

Appendix 1

List of Parties That Filed Comments

ACction Communications
Alaska Communications Systems Group, Inc.
Allegiance Telecom, Inc.
Americatel Corporation
AmeritelUSA
Anew Telecommunications Corp. d/b/a Call America
Association for Local Telecommunications Services
AT&T Corp.
BellSouth Corporation
Broadview Networks, Inc.
Bullseye Telecom
California Public Utilities Commission and the People of the State of California
Cbeyond Communications, LLC
ChoiceOne Communications Inc.
Communications Workers of America
Competitive Enterprise Institute
CompTel/ASCENT Alliance
Contact Communications
Covad Communications
Cox Communications, Inc.
El Paso Networks, LLC
Eschelon Telecom, Inc.
Express Phone Service
Focal Communications Corporation
Georgia Telephone Services
Illinois Commerce Commission
Iowa Telecommunications Services, Inc.
Iowa Utilities Board
Japan, Government of
KMC Telecom, Inc.
MCI
McLeodUSA Telecommunications Services, Inc.
Missouri Public Service Commission
Mpower Communications Corp.
National Association of Regulatory Utility Commissioners
National Association of State Utility Consumer Advocates
National Telecommunications Cooperative Association
Nebraska Rural Independent Companies
New Jersey Division of the Ratepayer Advocate
New Smyrna Beach, Florida Utilities Commission
New York State Department of Public Service

NuVox, Inc.
Oregon Telecom Inc.
PACE Coalition
PacWest Telecomm, Inc.
Pennsylvania Public Utility Commission
Progress & Freedom Foundation
Qwest Communications International Inc.
Sage Telecom, Inc.
SBC Communications Inc.
Sprint Corporation
Talk America, Inc.
TDS Metrocom, LLC
Texas Public Utility Commission
United Communications, Inc. d/b/a UNICOM
United Communications Systems, Inc. d/b/a Call One
United States Telecom Association
Valor Telecommunications, LLC
Verizon Telephone Companies
Welsh Group, LLC
XO Communications, Inc.
Xspedius Communications LLC
Z-Tel Communications, Inc.

List of Abbreviations and Acronyms Used in Reply Comments

| | |
|------------|--|
| CLEC | Competitive Local Exchange Carrier |
| Commission | Federal Communications Commission |
| CTC | CLEC TELRIC Commission |
| DS0 | Digital Signal (Level) 0 |
| DS1 | Digital Signal (Level) 1 |
| EEL | Enhanced Extended Link |
| FCC | Federal Communications Commission |
| FFTH | Fiber to the Home |
| GAAP | Generally Accepted Accounting Principles |
| IDLC | Integrated Digital Loop Carrier |
| ILEC | Incumbent Local Exchange Carrier |
| IMA | Interactive Multimedia Association |
| IXC | Interexchange Carrier |
| LEC | Local Exchange Carrier |
| MDP | Main Distribution Frame |
| Notice | Notice of Proposed Rulemaking |
| NPRM | Notice of Proposed Rulemaking |
| NRC | Non-Recurring Charge |
| OSS | Operations Support Systems |
| Qwest | Qwest Communications International Inc. |
| RBOC | Regional Bell Operating Company |
| RT | Remote Terminal |
| SAI | Service Area Interface |
| SLELG | Straight Line ELG |
| TELRIC | Total Element Long Run Incremental Cost |
| TRO | Triennial Review Order |
| UNE | Unbundled Network Element |
| UNE-P | UNE-Platform |

Appendix 2

SUMMARY OF HAI EXPENSE OUTPUTS - UNADJUSTED

| Description | Arizona HAI 5.2 Ordered % of ARMIS | Minnesota HAI 5.2 Ordered % of ARMIS | Washington HAI 5.3 Filed % of ARMIS | Oregon * HAI 5.3 Filed % of ARMIS |
|---|---|---|---|---|
| Total Maintenance-Plant in Service | 32% | 46% | 42% | 43% |
| Furniture - Expenses | 23% | 25% | 16% | 18% |
| Office Equipment - Expenses | 23% | 25% | 16% | 18% |
| General Purpose Computer - Expenses | 23% | 25% | 16% | 18% |
| Motor Vehicles - Expenses | 51% | 60% | 39% | 47% |
| Buildings - Expenses | 12% | 13% | 8% | 9% |
| Garage Work Eqpt. - Expenses | | | | |
| Other Work Eqpt. - Expenses | | | | |
| Special Purpose Vehicles | 0% | 0% | 0% | 0% |
| Aircraft | | | | |
| Total Maintenance-Other Assets | 19% | 20% | 14% | 17% |
| Network Operations Expenses | | | | |
| Network Operations Expenses IO/SW | | | | |
| Network Operations - Total | 85% | 85% | 33% | 45% |
| Other Taxes | 38% | 319% | 20% | 24% |
| Product Management | | | | |
| Sales | | | | |
| Product Advertising | | | | |
| Call Completion Service | | | | |
| Number Services | | | | |
| Customer Services | | | | |
| Total Customer Operations | 3% | 2% | 1% | 1% |
| Overheads | 26% | 26% | 23% | 22% |
| Total Operating Expenses | 29% | 33% | 21% | 23% |
| Run Version Total Loop Unit Cost/per Mo. | \$12.11 | \$12.53 | \$6.70 | \$8.22 |

