

Before the

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UT-040788

VERIZON NORTHWEST INC.

SUPPLEMENTAL
RESPONSE TO COMMISSION BENCH REQUEST NO. B-3
PER COMMISSION ORDER NO. 7

August 25, 2004

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Verizon Supplemental Response to Commission Bench Request No. B-3

August 25, 2004

SUPPLEMENTAL DATA REQUEST NO. B-3

Per Commission Order No. 7, please provide assumptions used to prepare Attachment B-3, which was filed in response to Bench Request No. 3.

SUPPLEMENTAL RESPONSE:

The pro forma intrastate financials for the period August 2004 to June 2005 were derived as noted in the assumptions below. The starting point was the pro forma financials from the General Rate Case filing.

- Line 1): Pro forma revenues from the General Rate Case filing (workpaper L1).
Applied same run rate from the General Rate Case filing (workpapers P1, P2, P3 and P4).
Uncollectible percentage from the General Rate Case filing (workpaper L3).
- Line 2): Pro forma expenses from the General Rate Case filing (workpaper L1).
Removed pro forma for depreciation rate change request (workpaper P17).
- Line 3): Removed depreciation reflected in Line 2 (workpaper L1).
- Line 4): Calculation, as noted.
- Line 5): Calculation, as noted.
- Line 6): Average Verizon Northwest debt (\$215.8M) times pro forma quarterly rate (ranging from 2.00% - 3.00%).
- Line 7): 2004 current view of \$88.7M per Steve Banta rebuttal testimony in Request for Interim Rate Relief.
- Line 8): Calculation, as noted.
- Line 9): Calculation, as noted.
- Line 10): Calculation, as noted.
- Line 11): Calculation, as noted.
- Line 12): Calculation, as noted.

Prepared By: Cory Legner

Date: August 25, 2004

Witness: Nancy Heuring and James H. Vander Weide