

VERIZON NORTHWEST INC
RESULTS OF OPERATIONS
STATE OF WASHINGTON
(Dollars in Thousands)

September 2002 YTD Annualized

	(a)	(b)	(c1)	(c2)	(c)	(d)	(e)	(f)
Description	Total Regulated Adjusted (NOTE 1)	Out-of-Periods	Restatements	Total	Total Regulated Restated	Total Intrastate Restated	Total Intrastate Restated w/Merger & Depr	
OPERATING REVENUES								
Local Network Service	258,776	0	0	0	258,776	258,776	258,776	
Network Access Revenues	331,029	0	1,411	1,411	332,440	88,672	88,672	
Long Dist Netwk Revenues	24,517	0	0	0	24,517	23,905	23,905	
Miscellaneous Revenues	32,031	(466)	0	(466)	31,565	19,987	19,987	
Uncollectibles	24,424	0	0	0	24,424	11,000	11,000	
Total Operating Revenues	621,929	(466)	1,411	945	622,874	380,341	380,341	
OPERATING EXPENSES								
Plant Specific Operations	68,425	(2,355)	0	(2,355)	66,070	51,211	51,211	
Plant Non-Spec Operations	48,231	(1,906)	0	(1,906)	46,325	34,562	34,562	
Customer Operations	64,317	(2,475)	0	(2,475)	61,842	50,182	50,182	
Corporate Operations	71,863	8,196	(10,236)	(2,040)	69,823	55,048	61,989	
Depreciation & Amort	168,164	0	0	0	168,164	129,324	208,889	
Other Income & Expenses	(3)	0	0	0	(3)	0	0	
Juris Diff - Depr/IDC	0	0	0	0	0	0	0	
Total Operating Expenses	420,997	1,460	(10,236)	(8,776)	412,221	320,326	406,833	
Operating Taxes Other than Inc	33,835	0	0	0	33,835	24,176	24,176	
Earnings Before Income Taxes	167,097	(1,926)	11,647	9,721	176,818	35,839	(50,668)	
INCOME TAXES								
State Income Tax	0	0	0	0	0	0	0	
Net Federal Income Tax	50,164	(674)	4,076	3,402	53,566	8,339	(21,938)	
Total Income Taxes	50,164	(674)	4,076	3,402	53,566	8,339	(21,938)	
NET OPERATING INCOME	116,933	(1,252)	7,571	6,319	123,252	27,500	(28,730)	
INVESTMENT (AVG)								
Telecomm Plant in Service	2,453,923	(2,099)	0	(2,099)	2,451,824	1,887,609	1,887,609	
Other Assets (SFAS 87)	158,810	0	0	0	158,810	125,307	125,307	
Juris Assets-TPIS	0	0	0	0	0	0	0	
Depr & Amort Reserve	965,467	0	0	0	965,467	744,987	824,821	
Deferred Income Taxes	347,162	0	0	0	347,162	272,485	244,061	
Other LT Liab - SFAS 106,112	36,011	(2,785)	0	(2,785)	33,226	26,253	26,253	
RATE BASE	1,264,093	686	0	686	1,264,779	969,191	917,781	
Rate Base ROR	9.25%				9.74%	2.84%	-3.13%	

NOTE 1: September 2002 year-to-date annualized.