* Source: Latest available update of the HAI 5.3 Model for Oregon

HAI EXPENSE ANALYSIS
USOA Detail Breakdown of Expense Amounts - AZ
(\$000)

| A Line | B Description | D HAI Outputs # | F ARMIS Actuals HAI Inputs | I Output To Actuals % |
|-----------|---|--------------------|----------------------------------|-----------------------------|
| 1 | Plant Related Capital Costs | \$337,743 | | |
| 2 | Furniture - Capital Costs | \$79 | | |
| 3 | Office Equipment - Capital Costs | \$635 | | |
| 4 | General Purpose Computer - Capital Costs | \$5,280 | | |
| 5 | Motor Vehicles - Capital Costs | \$2,874 | | |
| 6 | Buildings - Capital Costs | \$2,274 | | |
| 7 | Garage Work Eqpt. - Capital Costs | \$0 | | |
| 8 | Other Work Eqpt. - Capital Costs | \$0 | | |
| 9 | Total Capital Related Costs | \$348,885 | | |
| 10 | Total Central Office Switching | | \$28,457 | |
| 11 | Operator Systems | | \$0 | |
| 12 | Total Central Office Transmission | | \$22,496 | |
| 13 | Total Information Orig/Term | | \$24,300 | |
| 14 | Total Cable & Wire Facilities | | \$172,621 | |
| 15 | Total Maintenance-Plant in Service | \$79,503 | \$247,874 | 32% |
| 16 | Furniture - Expenses | \$1,173 | \$5,039 | 23% |
| 17 | Office Equipment - Expenses | \$1,396 | \$5,997 | 23% |
| 18 | General Purpose Computer - Expenses | \$9,643 | \$41,417 | 23% |
| 19 | Motor Vehicles - Expenses | \$839 | \$1,649 | 51% |
| 20 | Buildings - Expenses | \$4,317 | \$37,085 | 12% |
| 21 | Garage Work Eqpt. - Expenses | \$0 | | |
| 22 | Other Work Eqpt. - Expenses | \$0 | | |
| 23 | Special Purpose Vehicles | \$0 | \$839 | 0% |
| 24 | Aircraft | \$0 | \$11 | |
| 25 | Total Maintenance-Other Assets | \$17,368 | \$92,037 | 19% |
| 26 | Network Operations Expenses | \$90,162 | | |
| 26a | Network Operations Expenses IO/SW | -\$218 | | |
| 26T | Network Operations - Total | \$89,944 | \$105,817 | 85% |
| 27 | Other Taxes | \$28,206 | \$73,908 | 38% |
| 28 | Product Management | | \$28,904 | |
| 29 | Sales | | \$41,249 | |
| 30 | Product Advertising | | \$13,391 | |
| 31 | Call Completion Service | | \$3,372 | |
| 32 | Number Services | | \$14,524 | |
| 33 | Customer Services | | \$108,643 | |
| 34 | Total Customer Operations | \$5,363 | \$210,083 | 3% |
| 35 # | Overheads | \$58,646 | \$228,707 | 26% |
| 36 | Total Operating Expenses | \$279,031 | \$958,426 | 29% |
| 37 | Total Operating Expense & Capital Costs | \$627,915 | | |
| 38a | Network Operations Expenses IO/SW | -\$218 | | |
| 38b | Carrier's Carrier Customer Services | \$5,363 | | |
| 39 | Total Opr Exp & Capital Less Carrier's Cus Svc | \$622,770 | | |
| | Run Version Total Loop Unit Cost/per Mo. | \$12.11 | | |

HAI EXPENSE ANALYSIS
USOA Detail Breakdown of Expense Amounts - MN
(\$000)

