

SERVICE DATE

SEP 25 1992

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Application of)	
)	
GTE NORTHWEST INCORPORATED and	)	DOCKET NO. UT-910499
CONTEL OF THE NORTHWEST, INC.,)	
	)	SECOND SUPPLEMENTAL ORDER
for an order approving contracts	)	ACCEPTING AMENDED
with affiliated interests for	)	SETTLEMENT AGREEMENT AND
services and purchases.	)	AFFILIATED INTEREST
	)	AGREEMENTS
.)	

PROCEEDINGS: On May 3, 1992, GTE Northwest Incorporated (GTE-NW) and Contel of the Northwest, Inc. (Contel-NW), filed an application for approval of three affiliated interest agreements: (1) an operating agreement among GTE-NW, Contel-NW, and other GTE telephone operating companies; (2) an agreement between GTE Service Corporation and Contel-NW; and (3) an agreement between GTE Communications Systems Corporation (the supply division) and Contel-NW.

HEARINGS: The Commission held hearings on October 21, 1991, and June 29 and August 18, 1992. The hearings were held before Chairman Sharon L. Nelson, Commissioner Richard D. Casad, Commissioner A.J. Pardini, and Administrative Law Judge Heather L. Ballash of the Office of Administrative Hearings. At the hearings, applicant GTE-NW was represented by Richard R. Potter and Kenneth Okel, Attorneys at Law, Everett. Applicant Contel-NW was represented by Richard Finnigan, Attorney at Law, Tacoma. The Washington Utilities and Transportation Commission was represented by Steven Smith, Assistant Attorney General, Olympia. The public was represented by Charles Adams, Assistant Attorney General, Seattle. Intervenor U.S. WEST Communications, Inc. was represented by Edward Shaw and Mark Roellig, Attorneys at Law, Seattle.

PROPOSED SETTLEMENT: On June 5, 1992, the parties filed a proposed settlement agreement stipulating the approval of the affiliated interest agreements subject to certain conditions, including conditions regarding rate reductions and the authorized rate of return for the applicants. On August 18, 1992, the parties filed an amendment to the settlement agreement providing that GTE-NW would correct errors in billing to the Washington Department of Social and Health Services for reimbursement under the Washington Telephone Assistance Program (WTAP) and would increase revenue reductions across rate groups accordingly.

SUMMARY: The Commission finds the three affiliated interest agreements to be in the public interest and accepts the proposed settlement agreement as amended.

I. PROCEDURAL HISTORY

The companies filed an application for approval of three affiliated interest agreements on May 3, 1992. The three agreements consisted of: (1) an operating agreement among GTE-NW, Contel-NW, and other GTE telephone operating companies; (2) an agreement between GTE Service Corporation and Contel-NW; and (3) an agreement between GTE Communications Systems Corporation (the supply division) and Contel-NW. These affiliated interest agreements were filed by GTE-NW and Contel-NW in anticipation of a subsequent application for legal merger of the two companies.

II. PROPOSED SETTLEMENT

On June 29, 1992, the parties filed a proposed settlement agreement stipulating the approval of the affiliated interest agreements subject to certain conditions, including conditions regarding rate reductions and the authorized rate of return for the applicants.¹ The proposed settlement agreement provides for rate reductions of \$9.75 million in 1993. \$7.75 million of the rate reductions relate to local service rates and \$2.0 million relate to GTE-NW access charges.

GTE-NW and Contel-NW agreed to be subject to an authorized rate of return range of 9.75 percent to 10.75 percent. All future tariff filings in which a rate of return factor is used would employ a 10.25 percent rate of return. If the 10.25 percent rate of return is not reviewed by the end of 1993, the companies agreed to make a filing to establish a new authorized rate of return. The parties also agreed that no additional rate of return adjustments would be required with regard to the anticipated legal entity merger of the two companies.

GTE-NW and Contel-NW agreed to file tariff changes, set forth in Exhibit A to the settlement agreement, to be effective

¹ The proposed settlement agreement was admitted as Exhibit 1 and is attached to this order as Appendix A and incorporated by this reference.

January 1, 1993. GTE-NW also committed to providing One Party Universal Service (OPUS) to all of its Washington customers by December 31, 1994.

On August 18, 1992, the parties filed an amendment to the settlement agreement providing that GTE-NW would correct errors in billing to the Washington Department of Social and Health Services for reimbursement under the Washington Telephone Assistance Program (WTAP) and would increase revenue reductions across rate groups accordingly.² The parties agreed that the amount of WTAP revenues due GTE-NW for the test period should be deemed to be \$252,000. The amount of revenue reductions was to be increased by this amount, spread over the Contel-NW rate group for R-1, B-1, PBX, Semi-Pub and COCOT network access services.

Finally, in a letter dated August 27, 1992, admitted as Exhibit No. 12 in this proceeding, GTE-NW committed to implement a "service guarantee credit" and "credit allowance for interruption of service" pilot program within one year of the approval of the application in this proceeding.

III. COMMISSION DISCUSSION AND DECISION

The Commission has reviewed the affiliated interest agreements and the proposed settlement as amended. The Commission concludes that acceptance of the affiliated interest agreements and the amended settlement is in the best interests of ratepayers and the companies. The parties are to be commended for their cooperative efforts in reaching an acceptable agreement. However, the Commission notes that approval of the settlement agreement does not mean that the Commission has approved the rates set forth in Exhibit A to the settlement agreement (See Exhibit 1, Exhibit A). The rates will be subject to full Commission review when they are filed.

The proposed settlement calls for implementing local measured service which includes no outgoing usage allowance, and which charges outgoing calls on a measured time and distance basis.

In preparing its optional local measured service rates for filing, the Commission urges GTE-NW to move toward a rate

² The amendment was admitted as Exhibit 11 and is attached to this order as Appendix B and incorporated by this reference.

structure similar to that currently on file for Contel-NW. Contel-NW's plan includes a 20-call monthly usage allowance, with additional calls charged at 15c each. The Commission encourages GTE-NW to structure a flat rate for approximately the first 20 calls made by the local measured service customer. GTE-NW is also encouraged to institute a consumer education program instead of a cap for local measured service billings. For example, when a person's bill exceeds the rate for regular local service for three months in any 12-month period, the account could be flagged and a notice sent to the customer in their next bill.

In response to a Commission bench request, GTE-NW made a commitment to provide One Party Universal Service (OPUS) to all of its Washington customers by December 31, 1994, and to implement a "service guarantee credit" and "credit allowance for interruption of service" pilot program within one year after the approval of the application in this proceeding. The Commission feels sufficiently strongly about the need for these programs and about the company's need to pursue these programs that it believes this order should be based in part on that commitment. Should the company fail to meet that commitment, it could be subject to Commission action including a complaint proceeding involving the assessment of penalties or other appropriate remedies.

Based upon the entire record, including the agreements and the commitments of record, the Commission believes that it should approve the settlement agreement as being in the public interest.

FINDINGS OF FACT

Having discussed in detail all material matters inquired into, and having stated findings and conclusions, the Commission now makes the following summary of those facts. Those portions of the preceding detailed findings pertaining to the ultimate findings are incorporated by this reference.

1. The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies.

2. Respondents GTE Northwest Incorporated (GTE-NW) and Contel of the Northwest, Inc. (Contel-NW) are public service

companies engaged in the business of furnishing telecommunications service to customers within the State of Washington, and, as such, are subject to regulation by the Washington Utilities and Transportation Commission.

3. On May 3, 1992, GTE-NW and Contel-NW filed an application for approval of three affiliated interest agreements. On May 29, 1992, the Commission ordered the matter set for hearing.

4. On June 5, 1992, a proposed settlement agreement was filed which would approve the affiliated interest agreements subject to certain conditions including conditions regarding rate reductions and the authorized rate of return for the applicants. The proposed settlement agreement provides for rate reductions of \$9.75 million in 1993. \$7.75 million of the rate reductions relate to local service rates and \$2.0 million relate to GTE-NW access charges. The proposed settlement was filed with the concurrence of the applicants, intervenors, and the Office of the Attorney General on behalf of the Commission and the people of the State of Washington.

5. On August 18, 1992, the parties filed an amendment to the settlement agreement providing that GTE-NW would correct errors in billing to the Washington Department of Social and Health Services for reimbursement under the Washington Telephone Assistance Program (WTAP) and would increase revenue reductions across rate groups accordingly.

6. On August 28, 1992, GTE filed with the Commission a letter containing the company's commitment to provide one-party universal service and to implement a "service guarantee credit" and "credit allowance for interruption of service" pilot program within one year after the approval of the application in this docket.

CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the parties and the subject matter of this proceeding.

2. Having reviewed the terms and conditions of the proposed amended settlement agreement and affiliated interest agreements, and based upon the record, the agreement and the commitment filed August 28, 1992, the Commission concludes that

acceptance of the proposed amended settlement agreement and the affiliated interest agreements are in the public interest.

