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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

MCI TELECOMMUNICATIONS
CORPORATION AND AT&T
COMMUNICATIONS OF THE PACIFIC
NORTHWEST,

Complainants,

vs.

U S WEST COMMUNICATIONS, INC., GTE
NORTHWEST, INC., AND UNITED
TELEPHONE COMPANY OF THE
NORTHWEST,

Respondents.

) DOCKET NO. UT-970658

) STIPULATION OF VERIZON
) NORTHWEST INC., MCI/WORLDCOM,
) AT&T COMMUNICATIONS OF THE
) PACIFIC NORTHWEST AND THE
) COMMISSION STAFF

I. INTRODUCTION

At the pre-hearing conference on April 2, 2002, the parties were directed to provide to Administrative Law Judge ("ALJ") Marjorie Schaer a stipulation of facts, to the extent the parties could agree, regarding the extent of Verizon's compliance or non-compliance with the Fifth Supplemental Order in this docket. Pursuant to that directive, Verizon, MCI, Worldcom, and AT&T and the Commission Staff have reached the following agreement:

II. STIPULATION

1. The parties have agreed on the total refund to be paid by Verizon Northwest Inc. ("Verizon") for the period prior to July 1, 2001, and the allocation of this refund among

STIPULATION -- 1

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1 Verizon's inter-exchange carrier customers (IXCs). The parties agree that the total amount of
2 the refund, including interest, is \$3,154,971 as of March 15, 2002.

3 2. The refund for each IXC was calculated based on two different time periods due
4 to Verizon eliminating its terminating carrier common line charge (CCLC) as of December 31,
5 1998. For Period One (April 15, 1997 through December 31, 1998), Verizon made refunds to
6 the IXCs based on the terminating CCLC revenues they paid to Verizon.

7 3. The refunds to be made for Period Two (January 1, 1999 through July 1, 2001),
8 including interest, equal \$1,600,575 as of March 15, 2002. Verizon will allocate this refund
9 among IXCs based on originating common carrier line (CCL) minutes of use (MOU).
10 Specifically, each IXC will receive a percentage of the total refund for Period Two, and this
11 percentage is equal to (i) the IXC's billed originating CCL MOU for Period 2 divided by (ii) the
12 total originating CCL MOU billed to all IXCs for Period Two.

13 4. Verizon will pay simple interest on each IXC's refund from March 15, 2002 until
14 the date of the refund. The interest rate shall be 12% per annum, calculated on a monthly basis.

15 5. Verizon has discussed its proposed methodology for calculating refunds with the
16 Staff and the complainants AT&T and MCI. Staff and complainants agree that the refunds are
17 appropriate to effect the Commission's Order through July 1, 2001.

18 6. The parties cannot agree on (i) whether Verizon must make additional refunds for
19 the period beginning July 2, 2001 and (ii) whether Verizon must reduce its intrastate access
20 charges on a going-forward basis. The parties will brief these issues in accordance with the

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1 schedule established at the pre-hearing conference on April 2, 2002. That schedule calls for
2 opening briefs to be filed on May 10, 2002, and reply briefs on May 17, 2002.

3 DATED this 10th day of May, 2002.

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5 GRAHAM & DUNN PC

MILLER NASH LLP

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STIPULATION -- 3

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