

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

| | (a) | (b) | (c) | (d) | (e) |
|---------------------------------|--------------------------------|--------------------------------|--|---|-----|
| Description | 2000 Intrastate Restated | 2001 Intrastate Restated | Sept. 2002 YTD Annualized Intrastate | Sept. 2002 YTD Annualized Intrastate w/Merger Cost & Depreciation | |
| 1 Rate Base | 933,733 | 965,116 | 969,191 | 917,781 | |
| 2 Required Rate of Return | 12.450% | 12.450% | 12.450% | 12.450% | |
| 3 | | | | | |
| 4 Required Net Operating Income | 116,250 | 120,157 | 120,664 | 114,264 | |
| 5 | | | | | |
| 6 Net Operating Income | 52,214 | 53,038 | 27,500 | (28,730) | |
| 7 | | | | | |
| 8 Net Operating Deficiency | (64,036) | (67,119) | (93,165) | (142,993) | |
| 9 | | | | | |
| 10 Net-To Gross Multiplier | 1.564568 | 1.564568 | 1.564568 | 1.564568 | |
| 11 | | | | | |
| 12 Revenue (Requirement)/Excess | (100,189) | (105,013) | (145,763) | (223,723) | |
| 13 | | | | | |