

**LNP Costs for Viola Home Telephone Company**

Scenario 1: Monthly Cost With Transport and Transit

	<u>Start-Up</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Reported Cost	\$ 54,790	\$ 8,015	\$ 8,438	\$ 8,942	\$ 9,445	\$ 9,948
Adjustments:						
Legal Fees	\$20,000					
Employee Education	\$8,965					
Customer Education	\$300	\$564	\$558	\$552	\$546	\$540
Total Adjustments	\$29,265	\$564	\$558	\$552	\$546	\$540
Adjusted Cost	\$25,525	\$7,451	\$7,880	\$8,390	\$8,899	\$9,408
PV Factors	100.0000%	89.8876%	80.7978%	72.6272%	65.2829%	58.6812%
PV Cost	\$25,525	\$ 6,698	\$ 6,367	\$ 6,093	\$ 5,810	\$ 5,521
PV Demand		676	601	535	475	423

Cost/Subscriber/Month

Total  
\$99,578

\$ 56,013  
2,710

\$ 20.67  
\$ 1.72