| A | B | D | F | I |
|------|---|------------------|-----------------------------|------------------------|
| Line | Description | HAI Outputs # | ARMIS Actuals HAI Inputs | Output To Actuals % |
| 1 | Plant Related Capital Costs | \$295,482 | | |
| 2 | Furniture - Capital Costs | \$23 | | |
| 3 | Office Equipment - Capital Costs | \$354 | | |
| 4 | General Purpose Computer - Capital Costs | \$9,382 | | |
| 5 | Motor Vehicles - Capital Costs | \$1,999 | | |
| 6 | Buildings - Capital Costs | \$5,270 | | |
| 7 | Garage Work Eqpt. - Capital Costs | \$0 | | |
| 8 | Other Work Eqpt. - Capital Costs | \$0 | | |
| 9 | Total Capital Related Costs | \$312,510 | | |
| 10 | Total Central Office Switching | | \$23,642 | |
| 11 | Operator Systems | | \$380 | |
| 12 | Total Central Office Transmission | | \$18,251 | |
| 13 | Total Information Orig/Term | | \$20,178 | |
| 14 | Total Cable & Wire Facilities | | \$93,410 | |
| 15 | Total Maintenance-Plant in Service | \$71,490 | \$155,861 | 46% |
| 16 | Furniture - Expenses | \$1,861 | \$7,390 | 25% |
| 17 | Office Equipment - Expenses | \$1,097 | \$4,356 | 25% |
| 18 | General Purpose Computer - Expenses | \$8,870 | \$35,225 | 25% |
| 19 | Motor Vehicles - Expenses | \$609 | \$1,012 | 60% |
| 20 | Buildings - Expenses | \$4,266 | \$33,880 | 13% |
| 21 | Garage Work Eqpt. - Expenses | \$0 | | |
| 22 | Other Work Eqpt. - Expenses | \$0 | | |
| 23 | Special Purpose Vehicles | \$0 | \$529 | 0% |
| 24 | Aircraft | \$0 | \$0 | |
| 25 | Total Maintenance-Other Assets | \$16,702 | \$82,392 | 20% |
| 26 | Network Operations Expenses | \$72,987 | | |
| 26a | Network Operations Expenses IO/SW | \$2,078 | | |
| 26T | Network Operations - Total | \$75,065 | \$88,312 | 85% |
| 27 | Other Taxes | \$19,224 | \$6,022 | 319% |
| 28 | Product Management | | \$26,153 | |
| 29 | Sales | | \$39,630 | |
| 30 | Product Advertising | | \$14,814 | |
| 31 | Call Completion Service | | \$4,001 | |
| 32 | Number Services | | \$16,239 | |
| 33 | Customer Services | | \$90,249 | |
| 34 | Total Customer Operations | \$4,107 | \$191,086 | 2% |
| 35 | #Overheads | \$51,479 | \$201,687 | 26% |
| 36 | Total Operating Expenses | \$238,067 | \$725,360 | 33% |
| 37 | Total Operating Expense & Capital Costs | \$550,576 | | |
| 38a | Network Operations Expenses IO/SW | \$2,078 | | |
| 38b | Carrier's Carrier Customer Services | \$4,107 | | |
| 39 | Total Opr Exp & Capital Less Carrier's Cus Svc | \$544,391 | | |
| | Run Version Total Loop Unit Cost/per Mo. | \$12.53 | | |

HAI EXPENSE ANALYSIS
USOA Detail Breakdown of Expense Amounts - WA
(\$000)

| A Line | B Description | D HAI Outputs # | F ARMIS Actuals HAI Inputs | I Output To Actuals % |
|-----------|---|--------------------|----------------------------------|-----------------------------|
| 1 | Plant Related Capital Costs | \$198,527 | | |
| 2 | Furniture - Capital Costs | \$12 | | |
| 3 | Office Equipment - Capital Costs | \$229 | | |
| 4 | General Purpose Computer - Capital Costs | \$4,975 | | |
| 5 | Motor Vehicles - Capital Costs | \$1,502 | | |
| 6 | Buildings - Capital Costs | \$4,598 | | |
| 7 | Garage Work Eqpt. - Capital Costs | \$886 | | |
| 8 | Other Work Eqpt. - Capital Costs | \$0 | | |
| 9 | Total Capital Related Costs | \$210,729 | | |
| 10 | Total Central Office Switching | | \$17,296 | |
| 11 | Operator Systems | | \$0 | |
| 12 | Total Central Office Transmission | | \$18,262 | |
| 13 | Total Information Orig/Term | | \$7,543 | |
| 14 | Total Cable & Wire Facilities | | \$81,272 | |
| 15 | Total Maintenance-Plant in Service | \$51,866 | \$124,373 | 42% |
| 16 | Furniture - Expenses | \$171 | \$1,059 | 16% |
| 17 | Office Equipment - Expenses | \$421 | \$2,604 | 16% |
| 18 | General Purpose Computer - Expenses | \$5,327 | \$32,964 | 16% |
| 19 | Motor Vehicles - Expenses | \$524 | \$1,358 | 39% |
| 20 | Buildings - Expenses | \$1,372 | \$16,982 | 8% |
| 21 | Garage Work Eqpt. - Expenses | \$200 | | |
| 22 | Other Work Eqpt. - Expenses | \$0 | | |
| 23 | Special Purpose Vehicles | \$0 | \$517 | 0% |
| 24 | Aircraft | \$0 | \$1 | |
| 25 | Total Maintenance-Other Assets | \$8,015 | \$55,485 | 14% |
| 26 | Network Operations Expenses | \$23,792 | | |
| 26a | Network Operations Expenses IO/SW | 6861 | | |
| 26T | Network Operations - Total | \$30,653 | \$92,504 | 33% |
| 27 | Other Taxes | \$14,941 | \$73,856 | 20% |
| 28 | Product Management | | \$21,859 | |
| 29 | Sales | | \$25,064 | |
| 30 | Product Advertising | | \$11,506 | |
| 31 | Call Completion Service | | \$3,841 | |
| 32 | Number Services | | \$7,508 | |
| 33 | Customer Services | | \$104,696 | |
| 34 | Total Customer Operations | \$2,584 | \$174,474 | 1% |
| 35 # | Overheads | \$32,172 | \$141,511 | 23% |
| 36 | Total Operating Expenses | \$140,231 | \$662,203 | 21% |
| 37 | Total Operating Expense & Capital Costs | \$350,960 | | |
| 38a | Network Operations Expenses IO/SW | \$6,861 | | |
| 38b | Carrier's Carrier Customer Services | \$2,584 | | |
| 39 | Total Opr Exp & Capital Less Carrier's Cus Svc | \$341,515 | | |
| | Run Version Total Loop Unit Cost/per Mo. | \$6.70 | | |

