIT
2 FCC RIT	0.1614	0.1165		1992 Company Study
3 St & Fed Tax as a % of RIT	28.35%	28.35%		1992 Company Study
4 Cost of Money	0.1156	0.0835		Ln 1 * Ln 2 * (1 - Ln 3)
5 St & Fed Tax	0.0458	0.0330		Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0000	0.0290		FCC Factor
7 Repair & Maintenance	0.0000	0.0261		1992 Company Study
8 Administration	0.0659	0.0659		1992 Company Study
9 Overhead	0.0287	0.0287		1992 Company Study
CO-SPECIFIC COSTS:			TOTAL (Col. A+B)	
10 Assignable Square Footage	16,514	16,514		Real Estate Mgmt.
11 Current Investment (Gross)	$106,653	$4,954,320	$5,060,973	Real Estate Mgmt.
12 Current Inv/Assign Sq Ft	$6.46	$300.00	$306.46	Ln 11 / Ln 10
13 Book Investment (Gross)	$32,576	$1,826,864	$1,859,440	Real Estate Mgmt.
14 Book Inv/Assign Sq Ft	$1.97	$110.62	$112.60	Ln 13 / Ln 10
15 Current Inv / Collocator	$839.56	$39,000.00	$39,839.56	Ln 12 * 130 (See Note)
16 Book Inv / Collocator	$256.43	$14,380.93	$14,637.36	Ln 14 * 130 (See Note)
Annual Cost per Collocator				
15 Cost of Money	$97.09	$3,255.42	$3,352.51	Ln 4 * Ln 15
16 State & Federal Taxes	$38.42	$1,288.08	$1,326.50	Ln 5 * Ln 15
17 Depreciation	$0.00	$1,131.00	$1,131.00	Ln 6 * Ln 15
18 Repair & Maintenance	$0.00	$298.02	$298.02	Avg of 51 COs
19 Administration	$31.53	$752.46	$783.99	Avg of 51 COs
20 Total of Direct Cost	$167.03	$6,724.98	$6,892.01	Sum(Ln 15...Ln 19)
21 Monthly Direct Cost per Collocator			$574.33	Ln 20 / 12
22 Annual Overhead / Colloc	$13.73	$327.70	$341.43	Avg of 51 COs
23 Monthly Overhead per Collocator			$28.45	Ln 22 / 12
24 Monthly Full Cost per Collocator			$602.79	Ln 21 + Ln 23
25 Illustrative Rate			$602.79	Ln 24

Note: 130 square feet are required for each collocator. See Diagram B.

NOTE: Totals may not add due to rounding.

DC POWER INSTALLATION FUNCTION
Recurring

RATE ELEMENT NAME: Central Office Floor Space per 100 Square Feet - Partitioned

CENTRAL OFFICE:	*MADRCA11 221 S. East Street, Madera, CA 93637*	
Account Number	223210	SOURCE
Account Description	Digital Ckt	
Costs Factors		
1 Net Plant	0.0000	Not applicable
2 FCC RIT	0.0000	Not applicable
3 St/Fed Tax as a % of RIT	28.35%	Not applicable
4 Cost of Money	0.0000	Ln 1 * Ln 2 * (1 - Ln 3)
5 St/Fed Tax	0.0000	Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0000	Not Applicable
7 Repair & Maintenance	0.0143	1992 Company Study
8 Administration	0.0659	1992 Company Study
9 Overhead	0.0287	1992 Company Study
CO-SPECIFIC COSTS:		
(Per Collocator)		
10 Current Investment per Collocator *	$4,035.90	See Pgs 67 thru 118
11 Equivalent Book Inv per Collocator *	$3,220.99	For each C.O.
Annual Cost		
12 Cost of Money	$0.00	Ln 4 * Ln 10
13 State & Federal Taxes	$0.00	Ln 5 * Ln 10
14 Depreciation	$0.00	Ln 6 * Ln 10
15 Repair & Maintenance	$46.06	Ln 7 * Ln 11
16 Administration	$212.26	Ln 8 * Ln 11
17 Total of Direct Costs	$258.32	Sum(Ln 12...Ln16)
18 Monthly Direct Cost	$21.53	Ln 17 / 12
19 Annual Overhead	$92.44	Ln 9 * Ln 11
20 Annual Full Cost	$350.77	Ln 17 + Ln 19
21 Monthly Fully Assigned Cost (Illustrative Rate)	$29.23	Ln 20 / 12