On the basis of its analysis of the evidence, and the above findings and conclusions, the Washington Utilities and Transportation Commission enters the following order.

ORDER

IT IS HEREBY ORDERED That the amended settlement agreement is accepted and approved; and

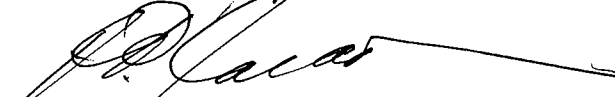
IT IS FURTHER ORDERED That the application for approval of contracts with affiliated interests for services and purchases the are accepted and approved pursuant to the amended settlement agreement.

DATED at Olympia, Washington, and effective this 24th day of September, 1992.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. G. PARDINI, Commissioner



APPENDIX A

GTE Northwest Incorporated

P.O. Box 1003
Everett, Washington 98206-1003
206 261-5321

June 5, 1992

RECEIVED
WA010RA, Everett, WA
JUN 05 1992
OFFICE OF
ADMINISTRATIVE HEARINGS

Mr. Paul Curl, Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive, SW
Olympia, Washington 98504

Dear Mr. Curl:

**RE: GTE NORTHWEST INCORPORATED/CONTEL OF THE NORTHWEST, INC.
AFFILIATED FILING IN DOCKET NO. UT-910499**

Enclosed for filing with the Commission are an original and nineteen copies of the Joint Motion For Approval of Settlement in the above matter.

Please date stamp the enclosed extra copy of this letter to signify the filing of this item, and return it in the self-addressed stamped envelope.

Very truly yours,

F. Logan
Director - Regulatory Affairs

Enclosures

RECEIVED
RECORDS MANAGEMENT
92 JUN -5 AM 10:19
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

WUTC
Cause No. UT-910499
Exhibit # 1 admitted
Witness stipulated
Date June 29, 1992

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

RECEIVED
JUN 05 1992
OFFICE OF
ADMINISTRATIVE HEARINGS

IN THE MATTER OF THE APPLICATION)
OF GTE NORTHWEST INCORPORATED AND)
CONTEL OF THE NORTHWEST, INC. FOR)
AN ORDER APPROVING CONTRACTS WITH)
AFFILIATED INTERESTS FOR)
SERVICES AND PURCHASES)

CAUSE NO. UT-910499

JOINT MOTION FOR
APPROVAL OF
SETTLEMENT

1. Name and address of moving parties:

Commission Staff
1400 S. Evergreen Park Drive, SW
Olympia, WA 98504

Public Counsel
900 Fourth Avenue
Suite 2000
Seattle, WA 98164

GTE Northwest Incorporated
1800 41st Street
Everett, WA 98201

Contel of the Northwest, Inc.
1201 Pacific Ave., Suite 1900
Tacoma, WA 98402-4391

US West Communications
P. O. Box 21225
Seattle, WA 98191

2. Relief Sought:

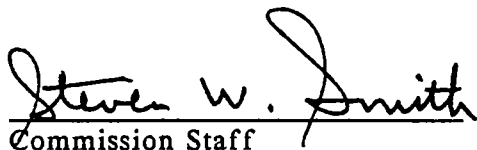
Commission Staff, Public Counsel, GTE Northwest Incorporated (GTE-NW), Contel of the Northwest, Inc. (Contel-NW), and US West Communications (USW) move for the approval and adoption of the settlement which is attached to this motion. The parties also request that this Settlement be set for hearing for receipt of testimony from the parties and from the public.

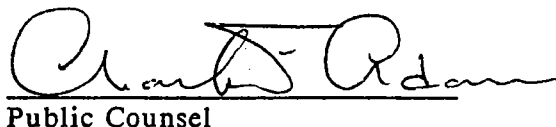
3. Basis for Motion:

In the Settlement Agreement, the parties have stipulated to the approval of the three affiliated transactions that are the subjects of this docket. The parties have further stipulated to pass on to ratepayers economic benefits of these transactions.

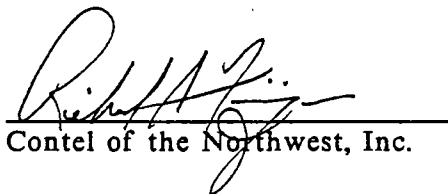
The Settlement provides for 1993 rate reductions of \$9.75 million - \$7.75 million relating to local service rates and \$2.0 million relating to access charges. GTE-NW and Contel-NW would be subject to an authorized rate of return range of 9.75 percent to 10.75 percent, with all rate filings in which a rate of return determination is required to be calculated using a 10.25 percent rate of return. The parties agree that no additional rate level, structure or design changes or rate of return adjustments would be required with regard to a subsequent corporate merger application of GTE-NW and Contel-NW.

Respectfully submitted this 5th day of June, 1992.


Commission Staff


Public Counsel


GTE Northwest Incorporated


Contel of the Northwest, Inc.


US West Communications

SETTLEMENT AGREEMENT

1. SCOPE

By this Settlement Agreement the parties stipulate to the approval of the following application now pending before the Washington Utilities and Transportation Commission (Commission); on the terms and conditions set forth below:

Application of GTE Northwest Incorporated (GTE-NW) and Contel of the Northwest, Inc. (Contel-NW) (together, Applicants or Companies) for approval of

(1) an Operating Agreement between GTE-NW, Contel-NW and all other GTE Telephone Operating Companies (including all Contel Telephone Operating Companies);

(2) an agreement between Contel-NW and GTE Service Corporation; and

(3) an agreement between Contel-NW and GTE Communications Systems Corporation.

This application was submitted to the Commission on May 3, 1991 and has been docketed as No. UT-910499. The Commission previously approved the Operating Agreement with particular regard to GTE-NW obtaining network

This agreement is not severable. It shall be binding on the parties only if accepted and approved by the Commission in its entirety without modification.

4. HEARINGS

At hearings for the presentation of and public testimony on this agreement, the parties agree not to oppose this agreement. GTE-NW, Contel-NW and Staff agree to submit testimony in support of this agreement.

5. BENEFITS OF TRANSACTIONS

Staff asserts that the Operating Agreement and the Companies' intended implementation of it in Washington is subject to Commission approval under RCW 80.12.020. The Companies contend that only RCW 80.16.020 is applicable to the agreement before the Commission and that RCW 80.12.020 would not be applicable until such time as the Companies seek the Commission's authorization to merge the two corporations. However, in resolution of this disagreement, this Settlement passes on to ratepayers economic benefits described in Section 6. In addition, the Settlement contains an adjustment to the combined results of operations for both Companies, so that their new rate levels, structure and design result in a lower rate of return. (See Section 7, below.)

The parties agree that no additional rate level, structure or design changes or rate of return adjustments will be required with regard to a subsequent corporate merger application of GTE-NW and Contel-NW.

services from Contel-NW in the Mt. Vernon area (Docket No. UT-910996) and Contel-NW obtaining operator services from GTE-NW (Docket No. UT-910794).

This Settlement Agreement also covers the rate level, structure and design issues and the rate of return issue which might otherwise arise in a subsequent legal entity merger application anticipated by GTE-NW and Contel-NW. The parties agree that the rate level, structure and design and rate of return set forth in this Agreement are appropriate for use in such legal entity merger filing and agree that the Commission should so find and order. The parties agree to not request or support any other rate level, structure or design or rate of return in such a proceeding.

2. PARTIES

The parties to this Settlement Agreement are Commission Staff, Public Counsel, GTE-NW, Contel-NW, and US West Communications (USW). Each party has appeared in Docket No. UT-910499, and no other parties have appeared or intervened in that matter.

3. EFFECT AS PRECEDENT; NOT SEVERABLE

Except as specifically set forth, nothing in this Agreement shall be construed as precedent or shall be binding on any party in any proceeding before the Commission. The parties recognize that this Agreement is the product of negotiation and shall not be construed against any party on the basis that it was the drafter of this Agreement.

GTE-NW and Contel-NW intend to file for approval of such a merger with the Commission within the next year and are working toward that end, but at this date certain preconditions to the merger of the legal entities remain.

6. REVENUE EFFECTS

The parties agree that GTE-NW and Contel-NW will implement rate restructuring and reductions (see Section 7) which will produce total revenue reductions of approximately \$9,750,000 in 1993 - \$7,750,000 for local services and, at least \$2,000,000 for GTE-NW's access services.

7. RATE CHANGES

To implement the above-described revenue effects, the parties agree that the following rate level, structure and design changes should be made effective January 1, 1993, and that the Commission should approve and authorize them.

- a. A description of the proposed rates is contained in Exhibit A.

- b. GTE-NW will offer optional local measured service and Contel-NW's local measured service offering will be modified so that the rate design of the two companies' services will be the same. These new tariffs will be filed in phases corresponding to the companies' operational ability to implement them, with all filings to be effective January 1, 1993. Public Counsel supports the revenue

implications of this subsection but does not support the measured service rate proposal. Draft tariff sheets for local measured service are included in Exhibit A.

c. Tariffs for the GTE-NW access charge reductions will be filed in October 1992 with cost studies, and the WAC 480-80-047 filing requirements for July 1992 will have been satisfied through this filing. Any necessary waivers of the rule's provisions should be granted.

d. GTE-NW customers in Mt. Vernon, Burlington and Sedro Wooley will receive toll free local calling to Contel-NW's Skagit County customers in the Concrete and Marblemount exchanges, which corresponds to the toll free calling area of such Contel-NW customers.

