Calculation of Monopoly Profits

	A	B	C
Revenue Calculation	$M per Year (D	$M per Year	$M per Year
Basic Area Revenue	1,084.60	1,084.60	1,084.60
Other LX	284.1	284.1	284.1
End User Access	294.1	294.1	294.1
Switched Access	317.9	317.9	317.9
State Access	56.1	56.1	56.1
LD Message	293	293	293
Total Revenue	2,329.80	2,329.80	2,329.80
	Thousands	Thousands	Thousands
Switched Access Lines	4,517.30	4,517.30	4,517.30
Revenue/line/mo	$ 42.98	$ 42.98	$ 42.98
Cost Calculation	$/Line per Mon	$/Line per Month	$/Line per Month
	DTE C of C	BA States Avg C of C	DTE C of E BA States Avg (Debt Fraction)
Total Network Cost	$ 18.41	$ 16.60	$ 16.32
Retail Cost as a % of total	29.47%	29.47%	29.47%
Total Cost Including Retail	$ 26.10	$ 23.54	$ 23.14
Profit Calculation	$M per Year	$M per Year	$M per Year
After-Tax Monopoly Profit per Line per Month	$ 8.44	$ 9.72	$ 9.92
Total Monopoly Profit per Year ($M)	$ 457	$ 527	$ 538
PV over 10 years at 10%return (discount factor = 6.14)	$ 2,809	$ 3,236	$ 3,302
PV of Monopoly Profits with 10% share impact	$ 281	$ 324	$ 330
PV of Monopoly Profits with 20% share impact	561.72	647.13	660.35