

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Complainant,

v.

VERIZON NORTHWEST INC.,

Respondent.

DOCKET NO. UT-040788

**REPLY BY THE MOVING PARTIES TO  
VERIZON'S ANSWER TO JOINT MOTION  
FOR SUMMARY DETERMINATION  
DISMISSING VERIZON'S PETITION FOR  
INTERIM RATE INCREASE**

**TABLE OF CONTENTS**

I. OVERVIEW .....1

II. FACTS .....2

III. ARGUMENT .....3

    A. Verizon’s Case Is Deficient Because It Fails To Provide Any Evidence Linking The Relief It Seeks To Its Ability To Finance .....4

        1. A Connection Between the Relief Sought and the Utility’s Ability to Finance Is A Pre-Condition To Interim Rate Relief .....4

        2. The Cases Discussed By Verizon Were All Focused On the Utility’s Ability to Finance In Order To Satisfy Its Public Service Obligations .....6

        3. Verizon Uses An Incomplete Data Request Response In A Failed Attempt To Show A Risk Of Default .....9

    B. The Commission’s Jurisdiction Over Verizon’s Washington Intrastate Operations Does Not Require The Commission To Ignore Financial Realities .....11

    C. Proper Application of the Commission’s Interim Rate Relief Factors Is Reasonable and Fair .....16

    D. The Sufficiency Of A Utility’s Rates And Whether Subsidies Exist, Are Issues For A General Rate Case, Not Interim Rate Relief .....17

E.	Verizon’s Other Arguments Are Either Unsupported, Are Based On Inadmissible Evidence, Or Are Otherwise Unavailing .....	19
1.	Verizon Misuses Settlement Statements .....	19
2.	Verizon Misinterprets the Commission’s Statements On The Availability Of Interim Rate Relief .....	21
3.	The Commission’s Order In The Access Charge Case Alone Does Not Give Verizon The Right To Interim Rate Relief .....	23
4.	Public Counsel’s Letter To CenturyTel Proves Nothing .....	24
5.	The Joint Motion Did Not Fail to Cite a Commission Interim Rate Relief Order .....	25
IV.	CONCLUSION .....	25