8. RATE OF RETURN

a. The parties agree that rates of return of 9.75 percent to 10.75 percent, inclusive, should be considered the authorized rate of return range for each Applicant and for a merged company created pursuant to a subsequent application.

b. The Companies shall not be precluded from filing mandatory cost changes as provided in WAC 480-80-390.

c. In any significant tariff filing made by GTE-NW or Contel-NW before the end of 1993 other than those described in Subsection b, any party may initiate a review of the Companies' authorized rate of return. A significant tariff filing is one which satisfies the

requirements of WAC 480-09-310 or which would constitute a substantial change in the Companies' financial or rate design policies or in the Companies' operations, such as the filing of toll tariffs pursuant to an election to become the designated primary toll carrier for their service territory.

d. In the event of a complaint filed prior to the end of 1993 alleging earnings in excess of the range set forth in Subsection a., above, the Parties may, but shall not be required to, petition the Commission to review their authorized rate of return.

e. If their authorized rate of return has not otherwise been reviewed by the end of 1993, the Companies will make a specific rate of return filing to establish a new authorized rate of return. The Companies would bear the burden of proof with regard to the authorized rate of return they would advocate in such a proceeding. Based on the results of such a review, if any party desired to advocate changes in one or both of the Companies' rates and charges, a separate application or complaint would have to be filed, as the case might be.

f. Until a new authorized rate of return is established as provided above, any tariff or other rate related filings which may be made by GTE-NW or Contel-NW (other than the filings described in this agreement), where a rate of return factor is required, shall employ a 10.25 percent rate of return factor.

9. ONE PARTY UNIVERSAL SERVICE PROGRAMS

GTE-NW and Contel-NW confirm their prior commitments to the Commission to implement One Party Universal Service programs. Implementation schedules are set forth in Exhibit B.

10. AFFILIATE AGREEMENT APPROVAL

The parties agree that the three affiliate agreements submitted by the Companies in Docket No. UT-910499 should be approved by the Commission subject to the following conditions:

a. No changes, revisions or amendments whatever shall be made in the agreements including the addition, deletion or amendment of attachments thereto, without the prior written approval of the Commission;

b. The reasonableness of any fees, charges, or accounting allocations of expenses and income involved in carrying out the agreements will be a matter subject to review in any ratemaking proceeding before the Commission involving GTE Northwest Incorporated or Contel of the Northwest, Inc.;

c. The Commission's order of approval shall in no way affect the authority of this Commission over rates, service, accounts, valuations, estimates or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted;

d. As required by RCW 80.16.050, the Commission's order of approval is conditioned upon the reserved power of the Commission to revise and amend the agreements when and as necessary to protect and promote the public interest;

e. The Commission shall retain jurisdiction of this proceeding for the purpose of issuing such additional orders or taking such further action herein as it may deem necessary and proper;

f. The companies shall provide the information prescribed in WAC 480-146-091(2), Reporting of Affiliated Interest Transactions, for the three agreements in this docket.

Steven W. Smith
Commission Staff
Date June 5, 1992

Charles A. [unclear]
Public Counsel
Date June 4, 1992

Richard E. Potter
GTE Northwest Incorporated
Date June 4, 1992

Richard [unclear]
Contel of the Northwest, Inc.
Date June 5, 1992

[unclear]
US West Communications
Date June 4, 1992



GTE Northwest Incorporated

P.O. Box 1003
Everett, WA 98206-1003
206 261-5321

June 9, 1992

WA0101RA

Mr. Maurice Twitchell
Program Manager
Telecommunications Division
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Dr. SW
Olympia, Washington 98504

RECEIVED
JUN 12 1992
OFFICE OF
ADMINISTRATIVE HEARINGS

Dear Mr. Twitchell:

Subject: CORRECTION TO INDEX PAGE
GTE-NW/CONTEL-NW DOCKET NO. UT 910499

Please replace the attached index page in the above referenced docket.
The title to Schedule 3 should read "Contel Custom Calling Integration".
I apologize for the inconvenience this may have caused.

Very truly yours,

Fred Logan
Director - Regulatory Affairs

FEL:neu
Attachments

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92 JUN 10 AM 01
FILED

**BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

IN THE MATTER OF THE APPLICATION)
OF GTE NORTHWEST INCORPORATED AND)
CONTEL OF THE NORTHWEST, INC. FOR)
AN ORDER APPROVING CONTRACTS WITH)
AFFILIATED INTERESTS FOR)
SERVICES AND PURCHASES)

CAUSE NO. UT-910499
JOINT MOTION FOR
APPROVAL OF
SETTLEMENT

**EXHIBIT A
RATE DESIGN**

Local
Intro
Custo
Direc
Line
OPUS
GTE N
Conte
Loca
Acces
Total

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Local Measured Service (LMS)		
Introduction	(\$940,980)	Exhibit A - Schedule 2
Custom Calling Integration	\$126,279	Exhibit A - Schedule 3
Directory Listing Integration	\$57,206	Exhibit A - Schedule 4
Line Hunt Unbundling	\$605,376	Exhibit A - Schedule 5
OPUS Upgrade	\$196,156	Exhibit A - Schedule 6
GTE Network Access Rate Change	(\$4,568,116)	Exhibit A - Schedule 7
Contel Network Access Rate Change	<u>(\$3,226,715)</u>	Exhibit A - Schedule 7
Local Subtotal	<u>(\$7,750,794)</u>	
Access Reduction	(\$2,000,103)	Exhibit A - Schedule 8
Total Merger Reduction	<u>(\$9,750,897)</u>	

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary
Local Measured Service (LMS) Introduction

SUMMARY

LMS Recurring Revenue Loss	(\$1,612,236)
Usage Revenue	<u>\$671,256</u>
Revenue Impact	<u>(940,980)</u>

Revised Sheet 5
Canceling
3rd Revised Sheet 5

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Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Revised Sheet 105
Canceling
Original Sheet 105

DEFINITIONS

Local Exchange

In connection with foreign exchange service, that exchange in which the primary termination of the Network Access line is located.

Local Message

Communication between customers within the same local service area.

Local Private Line

A line located wholly within an exchange, furnished for the customer's own use for communication or signaling between points on that line.

Local Service

Telephone service furnished between customers' telephones located within the same local service area.

Local Service Area

The area within which telephone service is furnished under a specific schedule of rates. This area may include one or more exchanges without the application of toll charges.

Measured Service

Measured Service is a local service for which charges are based upon the number of originated messages placed by the customer to telephones within the same local or message rate calling area.

Measured Usage

A separate charge applicable to each outgoing local message (local exchange and EAS). The usage charges are based on the time of day, distance and length of calls. Measured usage is provided in conjunction with Basic Calling Service.

(N)
|
(N)

Message

A completed customer telephone call.

Message Rate Service

See Measured Service.

Mileage

Additional recurring charges based on distance measurement as provided in the schedules.

Advice No. XX

Issued:

Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 302.1

LOCAL SERVICE

NETWORK ACCESS RATES

RATE GROUPS

BASIC CALLING SERVICE*

(N)

	RATE GROUP I	RATE GROUP II	RATE GROUP III
BUSINESS SERVICE			
Trunk	\$19.25	\$26.00	\$28.75
Semi-Public	-	-	-
Public Access Line	-	-	-
One-Party	12.00	17.50	21.25
Two-Party	-	-	-
Four-Party Suburban	-	-	-
RESIDENCE SERVICE			
One-Party	5.50	7.00	7.75
Two-Party	-	-	-
Four-Party	-	-	-
Four-Party Suburban	-	-	-

NETWORK ACCESS SERVICE FEE

A \$.25 per month Service Fee, not included in the rates shown above, is applicable to each Network Access Service. Revenues from the Service Fee are remitted to the dominant intraLATA toll carrier.

An excise tax of \$.05 per month is applied to all network access lines for the purpose of funding the Washington Telephone Assistance Program.

* Available only where facilities and conditions permit.

- Basic Calling Service is not available.

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 304.4

LOCAL SERVICE

NETWORK ACCESS RATES

BASIC CALLING SERVICE*

(N)

RATES

1. NETWORK ACCESS CHARGE

Basic Calling Service consists of basic access to the network coupled with usage-based pricing of outgoing local calls (local exchange & interexchange non-toll). The rates found under items 1. and 2. are applicable to Basic Calling Service. This charge includes a \$.25 Service Fee for the dominant intraLATA toll carrier. An excise tax of \$.05 per month is applied in addition to the rates following for all network access lines to fund the Washington Telephone Assistance Program.

