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August 26, 2004

Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *WUTC v. Verizon Northwest Inc.*
Docket No. UT-040788

Dear Ms. Washburn:

Enclosed for filing are the original and 15 copies of the Subject to Check Items:
Response by Commission Staff, with Declaration of Kathleen M. Folsom, and Certificate
of Service.

Very truly yours,


DONALD T. TROTTER
Senior Counsel

DTT:kl
Enclosures
cc: Parties

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COMM. OF WASH.
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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

VERIZON NORTHWEST INC.,

Respondent.

DOCKET NO. UT-040788

SUBJECT TO CHECK ITEMS:
RESPONSE BY COMMISSION
STAFF, WITH DECLARATION
OF KATHLEEN M. FOLSOM
AND GLENN BLACKMON

1 Staff has reviewed the subject to check items addressed to Staff witnesses at the August 10-13 hearings. Staff can accept the subject to checks, except to the extent described below:

2 Transcript page 486-87, Verizon NW asked Ms. Folsom: "would you accept, subject to check, that Verizon's rates were reduced to the level of Qwest's as a result of the 11th Supplemental Order [in the Verizon Access Charge Case]?" Staff cannot accept their statement, but can accept the following facts:

Response: In ¶ 185 of the 11th Supplemental Order in the Verizon Access Charge Case, the Commission did not explicitly require Verizon NW's access rates be set at the Qwest level. As a general matter, the Commission used the Qwest access rates for evaluating the reasonableness of Verizon's access charges (see ¶ 108 of the Access Charge Order, for example), with the exception of the universal service rate element on terminating access. In fact, Qwest's access charge rates are not all the same as Verizon NW's.

3 Transcript page 487, Verizon NW asked Ms. Folsom: "Would you again accept, subject to check, in reviewing that Order, the 11th Supplemental Order [in the Verizon NW Access Charge Case] which discusses it, that Qwest's access charge rates were set in Qwest's last general comprehensive rate case back in 1995, '96?"

Staff can accept this statement, qualified as follows:

Qwest's last general rate case (processed under the name US WEST) was Docket UT-950200, and the Commission's 15th Supplemental order in that docket was issued April 11, 1996. In that docket, Qwest's access charges were substantially revised, and substantially reduced.

However, the current Qwest access charges were not established in that 1996 order. They have been modified from time to time since then.

The discussion in the 11th Supplemental Order in the Verizon NW Access Charge Case, which is referred to in this subject to check, related to two of the rate elements that were addressed in the Commission's 15th Supplemental Order in Docket No. UT-950200: the CCLC and the RIC. In the Qwest docket, the Commission decided to eliminate the CCLC and not to add the RIC. (See 15th Supplemental Order in Docket No. UT-950200 at 112 et seq.)

4 Transcript page 542, Verizon NW asked Ms. Strain: "And I would state this as a subject to check. This [Exhibit No. 151] reflects a listing of all of the interim rate relief decisions where relief was granted."

Response: Staff accepts that Exhibit No. 542 contains all of the interim rate relief decisions where relief was granted, except for the Commission's Order in Docket No. U-81-61. That case did not involve a request for interim rate relief.

5 Transcript page 555, Verizon NW asked of Ms. Strain: "would you accept, subject to check, that it was Verizon wireless [that was the first entity to use the Verizon name]?"

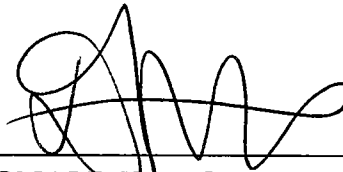
Response: Staff has tried to check this information but has been unable to confirm its accuracy.

6 Transcript page 563, Verizon NW asked Ms. Strain, with respect to the figures on Exhibit No. 162-C: "In terms of you would accept these numbers subject to check ..."

Response: Staff does not consider this a true subject to check item because Staff stated it could not vouch for the accuracy of the figures (TR. 563:6-11) and Company counsel stated "that's acceptable to us." (TR. 563:12-13).

DATED this 26th day of August, 2004.

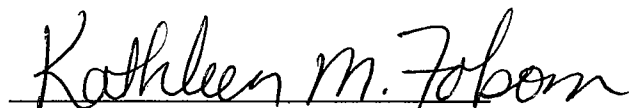
CHRISTINE O. GREGOIRE
Attorney General



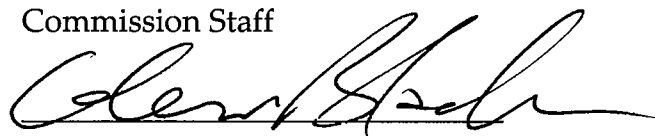
DONALD T. TROTTER
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Washington Utilities and
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(360) 664-1189

DECLARATION

I have read the foregoing items 1-6 and they are true and correct to the best of my knowledge and belief.



Kathleen M. Folsom
Commission Staff



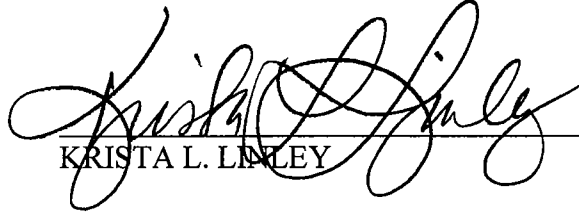
Glenn Blackmon, Acting Director
Regulatory Services

August 26, 2004
at Olympia, WA

Docket No. UT-040788
CERTIFICATE OF SERVICE

I hereby certify that I have this day served Subject to Check Items: Response by Commission Staff, with Declaration of Kathleen M. Folsom and Glenn Blackmon, upon the persons and entities listed on the Service List below via e-mail and by depositing a copy in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 26th day of August, 2004.



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