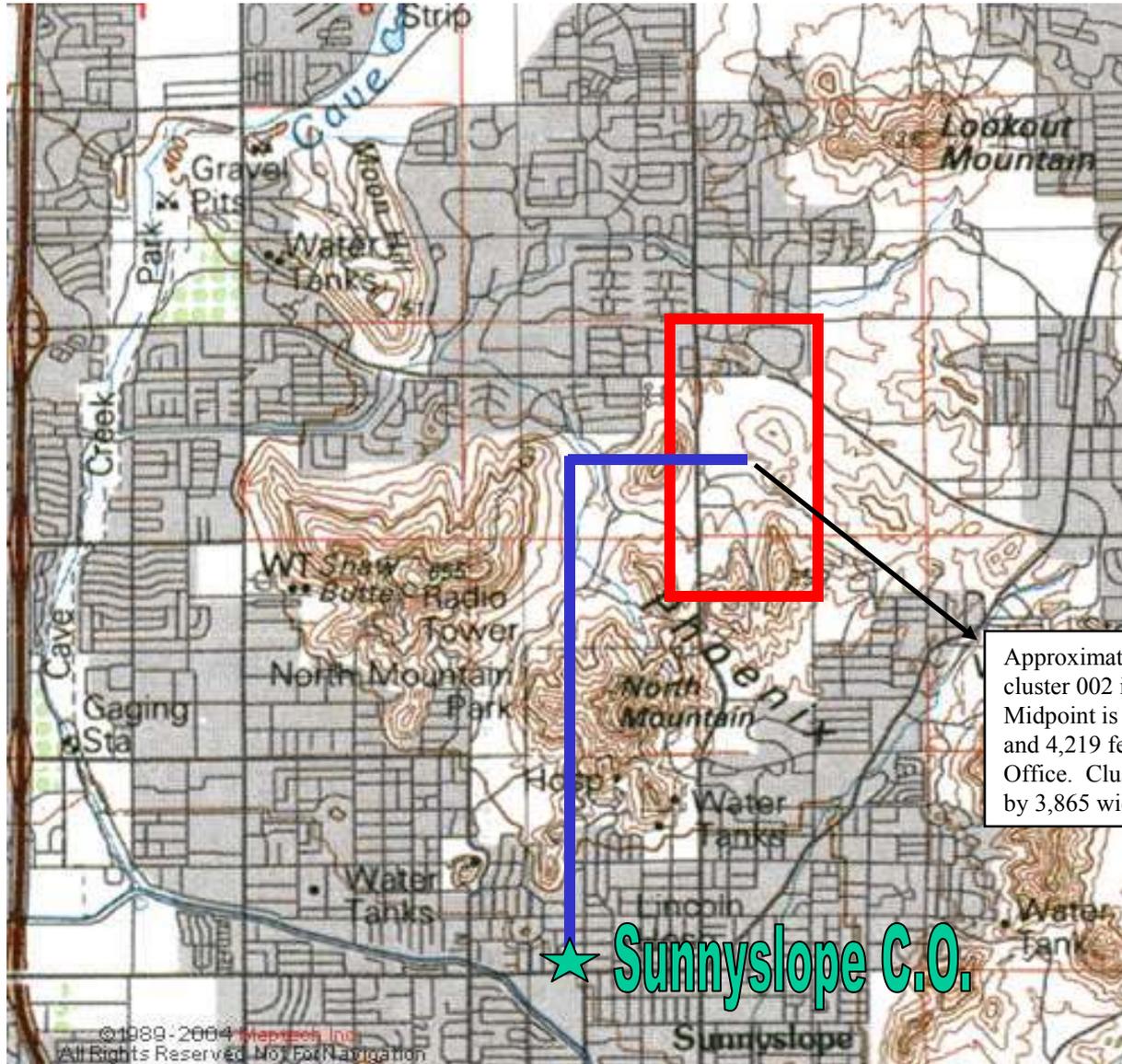
HAI EXPENSE ANALYSIS
USOA Detail Breakdown of Expense Amounts - OR*
(\$000)