* Lines 10 and 11 are investment surrogates which are used to generate appropriate maintenance, administration, and overhead expenses. The amounts are not booked as investment, but rather, are treated as contributed capital according to FCC rules.

NOTE: Totals may not add due to rounding.

DC POWER INSTALLATION FUNCTION
Recurring

RATE ELEMENT NAME: Central Office Floor Space per 100 Square Feet - Partitioned
(Back Up for Pages H.15 - H.66)

CENTRAL OFFICE: ***MADRCA11 221 S. East Street, Madera, CA 93637***

Power Cable Ironwork/Racking

	DESCRIPTION	TOTAL COST	SOURCE
1	Power Cable Ironwork/Racking for Central Office *Ironwork New*	$9,652.86	App H Non-Rec, by C.O.
	Power Cable Ironwork/Racking per Collocator		
2	Number of Collocators, Long Term	4	Product Mgmt Estimate
3	Power Cable Ironwork/Racking per Collocator	$2,413.22	Ln 1 / Ln 2
4	Power Run Provisioning, Midpoint Run	$1,622.68	See Pgs H.119 & H.120
5	Current Investment (Surrogate), Account 223210	$4,035.90	Ln 3 + Ln 4
6	Current Cost to Book Cost Ratio, Account 223210	1.253	1992 Company Study
7	Current Investment (Surrogate), Account 223210	$3,220.99	Ln 5 / Ln 6

NOTE: Totals may not add due to rounding.

DC POWER INSTALLATION FUNCTION
Non-Recurring

RATE ELEMENT NAME: Central Office Floor Space Establishment of Infrastructure - Partitioned

CENTRAL OFFICE: MADRCA11 221 S. East Street, Madera, CA 93637

	DESCRIPTION	TOTAL COST	SOURCE
1	Power Cable Ironwork/Racking *Ironwork New*	$9,652.86	Project Team (See Narrative)
2	Illustrative Rate	$9,652.86	Ln 1

See Pages H.119 & H.120 for additional costs (which do not vary by C.O.) for this function.

NOTE
This is a direct cost.
No overheads are added to contributed capital which is recovered up front.

NOTE: Totals may not add due to rounding.

SECURITY INSTALLATION FUNCTION
Recurring

RATE ELEMENT NAME: Central Office Floor Space per 100 Square Feet - Partitioned

CENTRAL OFFICE:	***MADRCA11 221 S. East Street, Madera, CA 93637***	
Account Number	**212100**	**SOURCE**
Account Description	**BUILDING**	
Costs Factors		
1 Net Plant	0.0000	Not applicable
2 FCC RIT	0.0000	Not applicable
3 St/Fed Tax as a % of RIT	28.35%	Not applicable
4 Cost of Money	0.0000	Ln 1 * Ln 2 * (1 - Ln 3)
5 St/Fed Tax	0.0000	Ln 1 * Ln 2 * Ln 3
6 Depreciation	0.0000	Not Applicable
7 Repair & Maintenance	0.0261	1992 Company Study
8 Administration	0.0659	1992 Company Study
9 Overhead	0.0287	1992 Company Study
CO-SPECIFIC COSTS:		
(Per Collocator)		
10 Current Investment per CO *	$18,000.00	Page M.67
11 Number of Collocators per CO, Long Term	4	Product Mgmt.
12 Current Investment per Collocator *	$4,500.00	Ln 10 / Ln 11
13 Curremt Cost to Book Cost Ratio, Account 212100	2.086	1992 Company Study
14 Equivalent Book Investment per CO *	$2,157.24	Ln 12 / Ln 13
Annual Cost		
15 Cost of Money	$0.00	Ln 4 * Ln 12
16 State & Federal Taxes	$0.00	Ln 5 * Ln 12
17 Depreciation	$0.00	Ln 6 * Ln 12
18 Repair & Maintenance	$56.30	Ln 7 * Ln 14
19 Administration	$142.16	Ln 8 * Ln 14
20 Total of Direct Costs	$198.47	Sum(Ln 15...Ln19)
21 Monthly Direct Cost	$16.54	Ln 20 / 12
22 Annual Overhead	$61.91	Ln 9 * Ln 14
23 Annual Full Cost	$260.38	Ln 20 + Ln 22
24 Monthly Fully Assigned Cost (Illustrative Rate)	$21.70	Ln 23 / 12

