# VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED QUARTERLY COMPLIANCE REPORT TWELVE MONTHS ENDED DECEMBER 2007 (Dollars in Thousands)

	- PO	OKED BASI	<u>e</u>
	ВО	OKED BASI	3
	Total		
	Regulated	Interstate	Intrastate
OPERATING REVENUES			
Local Network Service	222,123	0	222,123
Network Access Revenues	252,931	223,273	29,658
Long Dist Netwk Revenues	14,983	433	14,550
Miscellaneous Revenues	31,706	11,635	20,072
Uncollectibles	(3,552)	(878)	(2,673)
Total Operating Revenues	518,191	234,463	283,729
OPERATING EXPENSES			
Plant Specific Operations	65,977	16,406	49,571
Plant Non-Spec Operations	39,989	14,824	25,165
Customer Operations	59,912	12,708	47,204
Corporate Operations	67,843	16,018	51,825
Depreciation & Amort	185,446	48,502	136,944
Other Income & Expenses	(7,234)	(1,850)	(5,383)
Juris Diff - Depr/IDC	0	0	0
Total Operating Expenses	411,932	106,607	305,325
Operating Taxes Other than Inc	19,009	7,101	11,907
EBIT	87,250	120,754	(33,504)
INCOME TAXES			
State Income Tax	0	0	0
Net Federal Income Tax	20,993	39,821	(18,829)
Total Income Taxes	20,993	39,821	(18,829)
NET OPERATING INCOME	66,257	80,933	(14,675)
INVESTMENT (AVG)			
Telecomm Plant in Service	2,652,142	673,475	1,978,667
Other Assets (SFAS 87)	149,537	35,243	114,294
Juris Assets-TPIS	0	0	0
Depr & Amort Reserve	1,506,343	380,806	1,125,537
Deferred Income Taxes	256,703	63,361	193,342
Other LT Liab - SFAS 106,112	85,968	20,248	65,720
RATE BASE	952,665	244,304	708,361
Rate Base ROR	6.95%	33.13%	-2.07%
2000 11011	0.0070	00.1070	2.07 /0

ADJ	USTED BAS	SIS	
Total			Composite
Regulated	Interstate	Intrastate	<b>Bkd Factors</b>
222,123	0	222,123	100.00%
252,931	223,273	29,658	11.73% 97.11%
14,983 31,706	433 11,635	14,550 20,072	63.31%
(3,552)	(878)	(2,673)	75.27%
518,191	234,463	283,729	13.21 /0
,	,	,	
61,745	15,354	46,391	75.13%
37,384	13,858	23,525	62.93%
55,915	11,860	44,054	78.79%
78,059	18,430	59,629	76.39%
185,446	48,502	136,944	73.85%
(7,234)	(1,850)	(5,383)	74.42%
0	0	0	0.00%
411,316	106,154	305,161	74.12%
19,009	7,101	11,907	62.64%
87,867	121,207	(33,340)	
0	0	0	
21,209	39,980	(18,771)	
21,209	39,980	(18,771)	
66,658	81,227	(14,568)	
2,647,759	672,362	1,975,397	74.61%
149,537	35,243	114,294	76.43%
0	0	0	0.00%
1,506,343	380,806	1,125,537	74.72%
256,703	63,361	193,342	75.32%
3,444	811	2,633	76.45%
1,030,806	262,627	768,179	74.36%
6.47%	30.93%	-1.90%	

#### **VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED** QUARTERLY COMPLIANCE REPORT **TWELVE MONTHS ENDED DECEMBER 2007** (Dollars in Thousands)

					ADJUSTMENT:	S						
	TOTAL STATE BOOKED RESULTS	(A)	(B) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)	ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
	TREGOETO.	-	0, 25								1	
Operating Revenues	518,191	0	0	0	0	0	0	0	0	0	518,191	283,729
Operating Expenses/Taxes	430,941	0	(617)	0	0	0	0	0	0	0	430,324	317,068
EBIT	87,250	0	617	0	0	0	0	0	0	0	87,867	(33,340)
Income Taxes	20,993	0	216	0	0	0	0	0	0	0	21,209	(18,771)
Net Operating Income	66,257	0	401	0	0	0	0	0	0	0	66,658	(14,568)
											0	
Rate Base	952,665	0	78,140	0	0	0	0	0	0	0	1,030,806	768,179
Rate of Return	6.95%										6.47%	-1.90%

Adjustment Footnotes: Account(s)

(A)

FAS 106 OPEB (Adj from accrual to paygo) Various

(B) (C) (D)

(E)

(F) (G)

(H) **(I)** 

## VERIZON NORTHWEST INC SEPARATED RESULTS SUMMARY STATE OF WASHINGTON - COMBINED QUARTERLY COMPLIANCE REPORT TWELVE MONTHS ENDED DECEMBER 2007 (Dollars in Thousands)

