

Exhibit No. ____ (KMF-9)
Docket No. UT-040788
Witness: Kathleen M. Folsom

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

VERIZON NORTHWEST INC.,

Respondent.

DOCKET NO. UT-040788

EXHIBIT TO TESTIMONY
(INTERIM CASE)
OF
Kathleen M. Folsom

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Response to Data Request No. 46

July 14, 2004

Interim Rate Relief Data Requests:

WUTC STAFF DATA REQUEST NO. 46:

Verizon Northwest Inc.'s response to WUTC STAFF DATA REQUEST NO. 32 included a Financial Services Agreement dated January 3, 1997 (Attachment 32a). Attachment 32(a), Financial Services Agreement, Number 1., provides, in part, "The Operating Company hereby represents to GTEFI that it is an Eligible GTE Affiliate. For the purposes of this Agreement, an Eligible GTE Affiliate shall mean a corporation (a) which provides telephone service in the United States of America, and (d) which maintains either a publicly issued or a privately provided Minimum Rating (as hereinafter defined) for its short-term commercial paper from at least two of the following rating agencies..."

Please provide for the period 2001 – 2003, and year-to-date 2004 the either publicly issued or privately provided Minimum Rating for Verizon Northwest Inc.

RESPONSE:

Verizon objects to this data request on the basis that it seeks information not relevant to Verizon's Washington intrastate operations, which are at issue in this docket. Without waiver of the foregoing Verizon responds as follows:

Although Verizon Northwest has not maintained commercial paper credit ratings, it has continued to receive high credit quality long-term debt ratings from all three major credit rating agencies. In June 2000, Verizon Northwest began transitioning from the GTE Funding money pool to the Verizon Network Funding Corp. (VNFC) money pool arrangement. The transition is targeted for completion during 2004. VNFC maintains commercial paper ratings of P1/A1+/F-1+ from Moody's, S&P and Fitch credit rating agencies. In order to maintain these high commercial paper ratings, VNFC restricts participation in its money pool arrangement to Verizon's high credit quality domestic operating telephone companies, including Verizon Northwest, and associated administrative and other support services companies.

Prepared By: Robert G. Deter
Date: June 12, 2004
Witness: James H. Vander Weide