* Lines 10, 12, and 14 are investment surrogates which are used to generate appropriate maintenance, administration, and overhead expenses. The amounts are not booked as investment, but rather, are treated as contributed capital according to FCC rules.

NOTE: This is a direct cost. No overheads are added to contrbuted capital recovered up front.

NOTE: Totals may not add due to rounding.

Per Collocator

Recurring

RATE ELEMENT: C.O. Floor Space per 100 Square Feet - Partitioned

CENTRAL OFFICE: MADRCA11 221 S. East Street, Madera, CA 93637

		(A)	(B)		SOURCE
	Account Number	223210	212100		
	Account Description	DIG CKT COE	BUILDING		
	Cost Factors				
1	Net Plant	0.0000	0.0000		Not Applicable
2	FCC RIT	0.0000	0.0000		Not Applicable
3	St & Fed Tax as a % of RIT	28.35%	28.35%		Not Applicable
4	Cost of Money	0.0000	0.0000		Not Applicable
5	St & Fed Tax	0.0000	0.0000		Not Applicable
6	Depreciation	0.0000	0.0000		Not Applicable
7	Repair & Maintenance	0.0143	0.0261		1992 Company Study
8	Administration	0.0659	0.0659		1992 Company Study
9	Overhead	0.0287	0.0287		1992 Company Study
	CO-SPECIFIC COSTS:			**TOTAL**	
	(Per Collocator)			(Col. A+B)	
10	Current Investment *	$7,803.53	$969.95	$8,773.48	Pgs 67 - 118, each C.O.
11	Current to Book Cost Ratio	1.253	2.086		1992 Company Study
12	Equivalent Book Inv *	$6,227.88	$464.98	$6,692.86	Ln 10 / Ln 11
	Annual Cost				
13	Cost of Money	$0.00	$0.00	$0.00	Ln 4 * Ln 10
14	St & Fed Tax	$0.00	$0.00	$0.00	Ln 5 * Ln 10
15	Depreciation	$0.00	$0.00	$0.00	Ln 6 * Ln 10
16	Repair & Maintenance	$89.06	$12.14	$101.19	Ln 7 * Ln 12
17	Administration	$410.42	$30.64	$441.06	Ln 8 * Ln 12
18	Total of Direct Costs	$499.48	$42.78	$542.25	Sum (Ln 13...Ln 17)
19	Monthly Direct Cost			$45.19	Ln 18 / 12
20	Annual Overhead	$178.74	$13.34	$192.09	Ln 9 * Ln 12
21	Annual Full Cost	$678.22	$56.12	$734.34	Ln 18 + Ln 20
22	Monthly Fully Assigned Cost (Illustrative Rate)			$61.19	Ln 21 / 12

* Lines 10 and 12 are investment surrogates which are used to generate appropriate maintenance, administration, and overhead expenses. The amounts are not booked as investment, but rather, are treated as contributed capital according to FCC rules.

