

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET NO. UT-040788
TRANSPORTATION)	
COMMISSION,)	
)	ORDER NO. 07
Complainant,)	
)	
v.)	
)	
Verizon Northwest Inc.,)	
)	COMPLAINT AND ORDER
Respondent)	SUSPENDING TARIFF REVISIONS
.....)	

BACKGROUND

1 On July 23, 2004, Verizon Northwest Inc., (Verizon NW or Company) filed with the Commission revisions to its currently effective Tariffs WN U-16 and WN U-17, designated as:

Facilities for Intrastate Access Tariff, WN U-16

Section 5

2nd Revised Sheet 450
3rd Revised Sheet 458
3rd Revised Sheet 470

General and Local Exchange Tariff, WN U-17

Section 1

13th Revised Sheet 4

Section 2

3rd Revised Sheet 19
3rd Revised Sheet 20

Section 4

8th Revised Sheet 40
12th Revised Sheet 47

Section 5

Original Sheet 5.1
3rd Revised Sheet 6

Section 6

8th Revised Sheet 15.1
9th Revised Sheet 16
9th Revised Sheet 17
6th Revised Sheet 17.3
5th Revised Sheet 17.4
6th Revised Sheet 17.5
5th Revised Sheet 17.6
5th Revised Sheet 21
2nd Revised Sheet 26

Section 8

1st Revised Sheet 24

Section 9

5th Revised Sheet 8
3rd Revised Sheet 16

The stated effective date is August 22, 2004. The purpose of this filing is to propose rate increases to recover \$109.8 million of the \$239.5 million revenue requirement submitted in this docket.

- 2 The filing would increase charges and rates for service provided by Verizon NW. Because those increases might injuriously affect the rights and interests of the public and Verizon NW has not demonstrated that the increases would result in rates that are fair, just, reasonable and sufficient, the Commission suspends the tariff filing and will hold public hearings if necessary to determine whether the proposed increases are fair, just, reasonable and sufficient. Issues may include consideration of alternative rate design or structure. Also at issue is whether the Company's existing rates are fair, just, reasonable and sufficient.

FINDINGS AND CONCLUSIONS

- 3 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, and transfers of public

service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW; and Chapter 80.36 RCW.*

- 4 (2) Verizon NW is a telecommunications company and is a public service company subject to the jurisdiction of the Commission.
- 5 (3) This matter was brought before the Commission at its regularly scheduled meeting on August 11, 2004.
- 6 (4) The tariff revisions filed by Verizon NW on July 23, 2004, would increase charges and rates for service provided by Verizon NW, and might injuriously affect the rights and interest of the public.
- 7 (5) Verizon NW has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable and sufficient under RCW 80.36.080. Issues may include consideration of alternative rate design or structure. Also at issue is whether the Company's existing rates are fair, just, reasonable and sufficient.
- 8 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate Verizon NW's books, accounts, practices and activities; to make a valuation or appraisal of Verizon NW's property; and to investigate and appraise various phases of Verizon NW's operations.
- 9 (7) As required by RCW 80.04.130(4), Verizon NW bears the burden of proof to show that the proposed increases are fair, just, reasonable and sufficient.

- 10 (8) Verizon NW may be required to pay the expenses reasonably attributable and allocable to such an investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

ORDER

THE COMMISSION ORDERS:

- 11 (1) The tariff revision(s) filed on July 23, 2004, are suspended.
- 12 (2) The Commission will hold hearings at such times and places as may be required.
- 13 (3) Verizon Northwest Inc. must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 14 (4) The Commission will institute an investigation of Verizon Northwest Inc.'s books, accounts, practices, activities, property and operations as described above.
- 15 (5) Verizon Northwest Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of Chapter 80.20 RCW.

DATED at Olympia, Washington, and effective this 11th day of August, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner