



October 19, 2001

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LEGAL SECRETARY  
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**VIA FEDERAL EXPRESS**

Ms. Carole Washburn  
Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 South Evergreen Park Dr. S.W.  
Olympia, WA 98504-7250

RECEIVED  
01 OCT 22 11 09:35  
OFFICE OF THE ATTORNEY GENERAL  
SEATTLE, WA

**Re: Docket Nos. UT-010988, TG-010989, UE-010990, UE-010995,  
and UT-010996**

Dear Ms. Washburn:

Enclosed please find the original and 20 copies of the Legal Memorandum of Verizon Northwest Inc. on Jurisdiction in the above-referenced matter. Please stamp one of the enclosed copies and return it to us in the enclosed stamped self-addressed envelope provided for your convenience.

If you should have any questions, please call Judy Endejan. Her direct line is 206-340-9694. Thank you.

Sincerely,

**GRAHAM & DUNN PC**

A handwritten signature in cursive script that reads 'Nancy E. Dickerson'.

Nancy E. Dickerson  
Secretary to Judith A. Endejan

/ned  
Enclosures  
m25145-325325.doc

# ORIGINAL

## BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BERNICE BRANNAN, et al.,

Complainants,

v.

QWEST CORPORATION,

Respondent.

DOCKET NO. UT-010988

BERNICE BRANNAN, et al.,

Complainants,

v.

SANITARY SERVICE COMPANY, INC.,

Respondent.

DOCKET NO. TG-010989

BERNICE BRANNAN, et al.,

Complainants,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NO. UE-010990

TERRY McNEIL, et al.,

Complainants,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UE-010995

TERRY McNEIL, et al.,

Complainants,

v.

VERIZON NORTHWEST, INC.,

Respondent.

DOCKET NO. UT-010996

LEGAL MEMORANDUM OF VERIZON  
NORTHWEST INC. ON JURISDICTION

RECEIVED  
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SECRETARY

Verizon Northwest Inc. (“Verizon”) does not contest the jurisdiction of this Commission to regulate Verizon’s rates, as set forth in its effective tariffs. The tariff at issue allows Verizon to collect a utility tax levied by the Swinomish Indian Tribe from its customers located on the Swinomish reservation. The Commission allowed this tariff to go into effect.

The Commission has ruled that such a tariff is lawful in Washington Utilities and Transportation Commission v. U.S. West Communications, Inc., First Supplemental Order, Docket No. UT-911306 (Aug. 25, 1992) (the “Lummi Order”). In that decision, which is directly on point, the Commission said:

...”This is not a tax case.” The Commission’s jurisdiction in this matter is to determine whether the proposed rate is “fair, just, reasonable and sufficient.” RCW 80.04.130, 80.36.080. The Commission is not empowered to decide if the Lummi utility tax is valid. However, the Commission may inquire into the prudence of USWC’s payment of that tax.

Lummi Order, p. 4.

Verizon agrees with this analysis. To the extent Verizon’s answer raised a jurisdictional issue, it was to challenge this Commission’s authority to invalidate the underlying Swinomish tax. So long as the Commission acts in this case consistent with the precedent established by the Lummi Order, this Commission has jurisdiction over this complaint. There is no reason to depart from this precedent which.

Verizon reserves the right to provide additional analysis and argument in a reply due on or before November 2, 2001 or at the Prehearing Conference scheduled for November 19, 2001..

RESPECTFULLY SUBMITTED this 18th day of October, 2001.

GRAHAM & DUNN PC

By Judith A. Endejan  
Judith A. Endejan  
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Attorneys for Verizon Northwest, Inc.  
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Telephone: 206-340-9694  
Facsimile: 206-340-9599

# ORIGINAL

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served Legal Memorandum of Verizon Northwest, Inc. on Jurisdiction upon all parties of record in this proceeding, by mailing a copy, postage prepaid to:

Terry McNeil  
16750 Warren Street  
LaConnor, Washington 98257

Bernice Brannan  
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Ferndale, WA 98248

Robert D. Cedarbaum  
Assistant Attorney General  
Washington Utilities and Transportation  
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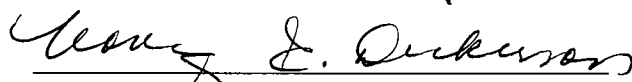
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Dated at Seattle, Washington this 19<sup>th</sup> day of September, 2001.

  
Nancy E. Dickerson

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