	<u>Business Service</u>		<u>Residence Service</u>
	<u>Trunk</u>	<u>One-Party</u>	<u>One-Party</u>
Anacortes	\$19.50	\$12.25	\$5.75
Arlington	26.25	17.75	7.25
Benton City	26.25	17.75	7.25
Bothell (Excl Duvall)	29.00	21.50	8.00
Bothell (Duvall Only)	29.00	21.50	8.00
Brewster	19.50	12.25	5.75
Bridgeport	19.50	12.25	5.75
Burlington	19.50	12.25	5.75
Camas-Washougal	19.50	12.25	5.75
Cashmere	19.50	12.25	5.75
Chelan	19.50	12.25	5.75
Coupeville	19.50	12.25	5.75
Cusick	19.50	12.25	5.75
Darrington	19.50	12.25	5.75
Entiat	19.50	12.25	5.75
Everett	26.25	17.75	7.25

* Available only where facilities and conditions permit.

(N)

Advice No. XX

Issued:

Issued by GTE Northwest Incorporated

By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 304.5

LOCAL SERVICE

NETWORK ACCESS RATES

BASIC CALLING SERVICE*

RATES (Continued)

1. NETWORK ACCESS CHARGE (Continued)

(N)

	<u>Business Service</u>		<u>Residence Service</u>
	<u>Trunk</u>	<u>One-Party</u>	<u>One-Party</u>
Fairfield	\$26.25	\$17.75	\$7.25
Farmington	19.50	12.25	5.75
Garfield	19.50	12.25	5.75
George	19.50	12.25	5.75
Granite Falls	26.25	17.75	7.25
Halls Lake	29.00	21.50	8.00
Ione	19.50	12.25	5.75
Kennewick	26.25	17.75	7.25
Kirkland	29.00	21.50	8.00
Latah	26.25	17.75	7.25
Leavenworth	19.50	12.25	5.75
Mansfield	19.50	12.25	5.75
Marysville	26.25	17.75	7.25
Metline Falls	19.50	12.25	5.75
Monroe	26.25	17.75	7.25
Moscow, Idaho	19.50	12.25	5.75
Mount Vernon	19.50	12.25	5.75
Newport	19.50	12.25	5.75
Oakesdale	19.50	12.25	5.75
Oak Harbor	19.50	12.25	5.75

* Available only where facilities and conditions permit.

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 304.6

LOCAL SERVICE

NETWORK ACCESS RATES

BASIC CALLING SERVICE*

RATES (Continued)

1. NETWORK ACCESS CHARGE (Continued)

	<u>Business Service</u>		<u>Residence Service</u>
	<u>Trunk</u>	<u>One-Party</u>	<u>One-Party</u>
Palouse	\$19.50	\$12.25	\$5.75
Priest River	19.50	12.25	5.75
Pullman			
Albion S.B.R.A.	19.50	12.25	5.75
Quincy	19.50	12.25	5.75
Richland	26.25	17.75	7.25
Richmond Beach	29.00	21.50	8.00
Rockford	26.25	17.75	7.25
Rosalia	19.50	12.25	5.75
Sedro Woolley	19.50	12.25	5.75
Silver Lake	26.25	17.75	7.25
Skykomish	19.50	12.25	5.75
Snohomish	26.25	17.75	7.25
(Clearview Only)	26.25	17.75	7.25
Soap Lake	19.50	12.25	5.75
Stanwood	19.50	12.25	5.75
Stevens Pass	19.50	12.25	5.75
Sultan	26.25	17.75	7.25
Tekoa	19.50	12.25	5.75
Waterville	19.50	12.25	5.75
Wenatchee	19.50	12.25	5.75
Woodland	19.50	12.25	5.75

(N)

* Available only where facilities and conditions permit.

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 304.7

LOCAL SERVICE

NETWORK ACCESS RATES

BASIC CALLING SERVICE*

RATES (Continued)

2. MEASURED USAGE RATES

Measured Usage is only available on one party lines. Measured usage charges are billed on all intraexchange and interexchange non-toll calls. These local call usage charges encompass the frequency and duration of completed outgoing calls based on the distance of the called point and the time at which the call is placed.

RATES

Usage Rates:	<u>Initial Minute</u>	<u>Each Additional Minute</u>
	DAY	
Zone 0 (Intraexchange)	\$0.035	\$0.015
Zone 1 (Interexchange - non-toll)	0.050	0.030
	EVENING	
Zone 0 (Intraexchange)	0.028	0.012
Zone 1 (Interexchange - non-toll)	0.040	0.024
	NIGHT	
Zone 0 (Intraexchange)	0.021	0.009
Zone 1 (Interexchange - non-toll)	0.030	0.018

Usage will not be charged on calls placed to Operators, 911 (Emergency Service), Directory Assistance (tariffed rate found on Sheet 400 of WN U-10 applies), Telephone Company Service or Repair Offices, nor on calls that access Interexchange Carrier lines/trunks that have been registered with the Company for the purpose of placing long distance calls.

* Available only where facilities and conditions permit.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

(N)

(N)

Original Sheet 304.8

LOCAL SERVICE

NETWORK ACCESS RATES

BASIC CALLING SERVICE*

RATES (Continued)

2. MEASURED USAGE RATES (Continued)

Rate Periods:

	Hours	Rate
<u>Monday thru Friday</u>	8:00 am to 5:00 pm ¹	Day
	5:00 pm to 11:00 pm ¹	Evening
	11:00 pm to 8:00 am ¹	Night
<u>Saturday</u>	ALL	Night
<u>Sunday</u>	8:00 am to 5:00 pm ¹	Night
	5:00 pm to 11:00 pm ¹	Evening
	11:00 pm to 8:00 am ¹	Night

Holidays

Evening rates apply on the following holidays:

New Year's Day	January 1
President's Day	3rd Monday in February
Independence Day	July 4
Labor Day	
Thanksgiving Day	
Christmas Day	December 25

Operator Service Charge, per call: \$.60

Applicable to each local outgoing message to a Calling Card, Collect, Third Number, or Special Billing Number in which operator assistance is required. In addition, Usage Charges may apply to these local calls.

The discount rates listed above do not apply to the Operator Service Charge.

Local Usage Billing Detail:

Set-up Charge, per order	\$ 5.00
Recurring Charge, per month	1.80
Detailed Usage list(s), per page	.11

Note 1: To, but not including

* Available only where facilities and conditions permit.

(N)

(N)

Advice No. XX

Issued:

Issued by GTE Northwest Incorporated

By A. W. Armstrong, Regional Vice President

Effective:

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Original Sheet 306.6

LOCAL SERVICE

NETWORK ACCESS RATES

CONDITIONS (Continued)

MEASURED USAGE RATES

Measured Usage rates represent costs associated with customer placement of local calls, including interexchange non-toll calls. When a Measured Usage call is placed, the Initial Minute rate applies to the first minute or any fraction after the connection is made. The Additional Minute rate applies to every minute or fraction after the initial minute.

Customers subscribing to Basic Calling Service are subject to Measured Usage rates for their applicable local usage.

For customers subscribing to Basic Calling Service, calls placed to points within the exchange area are billed the Zone 0 Initial and Additional Minute rates, regardless of distance.

Non-toll calls placed outside the exchange area are subject to the charges shown for Zone 1.

Calls placed to points outside Zone 0 or 1 are subject to the normal toll charges as found in the appropriate Message Toll Service tariffs.

Local calls placed from a line with Measured Usage will be billed the appropriate charges, as follows:

Direct dialed call

The customer will pay the Initial and Additional Minute rate for duration of call based on the Zone called.

Operator assisted calls when difficulty experienced in direct dialing

Any customer subscribing to Measured Usage service who experiences difficulty in direct dialing may request an operator's assistance to place the call. The Initial and Additional Minute rate will apply as if the call had been direct dialed. No Operator Service Charge will apply.

Handicapped customers are exempt from the Operator Service Charge on all operator assisted calls.

(N)

(N)

Advice No. XX

Issued:

Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 306.7

LOCAL SERVICE

NETWORK ACCESS RATES

CONDITIONS (Continued)

MEASURED USAGE RATES - (Continued)

Operator assisted calls for special billing arrangements

Measured Usage customers who dial the Operator to bill measured usage calls to a calling card, Third Number, Collect, or Special Billing Number will be billed the Operator Service Charge, Initial Minute rate, and Additional Minute rate for the appropriate Zone.

Operator verification for Third Number billing will not be performed on calls placed within the Exchange and EAS area.

Calls to Remote or Variable Call Forwarded lines

The Measured Usage customer pays the appropriate usage rate (Initial and Additional Minute) for the duration of the call from the originating number to the called number.

The customer of the Call Forwarding service pays any applicable usage (measured) rate from the called number to the terminating location of the call.

Usage on an off-premises extension of an access line with measured usage is measured and billed as if the local calls had been placed from the primary service location.

