

March 9, 2004

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

Subject: **ADDITIONAL VERIZON NORTHWEST INC. COMMENTS – A-021178**

Dear Ms. Washburn:

Pursuant to discussions with Fred Ottavelli of the Commission staff, Verizon Northwest Inc. (Verizon) submits additional comments on the draft rules.

Verizon has previously filed comments in this docket on March 13, 2003 and May 15, 2003 and January 16, 2004.

WAC Chapter 480-146

Verizon requests that the Commission reaffirm its policy of not requiring detailed information for low dollar value affiliated interest transactions. Currently that dollar threshold is \$50,000. Verizon recommends the threshold be increased to \$100,000 and that the Commission not require the filing of the summary of the affiliates and payment amounts for those de minimis transactions.

In 1992 after it adopted WAC 480-146-091, the Commission issued an Affiliated Interest Report Format document that stated:

When total transactions with an affiliated interest are less than \$50,000 annually, please provide: name of affiliate participating in the transactions and the total dollar amounts of the transactions. When total transactions with an affiliated interest equal or exceed \$50,000 annually please provide:

For transactions that exceed the \$50,000 threshold, the company must report all the detailed information that is currently contained in the annual affiliated interest report.

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Verizon (formerly known as GTE Northwest Inc.) has complied with this Commission rule since its adoption.

This current rulemaking docket provides an opportunity for the Commission to update its practice by increasing the threshold and clarifying that only for transactions that exceed the threshold is the detailed annual affiliated interest information required to be submitted. It would be good practice to expressly include the threshold level in the rule or to issue a policy statement reaffirming the use of a dollar threshold - - at the updated amount.

Please call me on 425-261-5238 if you have any questions.

Very truly yours,

Joan Gage
State Manager – Regulatory Affairs

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