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Vice President
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March 8, 2006

WA0101RA
1800 41st Street
P.O. Box 1003
Everett, WA 98201

Ms. Carole Washburn, Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
Olympia, Washington 98504-7250

Dear Ms. Washburn:

Subject: Revised Verizon Northwest Inc. Residential Late Payment Charge Report – WUTC Docket No. UT-040788

Verizon Northwest Inc. (“Verizon NW”) submits its revised Residential Late Payment Charge Report (“LPC Report”). The revised LPC Report includes separate disconnect data for Washington Telephone Assistance Program (“WTAP”) customers (see page 3). In addition, Disconnect Data – Combined (Jan 2004 – Dec 2005 – page 3) previously reported on February 15, 2006 was adjusted to correct a report mapping problem which was causing disconnect counts to be overstated.

Report Highlights

Revenue

- Revenue from assessment of the LPC declined steadily from June 2005 through November 2005, except for a slight increase in December. (Page 2, Col F, Lines 66-72). The average annualized revenue was ***** for the first 7 months (June 2005 through December 2005) that the LPC was in effect. This is less than the ***** that Verizon NW projected during the rate case settlement process.

LPC Charge Levels

- In the June 2005 through December 2005 timeframe, the proportion of residential customers being assessed the LPC to total customers dropped from ***** to ***** . (Page 2, Col K, Lines 90-96)

Disconnects

- Verizon NW does not disconnect local service for nonpayment of the LPC. Thus, the LPC has no impact on disconnection levels.

WTAP Customers

- In the June 2005 through December 2005 timeframe, the proportion of residential WTAP customers being assessed the LPC to total WTAP customers dropped from ***** to *****.
(Page 2, Col J, Lines 90-96).

Report Roadmap

Verizon NW provides a guide below which references where each data item¹ can be found in the report.

Estimated LPC units (Jan '04 – May '05)

- Non-WTAP Page 1 Col. D Lns. 1-17
- WTAP Page 1 Col. D Lns. 25-41
- Combined Page 2 Col. D Lns. 49-65

Actual LPC units (Jun '05 – Dec '05)

- Non-WTAP Page 1 Col. D Lns. 18-24
- WTAP Page 1 Col. D Lns. 42-48
- Combined Page 2 Col. D Lns. 66-72

Actual LPC Revenue (Jun '05 – Dec '05)

- Non-WTAP Page 1 Col. F Lns. 18-24
- WTAP Page 1 Col. F Lns. 42-48
- Combined Page 2 Col. F Lns. 66-72

Estimated % of customers assessed LPC (Jan '04 – May '05)

- Non-WTAP Page 2 Col. F Lns. 73-89
- WTAP Page 2 Col. G Lns. 73-89
- Combined Page 2 Col. H Lns. 73-89

Actual % of customers Charged an LPC (Jun '05 – Dec '05)

- Non-WTAP Page 2 Col. I Lns. 90-96
- WTAP Page 2 Col. J Lns. 90-96
- Combined Page 2 Col. K Lns. 90-96

Average Monthly LPC Accounts by Period See Middle Boxes on Page 2

Total LPC Revenue (Jun '05 – Dec '05) See Last Middle Box on Page 2

¹ Verizon NW agreed to these data items in its June 3, 2005 letter to Ms. Carole Washburn.

Disconnects (Jan '04 – Dec '05)

- Combined Page 3 Col. C Lns. 1-24
- WTAP Page 3 Col. F Lns. 1-24

Average Monthly Disconnects by Period See Boxes on Page 3

Distribution Data 30/60/90 Days

- Non-WTAP Page 1 Col. G/H/I Lns. 1-24
- WTAP Page 1 Col. G/H/I Lns. 25-48
- Combined Page 2 Col. G/H/I Lns. 49-72

Customer Accounts Charged the \$2.50 Late Fee (per month)

- Non-WTAP Page 4 Col. D
- WTAP Page 5 Col. D
- Combined Page 6 Col. D

Total Dollar Amount Applied to the \$2.50 Late Fee (per month)

- Non-WTAP Page 4 Col. F Lns. 18-24
- WTAP Page 5 Col. F Lns. 42-48
- Combined Page 6 Col. F Lns. 66-72

Customer Accounts Charged the 1.5% Late Fee (per month)

- Non-WTAP Page 7 Col. D
- WTAP Page 8 Col. D
- Combined Page 9 Col. D

Total Dollar Amount Applied to the 1.5% Late Fee (per month)

- Non-WTAP Page 7 Col. F Lns. 90-96
- WTAP Page 8 Col. F Lns. 114-120
- Combined Page 9 Col. F Lns. 138-144

Avg. Dollar Amount Applied per Customer – 1.5% Late Fee (per month)

- Non-WTAP Page 8 Col. M Lns. 90-96
- WTAP Page 9 Col. M Lns. 114-120
- Combined Page 10 Col. M Lns. 138-144

Avg. Monthly Accounts Charged a \$2.50 LPC See 1st Box on Page 9

Avg. Monthly Accounts Charged a 1.5% LPC See 2nd Box on Page 9

Avg. Charge per Account for 1.5% LPC See 3rd Box on Page 9

Ms. Carole J. Washburn

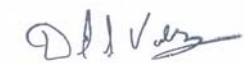
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The entire report is designated CONFIDENTIAL pursuant to WAC 480-07-160, and the Protective Order issued in this matter. Therefore, it is being provided in a separate, sealed envelope.

If you have any questions, please contact Gregg Diamond at (972) 718.3504.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. S. Valdez", with a stylized flourish at the end.

David S. Valdez

DSV:ged
Enclosures

c: Simon ffitc