

CASE NO. TO-97-63

Final Arbitration Order

ATTACHMENT A

Calculation Detail by Account of Development of Wholesale Discount:

Resale Cost Study for GTE

Costs:	Total Missouri		%	GTE
	Regulated (\$000)	Avoided	Avoided	Avoided (\$000)
Direct:				
6611 Product Management	1709.21	50.00%	854.61	
6612 Sales	4196.87	90.00%	3777.18	
6613 Product Advertising	1501.33	90.00%	1351.19	
6621 Call Completion services	4097.93	100.00%	4097.93	
6622 Number Services	3190.47	100.00%	3190.47	
6623 Customer Services	14390.65	90.00%	12951.58	
Indirect:				
5301 Uncollectible Revenue	6370.01	12.12%	771.91	
6112 Motor Vehicle Exp.	605.42	0.00%	0.00	
6113 Aircraft Exp.	283.80	0.00%	0.00	
6114 Spec Purpose Vehicle	0.01	0.00%	0.00	
6115 Garage Work Equipment	44.39	0.00%	0.00	
6116 Other Work Equipment	113.43	0.00%	0.00	
6121 Land & Buld Exp.	4239.76	12.12%	513.77	
6122 Furniture & Artwork	660.27	12.12%	80.01	
6123 Office Exp.	841.80	12.12%	102.01	
6124 Gen Purpose Computers	13686.92	12.12%	1658.57	
6211 Analog Electronic Exp.	308.63	0.00%	0.00	
6212 Digital Electronic Exp.	10392.15	0.00%	0.00	
6215 Electro-mech Exp.	1673.48	0.00%	0.00	
6220 Operators Exp.	1824.03	0.00%	0.00	
6231 Radio System Exp.	40.19	0.00%	0.00	
6232 Circuit System Exp.	1141.49	0.00%	0.00	
6311 Station Apparatus Exp.	0.00	0.00%	0.00	
6341 Lg PBX /Exp.	0.00	0.00%	0.00	
6351 Public Tel TermEq Exp.	454.36	0.00%	0.00	
6362 Other Terminal Eq Exp.	462.46	0.00%	0.00	
6411 Poles Exp.	1189.31	0.00%	0.00	
6421 Aerial Cable Exp.	4745.61	0.00%	0.00	
6422 Underground Cable Exp.	6518.79	0.00%	0.00	
6423 Buried Cable Exp.	9908.41	0.00%	0.00	
6424 Submarine Cable Exp.	0.00	0.00%	0.00	

6425	Deep Sea Cable Exp.	0.00	0.00%	0.00
6426	Intrabuilding Network Cable Exp.	0.00	0.00%	0.00
6431	Aerial Wire Exp.	62.02	0.00%	0.00
6441	Conduit Systems Exp.	6.52	0.00%	0.00
6511	Telecomm Use Exp.	0.00	0.00%	0.00
6512	Provisioning Exp.	526.32	0.00%	0.00
6531	Power Exp.	1495.69	0.00%	0.00
6532	Network Admin Exp.	4406.40	0.00%	0.00
6533	Testing Exp.	2706.39	0.00%	0.00
6534	Plant Operations Admin	4548.39	0.00%	0.00
6535	Engineering Exp.	2,180.96	0.00%	0.00
6540	Access Exp.	11837.98	0.00%	0.00
6561	Depreciation Telecom plant in Service	60901.77	0.00%	0.00
6562	Depreciation Future Telecom Use Plant	0.00	0.00%	0.00
6563	Amortization Exp. - Tangible	187.54	0.00%	0.00
6564	Amortization Exp. - Intangible	0.00	0.00%	0.00
6565	Amortization Exp. - Other	0.00	0.00%	0.00
6711	Executive	738.52	12.12%	89.49
6712	Planning	732.94	12.12%	88.82
6721	Accounting & Finance	3383.52	12.12%	410.01
6722	External Relations	2279.80	12.12%	276.27
6723	Human Resources	3111.84	12.12%	377.09
6724	Information Management	17438.73	12.12%	2113.22
6725	Legal	520.75	12.12%	63.10
6726	Procurement	541.72	12.12%	65.65
6727	Research and Development	1027.52	12.12%	124.51
6728	Other Gen & Admin	3171.20	12.12%	384.28
Total		216397.72		33341.70

Revenues:

	Missouri:	% Included:	Included:
Local Service	73588.14	100%	73588.14
Toll Network Service	57675.16	100%	57675.16
Network Access Service	74906.43	0%	0.00
Miscellaneous	11847.63	0%	0.00
Total	218017.36		131263.29

Resale Percentage Discount on Revenue:

% of Resold Services Revenue	25.40%
(Local & Toll Network Service)	