To minimize the costs associated in the provision of Measured Usage, the monthly statement will reflect local usage data (total minutes of Usage by Zone number) in aggregate for all line numbers on a per account basis. A specific request for this information to be provided on a per line basis may necessitate a number change on secondary lines of a trunk hunt group. Where this change is required, the appropriate Nonrecurring charge(s) found on Sheet 340 will apply.

Local Usage Billing Detail is available for customers who request a breakdown of measured calls at the rates shown on Sheet 304.8 of this tariff.

(N)

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

Original Sheet 306.8

LOCAL SERVICE

NETWORK ACCESS RATES

CONDITIONS (Continued)

MEASURED USAGE RATES - (Continued)

Measured Usage rates are offered where central office facilities and operating conditions permit.

(N)

Measured Usage is only available to One-Party lines. It is not available to Multi-Party lines, Foreign Exchange, Centrex-billed accounts, and lines served from non-electronic offices.

Where one Network Access line is located on a premises that is used for residential and business purposes, the business Network Access Rate will apply.

Supplemental services are available to Measured Usage customers at the tariffed rates found elsewhere in WN U-10.

A customer may not have both Measured Usage and flat rate Network Access lines on the same premises, with the following exception: A customer subscribing to Public Access Line (PAL) Service (mandatory measured service) may have flat rate Network Access service on the same premises.

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong, Regional Vice President

Effective:

WN U-7 _____ Sheet No. _____

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES	One-Party and Centrex	S&E Code	PBX Trunk	S&E Code	Semi-Public	S&E Code	LPAL	S&E Code	(C) | (C)
A1 Local exchange network access lines									(D)
B1 Business#									
C1 Local									
D1 Flat rate	\$38.00(I)	B1/BCMT	\$52.25(I)	BTK	\$38.00(I)	SP	\$52.25(I)	XCOT	
D2 Basic Calling Service**	\$21.25(R)	M18	\$29.25(N)						(T) (T)

‡ See Condition A14.

Washington Telephone Assistance Program (WTAP), see Conditions in this Schedule.

** Plus usage, see RATES A1 B3.

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by CONTEL OF THE NORTHWEST, INC.

By Hal Lincoln Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)	<u>One- Party</u>	<u>S&E Code</u>	(C) | (C)
A1 Local exchange network access lines (continued)			(D)
B2 Residence [¢]			
C1 Local Access Line			
D1 Flat Rate	\$14.90(I)	R1	(C)
D2 Basic Calling Service [#]	8.25(R)	MLR	(T) (T)
			(D)
			(D)
[¢] See Condition A14.			
[#] Plus usage; see A1 B3 under Rates.			(D)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by CONTEL OF THE NORTHWEST, INC.

By Hal Lincoln

Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

A1 Local exchange network access lines (continued)

B3 Budget measured service usage

				(D)
				(D)
C1 Usage charge				(T)
	Initial		Each Additional	(C)
	Minute		Minute	
		Day		
Intraexchange	.035		.015	
Interexchange (Non-Toll)	.050		.030	
		Evening		(K)
Intraexchange	.028		.012	
Interexchange (Non-Toll)	.040		.024	
		Night		
Intraexchange	.021		.009	
Interexchange (Non-Toll)	.030		.018	

Measured Usage is only available on one party lines. Measured usage charges are billed on all intraexchange and interexchange non-toll calls. These local call usage charges encompass the frequency and duration of completed outgoing calls based on the distance of the called point and the time at which the call is placed.

(C)(K)

(K) Material transferred to _____ Revised Sheet Nos. 110.2. and 110.3

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

Sheet No. 110.1
Canceling _____

EXHIBIT A - Schedule 2
Page 16 of 21

WN U-7 _____ Sheet No. _____

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

A1 Local exchange network access lines (continued)

B3 Budget measured service usage (continued)

C1 Usage charge (continued)

(T)

Usage will not be charged on calls placed to Operators, 911 (Emergency Service), Directory Assistance (tariffed rate found in WN U-7 applies), Telephone Company Service or Repair Offices, nor on calls that access Interexchange Carrier lines/trunks that have been registered with the Company for the purpose of placing long distance calls.

(C)

C2 Rate Periods

	Hours	Rate
<u>Monday thru Friday</u>	8:00 am to 5:00 pm ¹	Day
	5:00 pm to 11:00 pm ¹	Evening
	11:00 pm to 8:00 am ¹	Night
<u>Saturday</u>	All	Night
<u>Sunday</u>	8:00 am to 5:00 pm ¹	Night
	5:00 pm to 11:00 pm ¹	Evening
	11:00 pm to 8:00 am ¹	Night

C3 Holidays

Evening rates apply on the following holidays:

- New Year's Day January 1
- President's Day 3rd Monday in February
- Independence Day July 4
- Labor Day
- Thanksgiving Day
- Christmas Day December 25

Note 1: To, but not including.

(C)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

A1 Local exchange network access lines (continued)

B3 Budget measured service usage (continued)

C4 Operator Service Charge, per call: \$.60 (N)

Applicable to each local outgoing message to a Calling Card, Collect, Third Number, or Special Billing Number in which operator assistance is required. In addition, Usage Charges may apply to these local calls.

The discount rates listed above do not apply to the Operator Service Charge.

C5 Local Usage Billing Detail:

Set-up Charge, per order \$ 5.00
Recurring Charge, per month 1.80
Detailed Usage list(s), per page .11 (N)

C6 Change charge (M)(T)

Subsequent requests for a change in service (i.e., from measured to flat rate service) will be charged as shown in Schedule No. A-5. (M)

(M) Material transferred from _____ Revised Sheet No. 110.

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

Sheet No. 110.3
Canceling _____

EXHIBIT A - Schedule 2
Page 18 of 21

WN U-7 _____ Sheet No. _____

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

A1 Local exchange network access lines (continued)

B3 Budget measured service usage (continued)

(D)

(D)

C7 Application of Usage Charges

(N)

Refer to condition A17 for Application of Usage Charges

(N)

B4 Washington Telephone Assistance Program (WTAP)

(M)

WTAP may apply to certain qualifying residence customers as stated in Condition All.

(M)

(M) Material transferred from _____ Revised Sheet No. 110.

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC.

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

CONDITIONS (continued)

(N)

A17 MEASURED USAGE RATES

Measured Usage rates represent costs associated with customer placement of local calls, including interexchange non-toll calls. When a Measured Usage call is placed, the Initial Minute rate applies to the first minute or any fraction after the connection is made. The Additional Minute rate applies to every minute or fraction after the initial minute.

Customers subscribing to Basic Calling Service are subject to Measured Usage rates for their applicable local usage.

For customers subscribing to Basic Calling Service, calls placed to points within the exchange area are billed the Zone 0 Initial and Additional Minute rates, regardless of distance.

Non-toll calls placed outside the exchange area are subject to the charges shown for Zone 1.

Calls placed to points outside Zone 0 or 1 are subject to the normal toll charges as found in the appropriate Message Toll Service tariffs.

Local calls placed from a line with Measured Usage will be billed the appropriate charges, as follows:

Direct dialed call

The customer will pay the Initial and Additional Minute rate for duration of call based on the Zone called.

(N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

CONDITIONS (Continued)

(N)

A17 MEASURED USAGE RATES - (Continued)

Operator assisted calls when difficulty experienced in direct dialing

Any customer subscribing to Measured Usage service who experiences difficulty in direct dialing may request an operator's assistance to place the call. The Initial and Additional Minute rate will apply as if the call had been direct dialed. No Operator Service Charge will apply.

Handicapped customers are exempt from the Operator Service Charge on all operator assisted calls.

Operator assisted calls for special billing arrangements

Measured Usage customers who dial the Operator to bill measured usage calls to a calling card, Third Number, Collect, or Special Billing Number will be billed the Operator Service Charge, Initial Minute rate, and Additional Minute rate for the appropriate Zone.

Operator verification for Third Number billing will not be performed on calls placed within the Exchange and non-toll calling area.

Calls to Remote or Variable Call Forwarded lines

The Measured Usage customer pays the appropriate usage rate (Initial and Additional Minute) for the duration of the call from the originating number to the called number.

The customer of the Call Forwarding service pays any applicable usage (measured) rate from the called number to the terminating location of the call.

(N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

CONDITIONS (Continued)

(N)

A17 MEASURED USAGE RATES - (Continued)

Usage on an off-premises extension of an access line with measured usage is measured and billed as if the local calls had been placed from the primary service location.

To minimize the costs associated in the provision of Measured Usage, the monthly statement will reflect local usage data (total minutes of Usage by Zone number) in aggregate for all line numbers on a per account basis. A specific request for this information to be provided on a per-line basis may necessitate a number change on secondary lines of a trunk hunt group. Where this change is required, the appropriate Nonrecurring charge(s) will apply.

Local Usage Billing Detail is available for customers who request breakdown of measured calls at the rates shown in this tariff.

Measured Usage rates are offered where central office facilities and operating conditions permit.

