

Step 3

**Verizon Northwest Inc. - ICM Wholesale Investment
Calculation of Total Annual Capital Charges**

Account	ICM Wholesale Investment	Depreciation & Return	Composite Income Tax	Total Annual Capital Costs	Account	Return	Depreciation/	Composite
221100	0	0	0	0	211100	0.097588562	0.033672461	0.033672461
221200	198,280,224	24,495,298	891,214	25,386,512	221200	0.123538784	0.004494722	0.004494722
221500	0	0	0	0	221500	0.097588562	0.033672461	0.033672461
222000	0	0	0	0	222000	0.145982991	0.007958569	0.007958569
223100	0	0	0	0	223100	0.133966974	0.006158069	0.006158069
223200	180,802,639	25,879,414	1,147,684	27,027,097	223200	0.14313626	0.006347715	0.006347715
235100	0	0	0	0	235100	0.163748367	0.004726338	0.004726338
236200	0	0	0	0	236200	0.157889552	0.113246307	0.113246307
241100	106,827,999	11,877,571	2,160,088	14,037,658	241100	0.111184061	0.020220239	0.020220239
242110	98,215,777	11,401,543	1,854,965	13,256,509	242110	0.116086679	0.018886632	0.018886632
242120	11,137,255	1,161,275	163,986	1,325,261	242120	0.104269416	0.014724073	0.014724073
242210	104,499,620	11,341,331	1,732,278	13,073,609	242210	0.108529879	0.016576882	0.016576882
242220	24,190,603	2,522,340	356,184	2,878,524	242220	0.104269416	0.014724073	0.014724073
242310	444,526,908	49,443,324	7,480,801	56,924,124	242310	0.111226341	0.016828603	0.016828603
242320	37,141,507	3,872,723	546,874	4,419,598	242320	0.104269416	0.014724073	0.014724073
242410	0	0	0	0	242410	0.113476383	0.017792478	0.017792478
242420	0	0	0	0	242420	0.113476383	0.017792478	0.017792478
242610	0	0	0	0	242610	0.120915361	0.021381263	0.021381263
242620	0	0	0	0	242620	0.120915361	0.021381263	0.021381263
243100	0	0	0	0	243100	0.134481324	0.024040056	0.024040056
244100	264,520,383	26,074,310	3,263,444	29,337,754	244100	0.098572026	0.012337213	0.012337213
269030	10,158,498	4,067,552	1,829,200	5,896,752	269030	0.400408799	0.180065999	0.180065999
Total	1,480,303,413	172,136,681	21,426,718	193,563,399				

**Verizon Northwest Inc. - ICM Wholesale Investment
Calculation of Total Annual Property Taxes**

Account	ICM Wholesale Investment	Total Annual Property Tax (.007679)
221100	0	0
221200	198,280,224	1,522,594
221500	0	0
222000	0	0
223100	0	0
223200	180,802,639	1,388,383
235100	0	0
236200	0	0
241100	106,827,999	820,332
242110	98,215,777	754,199
242120	11,137,255	85,523
242210	104,499,620	802,453
242220	24,190,603	185,760
242310	444,528,908	3,413,537
242320	37,141,507	285,210
242410	0	0
242420	0	0
242610	0	0
242620	0	0
243100	0	0
244100	264,520,383	2,031,252
269030	10,158,498	78,007
Total	1,480,303,413	11,367,250

Integrated Cost Model - ICM Release 4.1b

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	Account	Depreciation and Return	Composite Income Tax	Maintenance and Support	Property Tax
1	211100	0.0975885628	0.0336724605		0.007679
2	211200	0.146100216838104	0.00224700058841267		
3	211300	0.0975885628	0.0336724605		0.007679
4	211400	0.154271636511893	0.0023769313717288		0.007679
5	211500	0.118927672246994	0.00371889554685917		0.007679
6	211600	0.126461158538981	0.00370486450575535		0.007679
7	212100	0.0994019615821209	0.0234679542592307		0.007679
8	212200	0.113737884946914	0.00537991048733949		0.007679
9	212300	0.185801635209145	0.0162644818359402		0.007679
10	212400	0.181390981588688	0.00949359187044955		0.007679
11	221100	0.0975885628	0.0336724605		
12	221200	0.123538278395662	0.00449472197335502	0.146973679101701	0.007679
13	221500	0.0975885628	0.0336724605		
14	222000	0.145982991058134	0.00795856888719498		
15	223100	0.133966973933027	0.0061580687192586	0.0870821709958792	0.007679
16	223200	0.143136259984126	0.00634771487512367	0.0870821709958792	0.007679
17	232100	0.0975885628	0.0336724605		
18	235100	0.163748367106859	0.00472633824121868		
19	236200	0.1578895522512	0.0113246306872439		
20	241100	0.111184061105329	0.020220239105557	0.0407116133532708	0.007679
21	242110	0.11608667873536	0.0188866319243126	0.033685271295408	0.007679
22	242120	0.104269416405485	0.0147240730119335	0.0114639521548074	0.007679
23	242210	0.108529879023716	0.0165768819539136	0.0157656253317223	0.007679
24	242220	0.104269416405485	0.0147240730119335	0.00477312647201501	0.007679
25	242310	0.111226340997872	0.0168286030910265	0.038182219937223	0.007679
26	242320	0.104269416405485	0.0147240730119335	0.0101940177542514	0.007679
27	242410	0.113476382678801	0.0177924780160953		
28	242420	0.113476382678801	0.0177924780160953		
29	242510	0.0975885628	0.0336724605		
30	242520	0.0975885628	0.0336724605		
31	242610	0.120915361456654	0.0213812634992748		
32	242620	0.120915361456654	0.0213812634992748		
33	243100	0.134481324022032	0.0240400559491299		
34	244100	0.0985720256351092	0.012337213475424	0.00606578693754848	0.007679
35	269030	0.400408798882926	0.180065998634672	0.146973679101701	0.007679