

Step 5

**VERIZON NORTHWEST INC.
STATE OF WASHINGTON**

CALCULATION OF FIXED ALLOCATOR

A. NUMERATOR **\$70,472,268**

Total forward-looking common costs identified in Bench Request #14.

B. DENOMINATOR

Total forward-looking direct costs. These costs include four components:

1. Annual Capital Charges	\$193,563,399	Step 3, Page 1 of 3
2. Annual Property Taxes	\$11,367,250	Step 3, Page 2 of 3
3. Annual Operating Expenses	\$181,355,599	Step 1, Page 1 of 2
4. Collocation Direct Costs	\$7,713,140	Step 5, Page 2 of 2
Total Direct Costs	\$393,999,388	

C. ANNUAL OPERATING EXPENSES

All these costs are found in GTE's cost study and workpapers. The annual operating expenses were calculated below:

1. Total Operating Expenses	\$246,847,361	Step 1, Page 1 of 2
2. Adjustments		
A. NRC Expenses	(\$18,425,720)	} Step 1, Page 1 of 2
B. OSS Expenses	(\$1,350,641)	
C. General Support	\$49,217,016	
D. Miscellaneous	(\$24,460,149)	
E. Wholesale Common	(\$70,472,268)	
Annual Operating Expenses	\$181,355,599	

D. FIXED ALLOCATOR CALCULATION

$$\text{Fixed Allocator} = \frac{\text{Common Costs}}{\text{Direct Costs}} = \frac{70,472,268}{393,999,388} = 17.89\%$$

VERIZON NORTHWEST INC.
For Bench Request
Unbundled Network Elements--Calculation of Collocation Costs

<u>Elements</u>	<u>TELRIC</u> <u>COST</u>
1 Card Reader/Controller	\$ 34.89
2 Environmental Conditioning - Stand Alone System	\$ 146.70
3 Caged Floor Space	\$ 284.00
4 Cable Subduct Space - Manhole	\$ 3.78
5 Cable Subduct Space	\$ 3.96
6 Cable Rack Space - Fiber	\$ 1.68
7 DC Power	\$ 1,027.20
8 Facility Termination - DS3	\$ 19.02
9 BITS Timing	\$ 9.16
10 Total Collocation MRCs	<u>\$ 1,530.39</u>
11	
12 Collocation MRC Annual Total (line 10 * 12)	\$ 18,364.62
13	
14 Total Washington Central Offices/Wire Centers *	105
15 Collocators per Office	4
16 Total Collocators (line 14 * line 15)	420
17	
18 TOTAL COLLOCATION COST (line 12 * line 16)	\$ 7,713,140

* Number of wire centers from Beth Florence 4/09/01