NOTE: Totals may not add due to rounding.

Per Collocator

Recurring

RATE ELEMENT: C.O. Floor Space per 100 Square Feet - Partitioned

(Back Up for Pages C.15 - C.66)

CENTRAL OFFICE: ***MADRCA11*** ***221 S. East Street, Madera, CA 93637***

DESCRIPTION	(A) TOTAL COST	(B) #LONG TERM COLLOCATOR	(C) TOTAL COST (A / B)
1 Common Area Enclosure	$3,879.80	4	$969.95
2 Security System		See Security Function	
3 Fiber Cable Ironwork/Racking	$26,227.71	4	$6,556.93
4 Power Cable Ironwork/Racking		See DC Power Function	
5 Tel Svc Distrib Term	$997.76	4	$249.44
6 CO Ground	$3,988.65	4	$997.16
7 Total Building Expenditure per Collocator (Ln 1)			$969.95
8 Total Equipment Expenditure per Collocator (Lns 3+5+6)			$7,803.53

Sources

Column A: See "Total Cost" column for Common Construction Function, Non-Recurring for this C.O.

Column B: Product Management estimate of the maximum number of collocators, on average, per C.O.

NOTE: Totals may not add due to rounding.

93-162 WORKPAPERS "COMMON CONSTRUCTION FUNCTION"

Per Central Office Non-Recurring *Cost Including Overhead*

RATE ELEMENT NAME: Central Office Floor Space Establishment of Infrastructure - Partitioned

CENTRAL OFFICE: ***MADRCA11 221 S. East Street, Madera, CA 93637***

	DESCRIPTION	(A) LABOR RATE (Fully Assigned)	/UNIT	(B) # OF UNITS	(C) TOTAL COST (A * B)
1	**Common Area Enclosure**				$3,879.80
2	**Security System**				See Security Function
3	**Fiber Cable Ironwork/Racking**		*Ironwork New*		$26,227.71
4	**Power Cable Ironwork/Racking**				See DC Power Function
5	**Tel Svc Distrib Term**				$997.76
6	**CO Ground**				$3,988.65
7	**CO Survey Labor**				
8	Real Estate	143.83	/Hour	4	$575.32
9	Security	143.83	/Hour	4	$575.32
10	Collocation Point of Contact	114.34	/Hour	4	$457.36
11	Facility Equipment Engineer	109.39	/Hour	4	$437.56
12	Detail Engineer	126.22	/Hour	4	$504.88
13	CSPEC	109.39	/Hour	4	$437.56
14	Power Engineer	126.22	/Hour	4	$504.88
15	Site Manager	59.39	/Hour	4	$237.56
16	Outside Plant Engineer	100.31	/Hour	4	$401.24
17	Central Office Manager	109.39	/Hour	4	$437.56
18	Network Terminating Eq Mgr	65.98	/Hour	4	$263.92
19	**Subtotal**				$4,833.16
20	**Implementation Mgmt Labor**				
21	Environmental Mgmt	$109.39	/Hour	4	$437.56
22	Risk Mgmt	$109.39	/Hour	4	$437.56
23	CPOC	$114.34	/Hour	4	$457.36
24	**Subtotal**				$1,332.48
25					
26	*Total Common Construction* ***Including Overheads*** (Lns 1+3+5+6+19+24)			*/1st Collocato*	$41,259.56
27	Illustrative Rate				$41,259.56
28	Direct Cost (See Pgs 171 - 222 for each C.O.)				$40,387.24
29	RATIO: Rate/Direct Cost				1.02
30	Total Building Expenditure for C.O. (Ln 1)				$3,879.80
31	Total Equipment Expenditure for C.O. (Lns 3+5+6)				$31,214.12

Sources

See Narrative

NOTE: Totals may not add due to rounding.

