

**VERIZON NORTHWEST INC  
REVENUE REQUIREMENT  
STATE OF WASHINGTON  
(Dollars in Thousands)**

|                                 | (a)                            | (b)                            | (c)  | (d)   | (e) |
|---------------------------------|--------------------------------|--------------------------------|--|---|-----|
| Description                     | 2000<br>Intrastate<br>Restated | 2001<br>Intrastate<br>Restated | Sept. 2002 YTD<br>Annualized<br>Intrastate | Sept. 2002 YTD<br>Annualized<br>Intrastate<br>w/Merger Cost<br>& Depreciation |     |
| 1 Rate Base                     | 933,733                        | 965,116                        | 969,191                                    | 917,781   |     |
| 2 Authorized Rate of Return     | 9.760%                         | 9.760%                         | 9.760%                                     | 9.760%  |     |
| 3                               |                                |                                |  |   |     |
| 4 Required Net Operating Income | 91,132                         | 94,195                         | 94,593                                     | 89,575  |     |
| 5                               |                                |                                |  |   |     |
| 6 Net Operating Income          | 52,214                         | 53,038                         | 27,500                                     | (28,730)  |     |
| 7                               |                                |                                |  |   |     |
| 8 Net Operating Deficiency      | (38,919)                       | (41,158)                       | (67,094)                                   | (118,305)   |     |
| 9                               |                                |                                |  |   |     |
| 10 Net-To Gross Multiplier      | 1.564568                       | 1.564568                       | 1.564568                                   | 1.564568  |     |
| 11                              |                                |                                |  |   |     |
| 12 Revenue (Requirement)/Excess | (60,891)                       | (64,394)                       | (104,972)                                  | (185,096)   |     |
| 13                              |                                |                                |  |   |     |