

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

(a)	(b)	(c)	(d)	(e)
Description	2000 Intrastate Restated	2001 Intrastate Restated	2002 Intrastate Restated	2002 Intrastate w/Merger Cost & Depreciation
OPERATING REVENUES				
Local Network Service	270,875	268,227	259,004	259,004
Network Access Revenues	108,410	95,950	88,122	88,122
Long Dist Netwk Revenues	27,355	26,579	23,430	23,430
Miscellaneous Revenues	11,775	20,471	20,106	20,106
Uncollectibles	5,695	6,908	14,678	14,678
Total Operating Revenues	412,720	404,319	375,983	375,983
OPERATING EXPENSES				
Plant Specific Operations	49,315	48,537	51,983	51,983
Plant Non-Spec Operations	47,563	40,048	27,769	27,769
Customer Operations	60,056	55,626	49,202	49,202
Corporate Operations	42,722	43,196	68,441	75,110
Depreciation & Amort	115,526	124,221	129,161	208,727
Other Income & Expenses	(3)	10	(148)	(148)
Juris Diff - Depr/IDC	5,845	0	0	0
Total Operating Expenses	321,025	311,637	326,409	412,644
Operating Taxes Other than Inc	24,100	23,353	20,545	20,545
Earnings Before Income Taxes	67,595	69,329	29,029	(57,206)
INCOME TAXES				
State Income Tax	0	0	0	0
Net Federal Income Tax	15,381	16,291	10,160	(20,022)
Total Income Taxes	15,381	16,291	10,160	(20,022)
NET OPERATING INCOME	52,214	53,038	18,869	(37,184)
INVESTMENT (AVG)				
Telecomm Plant in Service	1,736,293	1,822,417	1,890,471	1,890,471
Other Assets (SFAS 87)	71,932	122,035	126,586	126,586
Juris Assets-TPIS	13,806	0	0	0
Depr & Amort Reserve	689,601	706,315	749,665	829,499
Deferred Income Taxes	197,288	265,238	273,939	245,515
Other LT Liab - SFAS 106,112	1,409	7,783	12,140	12,140
RATE BASE	933,733	965,116	981,314	929,903
Rate Base ROR	5.59%	5.50%	1.92%	-4.00%