Per Central Office Non-Recurring **Direct Cost**

RATE ELEMENT NAME: C.O. Floor Space Establishment of Infrastructure - Partitioned

(Back Up for Pages C.119 - C.170)

CENTRAL OFFICE: MADRCA11 221 S. East Street, Madera, CA 93637

	DESCRIPTION	(A) LABOR RARE (Directly Assigned)	/UNIT	(B) # OF UNITS	(C) TOTAL COST (A * B)
1	**Common Area Enclosure**				$3,879.80
2	**Security System**				See Security Function
3	**Fiber Cable Ironwork/Racking**		*Ironwork New*		$26,227.71
4	**Power Cable Ironwork/Racking**				See DC Power Function
5	**Tel Svc Distrib Term**				$997.76
6	**CO Ground**				$3,988.65
7	**CO Survey Labor**				
8	Real Estate	130.21	/Hour	4	$520.84
9	Security	130.21	/Hour	4	$520.84
10	Collocation Point of Contact	97.98	/Hour	4	$391.92
11	Facility Equipment Engineer	93.01	/Hour	4	$372.04
12	Detail Engineer	106.13	/Hour	4	$424.52
13	CSPEC	93.01	/Hour	4	$372.04
14	Power Engineer	106.13	/Hour	4	$424.52
15	Site Manager	48.85	/Hour	4	$195.40
16	Outside Plant Engineer	84.95	/Hour	4	$339.80
17	Central Office Manager	93.01	/Hour	4	$372.04
18	Network Terminating Eq Mgr	55.84	/Hour	4	$223.36
19	**Subtotal**				$4,157.32
20	**Implementation Mgmt Labor**				
21	Environmental Mgmt	$93.01	/Hour	4	$372.04
22	Risk Mgmt	$93.01	/Hour	4	$372.04
23	CPOC	$97.98	/Hour	4	$391.92
24	**Subtotal**				$1,136.00
25					
26	*Total Common Construction* ***Direct*** (Lns 1+3+5+6+19+24)		*/1st Collocator*		$40,387.24
27	Total Building Expenditure for C.O. (Ln 1)				$3,879.80
28	Total Equipment Expenditure for C.O. (Lns 3+5+6)				$31,214.12

Sources

See Narrative

NOTE: Totals may not add due to rounding.

FCC

Pacific Bell Cost Methodology: Physical Collocation

1 OVERVIEW

Cost support in this filing is provided for the following physical collocation elements:

1) The ongoing cost (depreciation, cost of money, income tax, maintenance, and administration) of providing an enclosed, secure, accessible, and environmentally controlled floor space in the central office

2) The ongoing cost of providing vault racking and cable riser space for collocator owned fiber from the central office vault to the collocation floor

3) The up front cost of preparing a central office for collocation. These collocation infrastructure set up costs do not vary with the number of collocators in each office.

4) The up front cost of provisioning a collocation space for a single collocator. These collocator licensed space set up costs vary with the number of collocators in each office.

5) The one time cost of fiber placement/removal

Each of these cost elements corresponds with each of the filed rate elements.

The costs identified are current costs. That is, the ongoing costs reflect the fact that when collocators utilize existing Pacific Bell assets, they are utilizing assets which would otherwise have alternative uses or which will become exhausted, requiring the purchase of new assets. Up front and one time costs reflect current costs as well. Therefore, all costs reflect the current cost of labor, material, equipment and other assets (i.e., land and building).

2 INVESTMENT

Floor Space

Floor space investment is developed by identifying the current cost per square foot of land and building (USOA accounts 211100 and 212100, respectively). Investment in land reflects the current appraised value per square foot of land for the central office site, as identified by an independent third party realty firm. As such, it represents the current cost of purchasing land at a specific central office location. Building investment reflects the current cost per square foot of constructing a building which meets central office specifications for earthquake proofing, floor loads, and environmental control. The same construction cost per square foot is used for all buildings tariffed for physical collocation. Recent central office construction jobs, along with the Means Cost Estimating System, a widely used system in the construction industry, are used to identify construction costs.