| A | B | D | F | I |
|------|---|------------------|-----------------------------|------------------------|
| Line | Description | HAI Outputs # | ARMIS Actuals HAI Inputs | Output To Actuals % |
| 1 | Plant Related Capital Costs | \$131,441 | | |
| 2 | Furniture - Capital Costs | \$7 | | |
| 3 | Office Equipment - Capital Costs | \$142 | | |
| 4 | General Purpose Computer - Capital Costs | \$1,954 | | |
| 5 | Motor Vehicles - Capital Costs | \$1,036 | | |
| 6 | Buildings - Capital Costs | \$2,845 | | |
| 7 | Garage Work Eqpt. - Capital Costs | \$573 | | |
| 8 | Other Work Eqpt. - Capital Costs | \$0 | | |
| 9 | Total Capital Related Costs | \$137,997 | | |
| 10 | Total Central Office Switching | | \$12,351 | |
| 11 | Operator Systems | | \$2 | |
| 12 | Total Central Office Transmission | | \$12,682 | |
| 13 | Total Information Orig/Term | | \$12,448 | |
| 14 | Total Cable & Wire Facilities | | \$44,022 | |
| 15 | Total Maintenance-Plant in Service | \$34,682 | \$81,505 | 43% |
| 16 | Furniture - Expenses | \$162 | \$878 | 18% |
| 17 | Office Equipment - Expenses | \$255 | \$1,386 | 18% |
| 18 | General Purpose Computer - Expenses | \$4,032 | \$21,893 | 18% |
| 19 | Motor Vehicles - Expenses | \$399 | \$847 | 47% |
| 20 | Buildings - Expenses | \$692 | \$7,512 | 9% |
| 21 | Garage Work Eqpt. - Expenses | \$130 | | |
| 22 | Other Work Eqpt. - Expenses | \$0 | | |
| 23 | Special Purpose Vehicles | \$0 | \$275 | 0% |
| 24 | Aircraft | \$0 | \$0 | |
| 25 | Total Maintenance-Other Assets | \$5,669 | \$32,791 | 17% |
| 26 | Network Operations Expenses | \$18,780 | | |
| 26a | Network Operations Expenses IO/SW | \$4,632 | | |
| 26T | Network Operations - Total | \$23,411 | \$52,519 | 45% |
| 27 | Other Taxes | \$6,223 | \$26,389 | 24% |
| 28 | Product Management | | \$14,616 | |
| 29 | Sales | | \$14,832 | |
| 30 | Product Advertising | | \$8,677 | |
| 31 | Call Completion Service | | \$2,193 | |
| 32 | Number Services | | \$4,788 | |
| 33 | Customer Services | | \$71,493 | |
| 34 | Total Customer Operations | \$1,484 | \$116,599 | 1% |
| 35 # | Overheads | \$21,148 | \$94,831 | 22% |
| 36 | Total Operating Expenses | \$92,617 | \$404,634 | 23% |
| 37 | Total Operating Expense & Capital Costs | \$230,615 | | |
| 38a | Network Operations Expenses IO/SW | \$4,632 | | |
| 38b | Carrier's Carrier Customer Services | \$1,484 | | |
| 39 | Total Opr Exp & Capital Less Carrier's Cus Svc | \$224,499 | | |
| | Run Version Total Loop Unit Cost/per Mo. | \$8.22 | | |

* Source: Latest available update of the HAI 5.3 Model for Oregon

Appendix 3

Phoenix (Sunnyslope) Topographical Map



Approximation of HAI 5.2a cluster 002 in PHNXAZY. Midpoint is 12,125 feet North and 4,219 feet East of the Central Office. Cluster is 6,871 feet tall by 3,865 wide.

★ Sunnyslope C.O.