Measured Usage is only available to One-Party lines. It is not available to Multi-Party lines, Foreign Exchange, Centrex-billed accounts, and lines served from non-electronic offices.

Where one Network Access line is located on a premises that is used for residential and business purposes, the business Network Access Rate will apply.

Supplemental services are available to Measured Usage customers at the tariffed rates found elsewhere in WN U-7.

A customer may not have both Measured Usage and flat rate Network Access lines on the same premises, with the following exception: A customer subscribing to Public Access Line (PAL) Service (mandatory measured service) may have flat rate Network Access service on the same premises.

(N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

EXHIBIT A - Schedule 3
Page 1 of 7

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Contel Custom Calling Integration

<u>Residence Units</u>	<u>Proposed Annual Res Revenues</u>	<u>Business Units</u>	<u>Proposed Annual Bus Revenues</u>	<u>Total Proposed Annual Revenues</u>
18,812	\$669,682	3,909	\$198,146	\$867,828
<u>Residence Units 12/92</u>	<u>Current Annual Res Revenues</u>	<u>Business Units 12/92</u>	<u>Current Annual Bus Revenues</u>	<u>Total Current Annual Revenues</u>
18,812	\$568,612	3,909	\$172,937	\$741,549
			Revenue Impact	<u>\$126,279</u>

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

A3 Local exchange network access lines (continued)

B5 Custom Calling Service

	<u>Monthly Rate*</u>		<u>S&E Code</u>	
	<u>Business</u>	<u>Residence</u>		
C1 Individual features, each line				
D1 Call Waiting	\$ 3.31 (I)	\$ 2.81 (I)	BCW/RCW	
D2 Call Forwarding.	3.31 |	2.81 |	BCF/RCF	
D3 Three-way Calling.	4.25 (I)	3.75 (I)	B3C/R3C	
D4 Speed Calling				
E1 Eight (8) code capacity.	3.31 (I)	2.81 (I)	BAD/RAD	
E2 Thirty (30) code capacity	5.02 (I)	4.52 (I)	BAE/RAE	
C2 Two feature packages, same line#	3.25	3.25		(C)
D1 Call Waiting, Call Forwarding			BAKA	
D2 Call Forwarding, Three-way Calling.			RAKA	
D3 Call Waiting, Three-way Calling.			BAKB	
D4 Call forwarding 8-code Speed Calling.			RAKB	
D5 Calling waiting 8-code Speed Calling.			BAKC	
D6 Three-way Calling 8-code speed Calling.			RAKC	
D7 Call Waiting, Cancel Call Waiting.			BAKD	
			RAKD	
			BAKE	
			RAKE	
			BAKF	
			RAKF	
			BAKL	
			RAKL	

* In addition to applicable nonrecurring charges as shown in Schedule No. A-5. (T)
Limited to in service customers as of _____. (N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

Hal Lincoln

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

<u>Monthly Rate*</u>		<u>S&E</u>
<u>Business</u>	<u>Residence</u>	<u>Code</u>

A3 Local exchange network access lines
(continued)

B5 Custom Calling Service (continued)

C4 Smarter Call^R Pak plus
Cancel Call Waiting

\$5.50 (R) \$5.50 (R)

BAKU
RAKU

(D)

(D)

(C)

(C)

* In addition to applicable nonrecurring charges as shown in Schedule No. A-5.

(T)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC.

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)	Monthly Rate*			
	Business	S&E Code	Residence	S&E Code
A3 Local exchange network access lines (continued)				

B6 Enhanced Custom Calling@ (C)

C1 Premier Service Package . . . \$4.00 BPRM \$4.00 RPRM

- Includes:
- Call Waiting
- #Cancel Call Waiting
- Call Forwarding
- Three Way Calling

- Plus choice of two features from the list below:
- Call Forward Busy
 - Call Forward No Answer
 - Call Transfer**
 - Do Not Disturb - Basic
 - Do Not Disturb - PIN##
 - Voice/Data Protection##
 - Wake Up/Reminder Service###

* In addition to applicable nonrecurring charges as shown in Schedule No. A-5. (T)

Available only with call waiting service.

Only available in Stromberg-Carlson equipped central offices.

** Only available in Northern Telecom DMS-100 equipped central offices.

@ Limited to in service customers as of _____ (N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)

	Monthly Rate*			
	Business	S&E Code	Residence	S&E Code
A3 Local exchange network access lines (continued)				
B6 Enhanced Custom Calling (continued)				
C2 Individual features, each line				
Call Forward Busy	\$1.25 (R)	CEBB	\$1.25 (R)	CERB
Call Forward No Answer	1.25 (R)	CEBC	1.25 (R)	CERC
Call Forward Fixed@	1.80	CEBD	1.80	CERD
Call Hold@	1.80	CEBE	1.80	CERE
Call Transfer##@	1.80	ECBG	1.80	ECRG
#Cancel Call Waiting@	1.00 (R)	CEBG	1.00 (R)	CERG
Deny Originating Calls**@	1.80	BDOC	1.80	RDOC
Deny Terminating Calls**@	1.80	BDTC	1.80	RDTC
Direct Connect Service/Warm Line@	1.80	BDCS	1.80	RDCS
Do Not Disturb - Basic@	1.80	BDD	1.80	RDD
Do Not Disturb - PIN**@	1.80	BDDP	1.80	RDDP
Manual Line Service**@	1.80	BMLS	1.80	RMLS
Outgoing Call Screening (list of 8)@	1.80	BOCS	1.80	ROCS
Toll/Code Restriction (list of 8)@	1.80	TRLB	1.80	TRLA
Voice/Data Protection**@	1.80	BVDP	1.80	RVDP
Wake Up/Reminder Service**@	1.80	BWV	1.80	RWV

(C)
 (C)
 (C)

* In addition to applicable nonrecurring charges as shown in Schedule No. A-5. (T)

Available only with call waiting service.

Only available in Stromberg-Carlson equipped central offices.

** Only available in Northern Telecom DMS-100 equipped central offices.

@ Limited to in service customers as of _____ (N)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

Sheet No. 118
Canceling _____

EXHIBIT A - Schedule 3
Page 7 of 7

WN U-7 _____ Sheet No. _____

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-1

NETWORK ACCESS LINE SERVICE (continued)

RATES (continued)	Monthly <u>Rate*</u>	S&E <u>Code</u>
A1 Local exchange network access lines (continued)		
B10 Remote call forwarding service (RCF)		
C1 First network access line equipped	\$16.00 (R)	RCFF
C2 Additional network access line equipped. . .	16.00 (R)	RCFG
C3 Number change or listing alteration.	-	-
B11 Call screening - Local public access line (LPAL)		
(Restricts incoming toll calls to prohibit collect and third number billed calls).	2.00	TBEB
	<u>Charge</u>	<u>S&E Code</u>
A2 Directory assistance service		
B1 First four listings, local and/or intraLATA, requested from Directory Assistance operator per line, per month.	No Charge	
B2 Each additional listing requested.	\$.25	CDA

* In addition to applicable nonrecurring charges as shown in Schedule No. A-5. (T)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

Hal Lincoln

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Contel of the Northwest - Washington
Directory Listings Revenue Impact

<u>1992 Units</u>	<u>Annual Present Revenue</u>	<u>Annual Proposed Revenue</u>	<u>Annual Revenue Change</u>
9,045	\$175,829.40	\$233,035.80	\$57,206.40

Canceling _____ Sheet No. 190

EXHIBIT A - Schedule 4
Page 2 of 3

WN U-7 _____ Sheet No. _____

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-6
DIRECTORY SERVICES

APPLICABILITY

Applicable to listings in the alphabetical section of the telephone directory.

TERRITORY

Within the exchange area of all exchanges as said areas are defined on maps filed in the WN U-5 tariff.

RATES

- A1 Primary service listings, without additional rates or charges
 - B1 Each access line service - one listing No charge
 - B2 Residence dual name listing - one listing No charge
 - B3 Each key system - one listing No charge
 - B4 Each semipublic paystation service - one listing No charge
 - B5 Each PBX trunk group - one listing No charge

A2 Additional listings and lines of information with additional rates	<u>Monthly Rate</u>	<u>S&E Code</u>
B1 Business, each	\$ 2.21 (I)	ALB
B2 Residence, each	1.51 (I)	ALR

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

WN U-7 Sheet No.

CONTEL OF THE NORTHWEST, INC.