Both the land and building cost per square foot are converted into a cost per square foot of assignable building space, a standard real estate industry practice. This conversion accounts for the fact that not all building space is available for assignment to tenants, the unassignable portion being common access space available to all who use the building (e.g., lobbies, elevators, stairwells, and common corridors).

The current cost of land per square foot is multiplied by the actual square footage of land for the central office site. Total land investment is then divided by the assignable building square footage for the site. This identifies the land portion of an assignable square foot of building. The current building cost per square foot is multiplied by the actual (gross) square footage of the building, then divided by the assignable square footage to arrive at building cost per assignable square foot. The gross-to-assignable ratio is a constant of 1.25 and represents the approximate average for Pacific Bell central office buildings.

Vault Racking and Cable Riser Space

Vault racking investment is developed by identifying the cost of racking and associated hardware per fiber run per foot. First, the current cost of a full wall of racking per foot is determined. This is then divided by the number of fiber cables which can be placed on a full wall of racking (twenty five). Vault space (land and building) is developed by identifying the square footage requirements per fiber cable per foot within the vault and utilizing the current cost per square foot of floor space.

Investment in cable riser (account 223210), which routes collocator owned fiber from the first floor to overhead cable racking on the collocation floor, is developed by identifying the current cost of ladder racking required per fiber run per central office floor. The current cost of ladder racking per floor is identified, then is divided by the number of cables which will be placed on a ladder rack. In determining the number of cables per rack, it is assumed that on average there will be four collocators per central office (over the long run) and that each collocator will have two cable runs. Therefore, it is assumed there will be eight cables per rack.

Land and building per cable rack per floor is determined by identifying the floor space requirements of each ladder rack floor plate and dividing by the eight cables. Current costs per square foot of floor space are utilized.

Collocation Infrastructure Set Up

No investment is identified for these costs. The material and equipment required for central office set up is recovered up front from collocators and is not capitalized as a Pacific Bell asset. The items are treated as contributed capital according to FCC rules. See "Non-Recurring Costs" for an explanation of these costs.

Collocator Licensed Space Set Up

As with collocation infrastructure set up costs, and for the same reason, no investment is identified. See "Non-Recurring Costs."

3 RECURRING COST

Recurring cost is comprised of depreciation, cost of money, income taxes, maintenance, direct administrative expense, and overheads. These costs are identified by applying standard factors to gross investment. This is done for the first two collocation cost elements as follows:

- FCC factors for the cost of money and corresponding income taxes are applied, by account, to identify both annual cost of money and annual income taxes. These factors have been adjusted to include net investment and are therefore applied to gross current investment.

- FCC depreciation rates are applied to gross current investment, by investment account, to identify annual depreciation expense.

- A maintenance factor is applied to equivalent gross book investment, by account, to identify annual maintenance expense (the factor is an actual relationship between annual maintenance expense and gross book investment).

- An administration factor is applied to equivalent gross book investment to identify direct annual administrative expense (the factor is an actual relationship between annual administrative expense and gross book investment). This factor accounts for such direct collocation costs as product management, real estate management, AC power, and janitorial services.

- An overhead factor is applied to equivalent gross book investment to identify annual overhead costs (the factor is an actual relationship between annual overheads and gross book investment). This factor accounts for common corporate costs not specific to a product.

Costs by investment account for each of the above five components are summed, then the components are added to derive the total annual cost for both of the recurring cost elements. Annual cost is then converted to monthly cost. This approach is standard methodology used in FCC tariff filings.

Floor Space

There are two components of recurring cost for floor space. The first is the recurring cost related to Pacific Bell land and building investment. The second is the recurring cost related to the material and equipment installed in set up and accounted for as contributed capital (see "Non-Recurring Cost" for a description). This material and equipment will not be booked as investment, but does generate maintenance and administrative expense. Recurring cost for both components is identified using the standard factor method described above (however, cost of money, income taxes, and depreciation are not calculated for contributed capital).