Appendix 4

Plant Mix Relationships

| <u>Year</u> | <u>Aerial</u> | <u>Buried</u> | <u>Underground</u> |
|-------------------------------|---------------|---------------|--------------------|
| Plant Miles as of 1999 | 52,878 | 330,694 | 55,964 |
| Relationship in 1999 | 13.8% | 86.2% | 14.6% |
| 2000 Plant Added | 13.1% | 67.9% | 19.1% |
| 2001 Plant Added | 10.0% | 54.0% | 36.0% |
| 2002 Plant Added | 11.6% | 54.0% | 34.4% |

Source: MR7a (WCID7a) 1999 - 2002

Appendix 5
(Including Document Transcription)

Date [October?] 19, 1997 [01:05?] pm EST
From John [?] Donovan [illegible ID]

Dean Fassett MCI ID: [illegible ID]

[redacted]

[redacted]

[redacted]

Dick Chandler / MCI ID: 439-0695

[redacted]

[redacted]

Robert Mercer / MCI ID: 437-8763

[redacted]

Subject: Surface Texture Conditions

Message- [??] [character string illegible]

Dean,

At the FCC Joint Board hearings, it became obvious that even though Surface texture and slope are unimportant factors compared to competitive Factors, removing such indicators doesn't sell well to the uninformed.

Therefore, we are planning to incorporate thes items in the Hatfield Model [illegible]

Attached is an excerpt from BCM[I] on surface texture indicators ['??'] means that BCM ignores them as far as having any effect on trenching and plowing. '[-]' means that BCM applies a multiplier. I would propose continuing with the same [?] and [?] indications, unless you or a contact you have think otherwise. I have added 2 columns to the spreadsheet.

One to indicated whether we believe the USGS indicator applies throughout the entire CBG, or whether only a portion of the CBG is likely to be Effected. The other column is for an expert opinion as to the effect of the soil condition on the cost.

We need to lock this down ASAP. If you could make up some default numbers today, wee could always change them before publishing the model.

