

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Review of)	
Unbundled Loop and Switching Rates; the)	
Deaveraged Zone Rate Structure; and)	DOCKET NO. UT-023003
Unbundled Network Elements, Transport,)	
and Termination)	

**VERIZON NORTHWEST INC.'S MOTION FOR
INCORPORATION OF UPDATED DEPRECIATION LIVES**

Pursuant to Washington Administrative Code (“WAC”) 480-07-375 and the Commission’s 24th and 27th Supplemental Orders, Verizon Northwest Inc. (“Verizon”) hereby requests that the updated depreciation lives recently approved in Docket UT-040520 be incorporated into this docket. In its 27th Supplemental Order, the Commission rejected Verizon’s proposed depreciation lives, but noted that Verizon had “the future option of petitioning to incorporate in UNE rates the updated depreciation lives resulting from Verizon’s then pending (now concluded) depreciation proceeding.”¹

On April 12, 2005, the Commission issued a final order resolving Verizon’s request for a modification of its depreciation schedules (Docket No. UT-040520) and Verizon’s general rate case (Docket No. UT-040788).² In that order, the Commission adopted the depreciation rates contained in the parties’ proposed settlement agreement of February 23, 2005, finding that those rates were “reasonable estimates of the lives of the affected assets.”³ Verizon continues to

¹ 27th Supplemental Order ¶ 47.

² See Order No. 03, Order Approving and Adopting Proposed Settlement, *Petition of Verizon Northwest Inc. for Approval of Revised Depreciation Rates*, Docket UT-040520 (Apr. 12, 2005).

³ *Id.* ¶ 57; see also *id.* ¶ 66.

believe that depreciation rates developed pursuant to a rate-of-return methodology for retail ratesetting purposes should not be used to determine UNE rates.⁴ Nevertheless, Verizon agrees that if such rates are to be used, they should be the most recent. Accordingly, Verizon requests that the Commission incorporate in this proceeding the updated depreciation rates set forth in Attachment 2 (“Staff Recommended Depreciation Parameters Effective 1/1/2005”) to the Settlement Agreement filed with the Commission on February 23, 2005 in Docket No. UT-040520, and referenced in paragraph 57 of Order No. 03 in that same docket.

Respectfully submitted,



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June 20, 2005

⁴ Thus, Verizon preserves its arguments in support of its original depreciation proposals in this proceeding, and does not intend to waive those arguments through the filing of this motion.

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In the Matter of the Review of:)
Unbundled Loop and Switching Rates;)
the Deaveraged Zone Rate Structure; and) **Docket No. UT-023003**
Unbundled Network Elements,)
Transport and Termination)
(Recurring Costs))

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of June 2005, served Verizon Northwest Inc.'s Motion for Incorporation of Updated Depreciation Lives upon all parties of record in this proceeding by Federal Express and by e-mail:

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