

VERIZON NORTHWEST INC
RESULTS OF OPERATIONS
STATE OF WASHINGTON
(Dollars in Thousands)

12 Months Ended December 2002

(a)	(b)	(c)	(d)	(e)	(f)
Description	Total Regulated Adjusted (NOTE 1)	Restatements	Total Regulated Restated	Total Intrastate Restated	Total Intrastate Restated w/Merger & Depr
OPERATING REVENUES					
Local Network Service	259,004	0	259,004	259,004	259,004
Network Access Revenues	330,789	0	330,789	88,122	88,122
Long Dist Netwk Revenues	24,046	0	24,046	23,430	23,430
Miscellaneous Revenues	30,529	586	31,115	20,106	20,106
Uncollectibles	28,741	0	28,741	14,678	14,678
Total Operating Revenues	615,627	586	616,213	375,983	375,983
OPERATING EXPENSES					
Plant Specific Operations	67,066	0	67,066	51,983	51,983
Plant Non-Spec Operations	36,895	0	36,895	27,769	27,769
Customer Operations	60,689	0	60,689	49,202	49,202
Corporate Operations	93,675	(6,864)	86,811	68,441	75,110
Depreciation & Amort	167,954	0	167,954	129,161	208,727
Other Income & Expenses	(193)	0	(193)	(148)	(148)
Juris Diff - Depr/IDC	0	0	0	0	0
Total Operating Expenses	426,086	(6,864)	419,222	326,409	412,644
Operating Taxes Other than Inc	29,186	0	29,186	20,545	20,545
Earnings Before Income Taxes	160,355	7,450	167,805	29,029	(57,206)
INCOME TAXES					
State Income Tax	0	0	0	0	0
Net Federal Income Tax	56,124	2,608	58,732	10,160	(20,022)
Total Income Taxes	56,124	2,608	58,732	10,160	(20,022)
NET OPERATING INCOME	104,231	4,843	109,073	18,869	(37,184)
INVESTMENT (AVG)					
Telecomm Plant in Service	2,455,541	0	2,455,541	1,890,471	1,890,471
Other Assets (SFAS 87)	160,430	0	160,430	126,586	126,586
Juris Assets-TPIS	0	0	0	0	0
Depr & Amort Reserve	971,529	0	971,529	749,665	829,499
Deferred Income Taxes	349,014	0	349,014	273,939	245,515
Other LT Liab - SFAS 106,112	15,364	0	15,364	12,140	12,140
RATE BASE	1,280,065	0	1,280,065	981,314	929,903
Rate Base ROR	8.14%		8.52%	1.92%	-4.00%

NOTE 1: Based on preliminary December 31, 2002 Quarterly Compliance Report