John Donovan

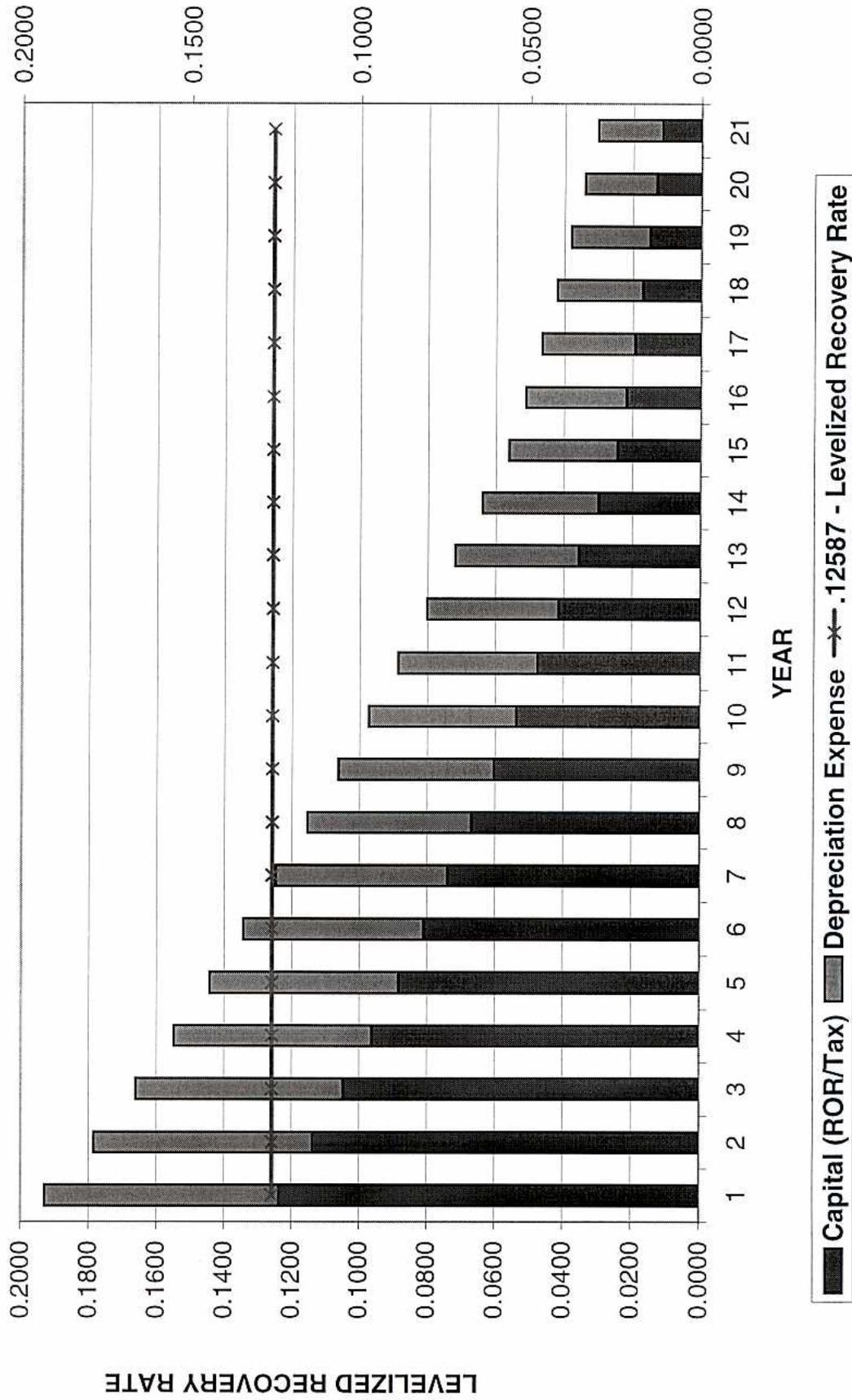
Enclosures

[????????] SURFTEX.XLS saved [?????] MAILROOM ENCLOSE SURFTEX.XLS

Appendix 6

ACCOUNT 2423 - BURIED CABLE

(ELG 20.56 Year / MACRS Category 5 - 17 Year)



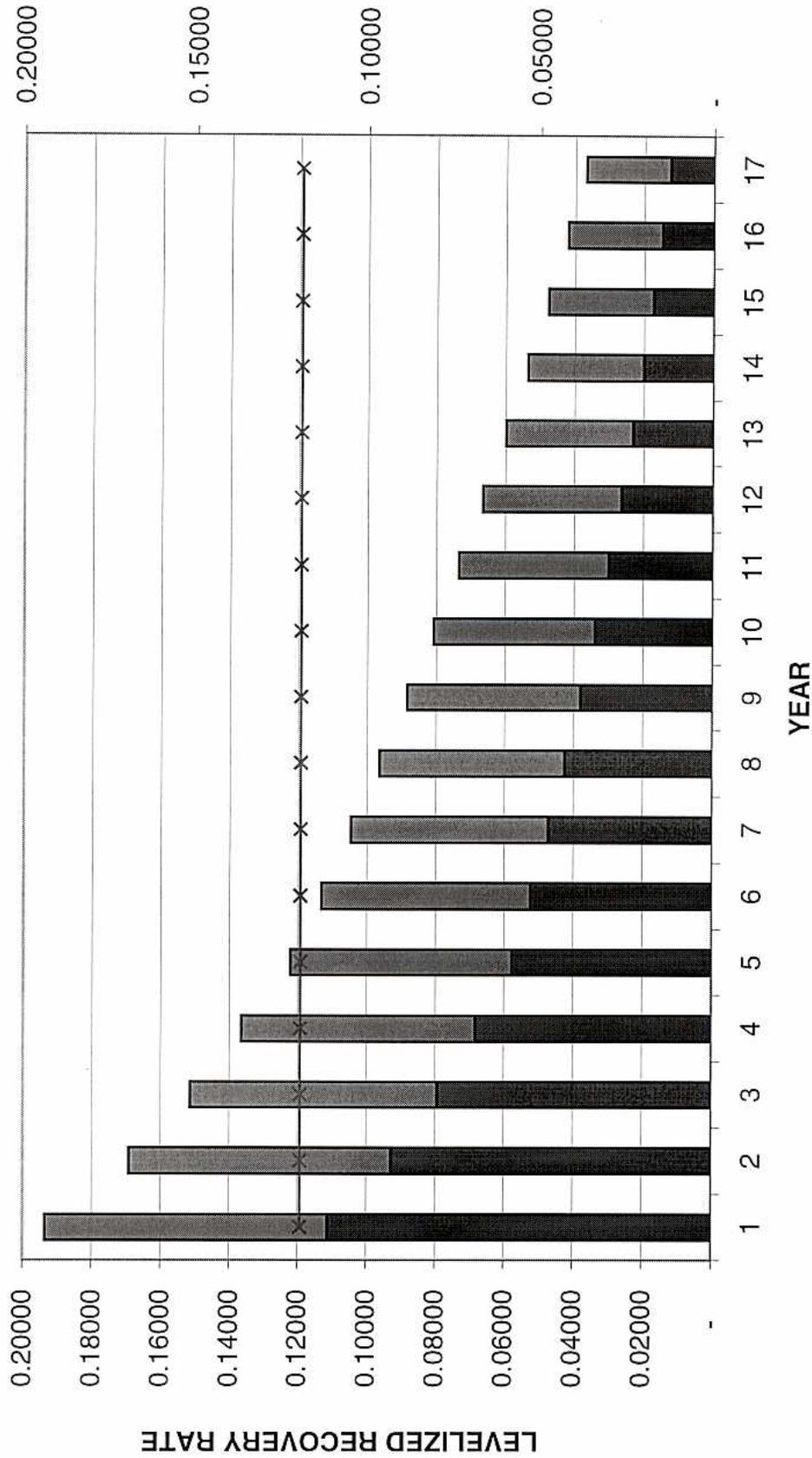
ACCOUNT 2423 - BURIED CABLE
(ELG 20.56 YEAR / MACRS CATEGORY 5 - 17 YEAR)