First component: Once the monthly recurring cost per assignable square foot is identified, it is multiplied by 100 to derive the cost of a 10' by 10' collocation space. This cost is increased by 30% in order to account for the minimum amount of additional space required to allow access to the collocation space. This 30% access area assignment represents a 3' by 10' area in front of the 10' by 10' space (see Diagram A). In other words, a collocator will actually require a *minimum* of 130 square feet in order to occupy a 10' by 10' equipment space. The 3' by 10' area is assignable square footage within the building and is not part of common access (unassignable) building space. As with the 10' by 10' space, it is assignable space which will be unavailable for Pacific Bell's own use.

NOTE: The monthly cost per square foot for maintenance, administration, and overhead of land and building is an average for the 51 central offices filed in the Expanded Interconnection tariff on February 16, 1993. Cost factors applied to widely varying book investments per square foot will produce widely varying maintenance, administration, and overhead costs per square foot for different offices. It is more reasonable to expect that these costs--per square foot--will be similar for all offices, therefore an average is used. The average cost for the 51 offices tariffed initially is assumed to be representative.

Second component: Because the material and equipment in the second component is not a Pacific Bell asset, the factors which generate depreciation, cost of money, and income taxes are not applied. Only maintenance, administration, and overhead factors are applied to the material and equipment—as if it were investment--in order to identify appropriate amounts of these expenses. For material and equipment in the infrastructure area, the resulting monthly costs are converted to a "per collocator" basis by dividing by four, which represents an estimate of the average number of occupied licensed spaces per tariffed central office over the long run.

Vault Racking and Cable Riser Space

To identify vault space costs, the standard recurring cost factors are applied to racking investment per fiber cable per foot (current monthly floor space costs are included based on the required square footage per cable per foot). This cost per linear foot of cable is multiplied by the footage from the entrance conduit of the vault to the assigned cable riser duct in the central office. For a central office with two vault entrances, an average is used.

Recurring cost for cable riser space is also identified using the standard factor method (current monthly floor space costs are included based on the required square footage per cable per floor). The resulting monthly cost per fiber run per central office floor is multiplied by the number of floors required for the fiber run in a central office. The number of floors is determined by the floor that the collocation area is on.

Vault racking and cable riser costs vary by central office based on the vault footage and the level of the collocation floor.

4 NON-RECURRING COST

The three types of non-recurring costs provided in this filing are the third through fifth collocation cost elements: collocation infrastructure set up costs which do not vary with the number of collocators in each office, collocator licensed space set up costs which vary with the number of collocators in each office, and the one time cost of fiber placement/removal. These costs include Pacific Bell and vendor labor as well as material and equipment. When Pacific Bell labor is involved, fully assigned labor rates, which identify reasonable overheads, are applied to estimated task times.

The distinction between set up costs which do or do not vary with the number of collocators in an office is made in order to assure infrastructure set up cost recovery in the absence of a reliable demand forecast. Because Pacific Bell is entitled to recover costs, the first collocator in a central office will be charged for the entire infrastructure set up cost. Multiple collocators will be charged only their prorated share, as specified in the tariff.

Collocation Infrastructure Set Up

These costs include the following (an asterisk denotes costs that vary by central office):

- Collocation area fencing apart from fencing enclosing the 10 by 10 space *
- Collocation floor ironwork and cable racking apart from ironwork and cable racking in bays containing 10' by 10' equipment enclosures
    - Ironwork and cable racking to route collocator fiber *
    - Ironwork and cable racking to route DC power cable *
- Collocation area ground cable * and bus bar
- Additional security equipment required as a result of collocation *
- A telephone service distribution terminal required to provide "plain old telephone service" to collocator enclosures
- Labor required to survey the central office to determine the feasibility of physical collocation and the requirements for establishing it
- Labor required to implement collocation in a central office as the first collocator becomes established ("implementation management")