SCHEDULE NO. A-6

DIRECTORY SERVICES (continued)

RATES (continued)

		Monthly Rate	S&E Code
A2	Additional listings and lines of information with additional rates (continued)		
B3	Listing of guest of hotel, each	\$2.21 (I)	HGL
B4	Reference to another service of the customer, each	2.21 (I)	ALTS
B5	Reference to another customer, each	2.21 (I)	ALTD
B6	Additional line of information, each	2.21 (I)	LIF
B7	Residence dual name listing	1.51 (I)	ALDR
B8	Cross-reference listing	2.21 (I)	CREF
B9	Alternate listing business or residence	2.21 (I)	ALT
A3	Nonlisted service	2.21 (I)	NLN
A4	Nonpublished service	2.21 (I)	NPN
A5	Listing in the local directory of a foreign primary service, each:		
	Business	2.21 (I)	FLBS
	Residence	1.51 (I)	FLRS
A6	Special telephone number (STN)#		(T)
B1	Business - each number	- (R)	PTNB
B2	Residence - each number	- (R)	PTNR

#In addition to applicable nonrecurring charges in Schedule No. A-5. (T)

(continued)

Issued _____ Effective _____

Advice Letter No. _____

Issued by _____ CONTEL OF THE NORTHWEST, INC. _____

By _____ Title Administrator-Reg/Gov't Affairs

EXHIBIT A - Schedule 5
Page 1 of 1

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

GTE Washington
Line Hunt
Revenue Impact

	<u>Units</u>	<u>Rate</u>	<u>Annual Revenue</u>
PBX/KEY	33,632	\$1.50	\$605,376

NOTE: Proposed GTE PBX/Key rates do not include the additional line hunt charge. Approximately 75% of the 44,842 PBX/Key Customers will request the line hunt feature at the additional \$1.50 charge.

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact

GTE Washington
OPUS Upgrade
Revenue Impact

OPUS Upgrade Revenue

Business	\$ 3,583
Residence	<u>192,573</u>
Total Upgrade Revenue - 1992	<u>\$ 196,156</u>

EXHIBIT A - Schedule 7
Page 1 of 4

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Proposed Rates

GTE-NW

Rate Group	I	II	III
B-1	\$21.40	\$31.40	\$38.00
PBX	34.42	46.50	51.50
Semi-Pub	21.40	31.40	38.00
COCOT	39.00	49.00	52.00
R-1	9.75	12.50	13.76

NOTE: R-2, R-4, B-2, B-4 Frozen at Current Rates

Contel-NW

Proposed Network Access Rates

B-1	\$38.00
PBX	52.25
Semi-Pub	38.00
COCOT	52.25
R-1	14.90

**GTE NORTHWEST/CONTEL OF THE NORTHWEST
WASHINGTON MERGER
CUSTOMER IMPACT**

REDUCTIONS

CONTEL	CONTEL CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH RATE REDUCTIONS	REDUCTIONS	RATE REDUCTIONS
BUSINESS	9,070	8,802	97.05%	
RESIDENCE	49,076	49,076	100.00%	
TOTAL RES & BUS	58,146	57,878	99.54%	

GTE	GTE CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH RATE REDUCTIONS	REDUCTIONS	RATE REDUCTIONS
BUSINESS	103,558	65,077	62.84%	
RESIDENCE	418,844	304,728	72.75%	
TOTAL RES & BUS	522,402	369,805	70.79%	

INCREASES

CONTEL	CONTEL CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH RATE INCREASES	INCREASES	RATE INCREASES
BUSINESS	9,070	268	2.95%	
RESIDENCE	49,076	0	0.00%	
TOTAL RES & BUS	58,146	268	0.46%	

GTE	GTE CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH RATE INCREASES	INCREASES	RATE INCREASES
BUSINESS	103,558	38,441	37.12%	
RESIDENCE	418,844	110,513	26.39%	
TOTAL RES & BUS	522,402	148,954	28.51%	

NO RATE CHANGE

CONTEL	CONTEL CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH NO RATE CHANGE	WITH NO RATE CHANGE	RATE CHANGE
BUSINESS	0,076	0	0.00%	
RESIDENCE	49,076	0	0.00%	
TOTAL RES & BUS	58,146	0	0.00%	

GTE	GTE CUSTOMERS		PERCENT RECEIVING	
	CUSTOMERS	WITH NO RATE CHANGE	WITH NO RATE CHANGE	RATE CHANGE
BUSINESS	103,558	40	0.04%	
RESIDENCE	418,844	3,603	0.86%	
TOTAL RES & BUS	522,402	3,643	0.70%	

\$90,934,424 \$23,018,504 \$113,952,927 \$109,384,812
 \$64,200,609 \$61,636,515 \$835,008 (\$103,279)
 \$0 \$61,636,515 (\$2,564,094)
 (\$22,251)

GTE NORTHWEST/CONTEL OF THE NORTHWEST
WASHINGTON MERGER
REVENUE IMPACT SUMMARY

	1992 UNITS	PxD		CURRENT		PROPOSED		PROPOSED		PROPOSED ANNUAL DIFFERENCE
		CURRENT ACCESS REVENUE	EAS REVENUE	COMBINED EAS & ACCESS REVENUE	ACCESS REVENUE	EAS REVENUE	COMBINED EAS & ACCESS REVENUE			
GTE-WASHINGTON SUMMARY:										
B-1:										
I	13,683	\$3,249,521	\$500,561	\$3,750,082	\$3,513,794	\$0	\$3,513,794	(\$236,288)		
II	18,085	\$5,014,203	\$2,196,145	\$7,210,348	\$6,814,428	\$0	\$6,814,428	(\$395,920)		
III	25,244	\$7,685,283	\$4,115,392	\$11,800,676	\$11,511,264	\$0	\$11,511,264	(\$289,412)		
TOTAL B-1	57,012	\$15,949,007	\$6,812,099	\$22,761,106	\$21,839,486	\$0	\$21,839,486			
TOTAL B-2	14	\$2,722	\$762	\$3,484	\$2,722	\$0	\$2,722	(\$762)		
TOTAL B-4	91	\$15,167	\$4,343	\$19,510	\$15,167	\$0	\$15,167	(\$4,343)		
PBX/KEY:										
I	8,654	\$3,341,210	\$350,702	\$3,691,911	\$3,574,448	\$0	\$3,574,448	(\$117,463)		
II	13,384	\$5,969,111	\$1,692,477	\$7,681,587	\$7,468,272	\$0	\$7,468,272	(\$193,315)		
III	22,804	\$11,194,940	\$3,608,199	\$14,803,138	\$14,092,872	\$0	\$14,092,872	(\$710,266)		
TOTAL PBX/KEY	44,842	\$20,505,260	\$5,651,377	\$26,156,637	\$25,135,592	\$0	\$25,135,592			
SEMI-PUB:										
I	245	\$58,579	\$14,039	\$72,618	\$62,916	\$0	\$62,916	(\$9,702)		
II	180	\$50,211	\$22,836	\$73,047	\$67,824	\$0	\$67,824	(\$5,223)		
III	243	\$73,979	\$40,357	\$114,336	\$110,808	\$0	\$110,808	(\$3,528)		
TOTAL SEMI-PUB	668	\$182,769	\$77,232	\$260,001	\$241,548	\$0	\$241,548			
COCOT:										
I	359	\$156,130	\$14,995	\$171,124	\$168,012	\$0	\$168,012	(\$3,112)		
II	310	\$162,268	\$30,753	\$193,020	\$182,280	\$0	\$182,280	(\$10,740)		
III	262	\$143,712	\$43,723	\$187,435	\$163,488	\$0	\$163,488	(\$23,947)		
TOTAL COCOT	931	\$462,109	\$89,470	\$551,579	\$513,780	\$0	\$513,780			
TOTAL BUSINESS										
	103,558	\$37,117,035	\$12,635,283	\$49,752,318	\$47,748,296	\$0	\$47,748,296	(\$2,004,022)		
R-1:										
I	88,674	\$9,800,017	\$698,140	\$10,498,157	\$10,374,858	\$0	\$10,374,858	(\$123,299)		
II	145,777	\$18,714,876	\$3,788,310	\$22,503,186	\$21,866,550	\$0	\$21,866,550	(\$636,636)		
III	172,248	\$24,348,977	\$5,771,241	\$30,120,218	\$28,441,590	\$0	\$28,441,590	(\$1,678,629)		
TOTAL R-1	406,699	\$52,863,871	\$10,257,691	\$63,121,562	\$60,682,998	\$0	\$60,682,998			
R-2	1,178	\$118,510	\$22,251	\$140,761	\$118,510	\$0	\$118,510	(\$22,251)		
R-4	10,967	\$835,008	\$103,279	\$938,286	\$835,008	\$0	\$835,008	(\$103,279)		
TOTAL RESIDENCE	418,844	\$53,817,388	\$10,383,221	\$64,200,609	\$61,636,515	\$0	\$61,636,515	(\$2,564,094)		
TOTAL BUS & RES										
	522,402	\$90,934,424	\$23,018,504	\$113,952,927	\$109,384,812	\$0	\$109,384,812	(\$4,568,116)		