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
| ROR | 0.09206 | 0.08471 | 0.07794 | 0.07165 | 0.06578 | 0.06030 | 0.05501 | 0.04987 | 0.04488 | 0.04005 | 0.03537 | 0.03084 | 0.02646 | 0.02222 | 0.01813 | 0.01418 | 0.01036 | 0.00668 | 0.00322 | 0.00097 | 0.00084 |
| Tax | 0.03160 | 0.02908 | 0.02675 | 0.02459 | 0.02258 | 0.02070 | 0.01888 | 0.01712 | 0.01541 | 0.01375 | 0.01214 | 0.01059 | 0.00908 | 0.00763 | 0.00622 | 0.00555 | 0.00493 | 0.00435 | 0.00382 | 0.00334 | 0.00290 |
| Capital | 0.12366 | 0.11379 | 0.10470 | 0.09624 | 0.08836 | 0.08100 | 0.07389 | 0.06698 | 0.06029 | 0.05380 | 0.04751 | 0.04142 | 0.03554 | 0.02985 | 0.02436 | 0.01929 | 0.01470 | 0.01049 | 0.00657 | 0.00307 | 0.00135 |
| Depr Exp | 0.06931 | 0.06472 | 0.06146 | 0.05861 | 0.05595 | 0.05340 | 0.05090 | 0.04844 | 0.04600 | 0.04358 | 0.04118 | 0.03880 | 0.03643 | 0.03410 | 0.03179 | 0.02953 | 0.02730 | 0.02513 | 0.02302 | 0.02097 | 0.01900 |
| Total | 0.19296 | 0.17851 | 0.16616 | 0.15486 | 0.14431 | 0.13439 | 0.12479 | 0.11542 | 0.10629 | 0.09738 | 0.08869 | 0.08022 | 0.07197 | 0.06395 | 0.05615 | 0.04859 | 0.04217 | 0.03598 | 0.02998 | 0.02404 | 0.01805 |
| Levelized Recovery Rate | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 | 0.12587 |
| Cumulative Difference | (0.06709) | (0.11972) | (0.16000) | (0.18899) | (0.20743) | (0.21594) | (0.21486) | (0.20440) | (0.18481) | (0.15632) | (0.11913) | (0.07347) | (0.01957) | 0.04236 | 0.11208 | 0.18670 | 0.26599 | 0.34969 | 0.43759 | 0.52942 | 0.62495 |

Source: W.A. JAI 5.3 - Leap Rate \$6.70

ACCOUNT 2212 - SWITCHING

(ELG 17 Year / MACRS Category 2 - 5 Year)



■ Capital (ROR/Tax) ■ Depreciation Expense →x→ .11940 - Levelized Recovery Rate

ACCOUNT 2212 - SWITCHING
(ELG 17 YEAR / MACRS CATEGORY 2 - 5 YEAR)

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|
| ROR | 0.08281 | 0.06899 | 0.05901 | 0.05084 | 0.04292 | 0.03893 | 0.03516 | 0.03162 | 0.02829 | 0.02519 | 0.02230 | 0.01962 | 0.01715 | 0.01489 | 0.01284 | 0.01098 | 0.00931 |
| Tax | 0.02843 | 0.02368 | 0.02026 | 0.01745 | 0.01473 | 0.01336 | 0.01207 | 0.01085 | 0.00971 | 0.00865 | 0.00765 | 0.00673 | 0.00589 | 0.00511 | 0.00441 | 0.00377 | 0.00319 |
| Capital | 0.11124 | 0.09267 | 0.07927 | 0.06829 | 0.05765 | 0.05229 | 0.04723 | 0.04247 | 0.03801 | 0.03383 | 0.02995 | 0.02635 | 0.02304 | 0.02001 | 0.01724 | 0.01475 | 0.01250 |
| Depr Exp | 0.08227 | 0.07648 | 0.07216 | 0.06828 | 0.06459 | 0.06099 | 0.05745 | 0.05393 | 0.05045 | 0.04699 | 0.04357 | 0.04019 | 0.03686 | 0.03360 | 0.03043 | 0.02736 | 0.02441 |
| Total | 0.19351 | 0.16915 | 0.15142 | 0.13657 | 0.12223 | 0.11328 | 0.10468 | 0.09641 | 0.08846 | 0.08083 | 0.07352 | 0.06654 | 0.05990 | 0.05361 | 0.04768 | 0.04211 | 0.03692 |
| Levelized Recovery Rate | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 | 0.11940 |
| Cumulative Difference | (0.07411) | (0.12385) | (0.15587) | (0.17304) | (0.17587) | (0.16974) | (0.15501) | (0.13202) | (0.10107) | (0.06249) | (0.01661) | 0.03625 | 0.09576 | 0.16155 | 0.23328 | 0.31057 | 0.39306 |

Source: WA HAI 5.3 - Loop Rate \$6.70