### **ADJUSTMENTS - TOTAL STATE**

		(A)	(B) & (E)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
TOTAL STATE	TOTAL		FAS 106							
	ADJUSTMENTS		OPEB							
OPERATING REVENUES										
Local Network Service	0	0	0	0	0	0	0	0	0	0
Network Access Revenues	0	0	0	0	0	0	0	0	0	0
Long Dist Ntwk Revenues	0	0	0	0	0	0	0	0	0	0
Miscellaneous Revenues	0	0	0	0	0	0	0	0	0	0
Uncollectibles	0	0	0	0	0	0	0	0	0	0
Total Operating Revenues	0	0	0	0	0	0	0	0	0	0
OPERATING EXPENSES										
Plant Specific Operations	(4,231)	0	(4,231)	0	0	0	0	0	0	0
Plant Non-Spec Operations	(2,605)	0	(2,605)	0	0	0	0	0	0	0
Customer Operations	(3,997)	0	(3,997)	0	0	0	0	0	0	0
Corporate Operations	10,216	0	10,216	0	0	0	0	0	0	0
Depr & Amort	0	0	0	0	0	0	0	0	0	0
Other Income & Expenses	0	0	0	0	0	0	0	0	0	0
Juris Diff - Depr/IDC	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	(617)	0	(617)	0	0	0	0	0	0	0
Operating Taxes Other than Income		0	0	0	0	0	0	0	0	0
EBIT	617	0	617	0	0	0	0	0	0	0
INCOME TAXES										
State Income Tax	0	0	0	0	0	0	0	0	0	0
Net Federal Income Tax	216	0	216	0	0	0	0	0	0	0
Total Income Taxes	216	0	216	0	0	0	0	0	0	0
NET OPERATING INCOME	400	0	401	0	0	0	0	0	0	0
INVESTMENT (AVG)										
Telecom Plant in Service	(4,384)	0	(4,384)	0	0	0	0	0	0	0
Prop Held for Future Use	0	0	0	0	0	0	0	0	0	0
Other Assets (SFAS 87)	0	0	0	0	0	0	0	0	0	0
Depr & Amort Reserve	0	0	0	0	0	0	0	0	0	0
Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0
Juris Assets-TPIS	0	0	0	0	0	0	0	0	0	0
Other LT Liab - SFAS 106, 112	(82,524)	0	(82,524)	0	0	0	0		0	0
RATE BASE	78,140	0	78,140	0	0	0	0	0	0	0

### ADJUSTMENTS - INTRASTATE

ADJUSTMENTS   OPEB			(A)	(B) & (E)	(C)	(D)	(E)	(F)	(G)	(H)	<b>(I)</b>
Department   Dep	INTRASTATE	TOTAL		FAS 106							
Local Network Service		ADJUSTMENTS		OPEB							
Network Access Revenues											
Composit New Revenues											
Miscellaneous Revenues					0						
Uncollectibles		_									
Total Operating Revenues		_									
Total Operating Revenues	Uncollectibles	0									
OPERATING EXPENSES           Plant Specific Operations         (3,179)         (3,179)         (3,179)           Plant Non-Spec Operations         (1,640)         (1,630)         (2,149)         (2,149)           Customer Operations         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804         7,804		0									
Plant Specific Operations   (3,179)   (3,179)   (1,639)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,640)   (1,639)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640	Total Operating Revenues	0	0	0	0	0	0	0	0	0	0
Plant Specific Operations   (3,179)   (3,179)   (1,639)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,639)   (1,640)   (1,640)   (1,639)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640)   (1,640	ODED ATING EVDENCES										
Plant Non-Spec Operations		(2.470)		(2.470)							
Customer Operations (3,149) (3,149) (3,149) (2,00) Corporate Operations (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804) (7,804		No. 1 Control of the									
Corporate Operations											
Depr & Amort Other Income & Expenses   0   0   0   0   0   0   0   0   0											
Other Income & Expenses Juris Diff - Depr/IDC         0           Total Operating Expenses Operating Taxes Other than Income EBIT         (164)         0         (163)         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0				7,804							
Juris Diff - Depr/IDC											
Total Operating Expenses Operating Taxes Other than Income EBIT 164 0 164 0 163 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0											
Operating Taxes Other than Income   EBIT   164   0   163   0   0   0   0   0   0   0   0   0	Juris Diff - Depr/IDC	0									
Telecom Plant in Service Prop Held for Future Use Other Assest (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Other Assest (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Other Assest Other Asset Other Assest Other Assest Other Asset Othe	Total Operating Expenses	(164)	0	(163)	0	0	0	0	0	0	0
Telecom Plant in Service Prop Held for Future Use Other Assest (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Other Assest (SFAS 87) Depr & Amort Reserve Deferred Income Taxes Other Assest Other Asset Other Assest Other Assest Other Asset Othe		0									
State Income Tax   0   0   0   0   0   0   0   0   0	EBIT	164	0	163	0	0	0	0	0	0	0
State Income Tax   0   0   0   0   0   0   0   0   0	INCOME TAXES										
Net Federal Income Tax		0									
Total Income Taxes   57			0	57	0	0	0	0	0	0	0
NET OPERATING INCOME											
INVESTMENT (AVG)	rotal moomo raxoo	01	· ·	O,	•	·	Ŭ	· ·	· ·	•	Ĭ
Telecom Plant in Service         (3,270)         (3,270)           Prop Held for Future Use         0           Other Assets (SFAS 87)         0           Depr & Amort Reserve         0           Deferred Income Taxes         0	NET OPERATING INCOME	107	0	106	0	0	0	0	0	0	0
Telecom Plant in Service         (3,270)         (3,270)           Prop Held for Future Use         0           Other Assets (SFAS 87)         0           Depr & Amort Reserve         0           Deferred Income Taxes         0											
Prop Held for Future Use 0 Other Assets (SFAS 87) 0 Depr & Amort Reserve 0 Deferred Income Taxes 0											
Other Assets (SFAS 87)         0           Depr & Amort Reserve         0           Deferred Income Taxes         0		(3,270)		(3,270)							
Depr & Amort Reserve 0 Deferred Income Taxes 0		0									
Deferred Income Taxes 0	Other Assets (SFAS 87)	0									
	Depr & Amort Reserve	0									
	Deferred Income Taxes	0									
Juris Assets-TPIS 0	Juris Assets-TPIS	0									
Other LT Liab - SFAS 106, 112 (63,088) 0	Other LT Liab - SFAS 106, 112	(63,088)		(63,088)				0			
RATE BASE 59,817 0 59,817 0 0 0 0 0 0 0 0	RATE BASE	59.817	0	59.817	0	0	0	0	0	0	0