Verizon Northwest inc. Correct interstate Growth Adjustment State of Washington (Dollars in Thousands)

1	Interstate		
2	Total Operating Expenses		
3	,	89,992	Exhibit C(BAE-1C), Col. (f), line 16
4	Remove reported growth of 7%		
5	, g , , , ,	1.07	= 1 + .07 (from Armis Data Compiled, line 27)
6	Washington interstate expenses in 1998 (per calc.)		and a stripled at the stripled
7	the calc.)	84,105	
8	Apply growth at rate in which revenue increased		
9	A S S S S S S S S S S S S S S S S S S S	0.33	Armis Data Compiled, line 41
10	Adjustment to decrease intrastate expenses		,,
11	and increase interstate expenses		
12	The state of the s	28,071	Exhibit C(BAE-1C), Cof. (k), line 16
13	1998 interstate expense (nor sale) at a sale		
14	1998 interstate expense (per calc) plus adjustment amount	112,175	Line 6 plus line 11 equals new 2001 interstate expense
15	ASS Original reported 2004 :		- Pilo mile i i oquale new 2001 interstate expense
16	Less original reported 2001 interstate expense	89,992	Line 2 which represents original 2001 reported amount
17	Pavisad adjustment to the		2 Willet represents original 2001 reported amount
18	Revised adjustment to decrease intrastate expenses and increase interstate expenses		
19	and increase titlet state expenses	22,183	
20	Investment		
21	investment	292,422	Exhibit C (DAC 40) D. Lan III
22	Domesiat. (552,122	Exhibit C(BAE-1C), Col. (f), line 38
23	Remove reported growth of 16%	1.16	= 1 ± 10 // 1- D + 0
24	Marking		= 1 + .16 (from Armis Data Compiled, line 13)
25	Washington interstate investment in 1998 (per calc.)	252,088	
25	Ametical	202,000	
27	Apply growth at rate in which revenue increased	0.33	Armia Data Once 11 4 4
	Aut at a second	0.00	Armis Data Compiled, line 41
28	Adjustment to decrease intrastate investment and		
29	increase interstate investment	84,137	Eublika O Internet
30		04,137	Exhibit C(BAE-1C), Col. (k), line 38
31	1998 interstate investment (per calc) plus adjustment amount	220.005	
32		336,225	Line 24 plus line 29 equals new 2001 interstate investment
33	Less original reported 2001 interstate investment	202.455	
34		292,422	Line 20 which represents original 2001 reported amount
35	Revised adjustment to decrease intrastate investment		
	and increase interstate investment	44.000	
		43,803	
	Ninta		

Notes:

- 1. Verizon does not agree with this Staff's proposed adjustment and this exhibit is included to display that Ms. Erdahi's calculation is mathematically flawed.

 2. Lines 2, 11, 20 and 29 are from Staff's Exhibit C__(BAE - 1C).