GTE NORTHWEST/CONTEL OF THE NORTHWEST
WASHINGTON MERGER

REVENUE IMPACT SUMMARY

	1992 UNITS	CURRENT ANNUALIZED ACCESS	CURRENT ANNUALIZED EAS	COMBINED CURRENT EAS & ACCESS	PROPOSED 92 ACCESS	PROPOSED 92 EAS	COMBINED PROPOSED EAS & ACCESS	PROPOSED ANNUAL DIFFERENCE
CONTEL								
WASHINGTON	1992							
UNITS:								
-1	5,874	\$2,327,514	\$747,556	\$3,075,070	\$2,678,544	\$0	\$2,678,544	(\$396,526)
-2	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-4	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8X/KEY	3,053	\$1,581,210	\$535,865	\$2,117,075	\$1,914,231	\$0	\$1,914,231	(\$202,844)
EMI PUB	32	\$12,680	\$4,289	\$16,968	\$14,592	\$0	\$14,592	(\$2,376)
-1 MEASURED	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCOT	111	\$61,205	\$13,056	\$74,261	\$68,597	\$0	\$69,597	(\$4,664)
CONTEL-BUSINESS	9,070	\$3,982,609	\$1,300,765	\$5,283,374	\$4,676,964	\$0	\$4,676,964	(\$606,410)
-1	49,076	\$8,698,230	\$2,696,864	\$11,395,094	\$8,774,789	\$0	\$8,774,789	(\$2,620,306)
-2	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-4	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EAS KEY	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-1 MEASURED	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CONTEL-RESIDENCE	49,076	\$8,698,230	\$2,696,864	\$11,395,094	\$8,774,789	\$0	\$8,774,789	(\$2,520,306)
TOTAL RES. & BUS	58,146	\$12,680,839	\$3,997,629	\$16,678,468	\$13,451,753	\$0	\$13,451,753	(\$3,226,715)

GTE Northwest/Contel of the Northwest
Washington Merger
GTE Switched Access Revenue Impact

Rate Elements	IntraLATA \$ Change	InterLATA \$ Change	Total \$ Change
TRAFFIC SENSITIVE REVENUES			
Switched Transport Facility:			
Non-Prem Per Acc Min	\$0	(\$796)	(\$796)
Premium Per Acc Min	(419,720)	(139,291)	(559,011)
Plus MPB Revenue			
Less MPB Expense			
End Office Switching (EOS):			
Non-Prem Per Acc Min	\$0	(\$547)	(\$547)
Premium EOS 1 Per Acc Min	0	0	0
Premium EOS 2 Per Acc Min	(288,289)	(95,674)	(383,963)
Information Surcharge:			
Non-Premium Per Acc Min	\$0	(\$1,505)	(\$1,505)
Premium Per Acc Min	(793,588)	(263,366)	(1,056,954)
Extended FGA Switched Transp:			
Non-Premium Per Acc Min	\$0	\$0	\$0
Premium Per Acc Min	0	0	0
TOTAL TRAFFIC SENSITIVE REVENUES	(\$1,501,597)	(\$501,179)	(\$2,002,776)
NON-TRAFFIC SENSITIVE REVENUES			
Non-Premium:			
Originating CCL Per Acc Min	\$0	\$0	\$0
Terminating CCL Per ACC Min	0	0	0
Premium:			
Originating CCL Per Acc Min	\$0	\$0	\$0
Terminating CCL Per Acc Min	0	0	0
TOTAL NON-TRAFFIC SENSITIVE REVENUES	\$0	\$0	\$0
SUBTOT INTRASTATE SWITCHED ACC REVS	(\$1,501,597)	(\$501,179)	(\$2,002,776)
REVENUES FROM NON-RECURRING CHARGES:	\$0	\$2,673	\$2,673
TOTAL INTRASTATE SWITCHED ACC REVS	(\$1,501,597)	(\$498,506)	(\$2,000,103)

Revised Sheet 114
Canceling
Original Sheet 114

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.3 Description of Switched Transport

(A) General

(1) Switched Transport provides the transmission of Switched Access communications including SAC Access Service, between the CDL and the originating or terminating end office switch(es) in the Access Area with one exception. Switched Transport associated with FGA 1+ terminating traffic provides for the transmission of Switched Access outside the Access Area, however within the LATA (i.e., Extended FGA Switched Transport).

(T)
(N)
|
(N)

The Switched Transport rate provides for the communication transmission path at the Telephone Company Switching Office, including the Wire Center Switching and circuit equipment (e.g., signaling, transmission devices, padding, carrier channels, trunk ports, etc.), and that portion which extends beyond the Telephone Company end office/access tandem and includes both the physical outside plant facilities and necessary transmission equipment (repeater, etc.) including that which is found at intermediate offices. The Switched Transport rate is usage sensitive.

(T)

The Extended FGA (i.e., calls placed on a 1+/toll basis) Switched Transport rate provides for FGA terminating traffic extended beyond the FGA Access Area, however inside the LATA. Extended FGA Switched Transport is described in 4.2.4(B)(6). The Extended FGA Switched Transport rate is usage sensitive.

(N)
|
(N)

Application of the Switched Transport rate is as set forth in 4.5.2(N)(2).

(T)
(T)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 135
Canceling
Original Sheet 135

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.4 Description of End Office Services (Cont'd)

(B) FGA (Cont'd)

- (6) FGA, when being used in the terminating direction, may be used to access valid NXXs in the FGA Access Area. For FGA, the Access Area is defined as the local calling area of the end office switch from which the FGA is provided. The description of any specific FGA Access Area will be provided to the customer upon request. Access is also provided for Extended FGA terminating calls established on a 1+ basis (i.e., toll) outside the specific FGA Access Area (i.e., local calling area), however, inside the LATA. When a FGA customer chooses to terminate toll calls outside the FGA Access Area via an Interexchange Carrier's Service (i.e., no screening or blocking performed by customer), the rates and charges as set forth in 4.5.2(N)(3)(b) apply. The Telephone Company may, at the customer's request, and depending on the technical capabilities, screen and block such interLATA calls. Access is also provided to local operator service (0- and 0+), directory assistance (411 and 555-1212), emergency reporting service (911), local telephone repair (611), information services (e.g., time and temperature) and IC services (by dialing the appropriate digits). The customer will be billed for an operator surcharge as set forth in the Local Tariffs, for local operator assistance (0-) calls; certain community information service calls; directory assistance (411 and 555-1212) calls; and customer call charges in accordance with other IC tariffs in force when the Telephone Company performs the billing for such customer calls.
- (C)
(D)
(C)
(C)

Advice No. XX

Issued:
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By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 173
Canceling
Original Sheet 173

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.5 End Office Services Optional Arrangements (Cont'd)

(B) Automatic Number Identification (ANI) Arrangement (Cont'd)

- (5) The configuration of the line requires special screening or handling by the customer, or
- (6) Call is an Automatic Identified Outward Dialed (AIOD) call from end user terminal equipment.

These ANI information digits are available with FGB, FGC, and FGD only. In addition, the following information digits are available with FGD only:

- (a) InterLATA Area restricted - telephone number is identified line.
- (b) InterLATA Area restricted - line requires special screening or handling by the customer.

These information digits will be transmitted as agreed to by the customer and the Telephone Company.

(C) Intra Access Area Call Denial on Line or Hunt Group

This option is provided in conjunction with FGA and allows for the screening of terminating calls within the FGA Access Area, and for completion only of calls to 411, 611, 911, 800, 555-1212, and a specified set of NXXs within the FGA Access Area. The set of NXX codes to which calls will be completed is selected by the FGA customer, in cooperation with the Telephone Company, from those NXX codes within the local calling area of the end office where the FGA connection is provided. All other calls are routed to a reorder tone or recorded announcement. This arrangement is provided in Telephone Company end offices, where available.

(C)
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(D)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

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Revised Sheet 174
Canceling
Original Sheet 174

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.5 End Office Services Optional Arrangements (Cont'd)

(D) InterLATA Call Denial on Line or Hunt Group

This option allows for the screening of terminating calls and for completion only of calls within the LATA. All other calls are routed to an appropriate access announcement. Specifically, this option would block terminating calls to the following:

- InterLATA, dialed as either 7D, 10D, 1+7D, 1+10D, 950-XXXX, 10XXX+7D or 10XXX+10D
- Service Access Codes (700, 800 and 900)
- International, dialed as either 011 or 01
- Operator, dialed as either 0+, 0- or 00

This arrangement is provided in Telephone Company end offices, where available. It is available with FGA at rates and charges as set forth in Section 4.5.2(B). Blocking of the 800 Service Access Code may not be available in all end offices where this arrangement is otherwise available.

(N)

(N)

(K)

(K) Material transferred to Sheet 174.1 and 174.2.

Advice No. XX

Issued:
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By A. W. Armstrong - Regional Vice President

Effective:

Original Sheet 174.1

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.5 End Office Services Optional Arrangements (Cont'd)

(E) Call Denial on Line or Hunt Group Outside the Access Area (N)

This option allows for the screening of terminating calls and for completion only of calls within the Access Area. All other calls are routed to an appropriate access announcement. Specifically, this option would block terminating calls to the following:

- Outside the Access Area, dialed as either 7D, 10D, 1+7D, 1+10D, 950-XXXX, 10XXX+7D or 10XXX+10D
- Service Access Codes (700, 800 and 900)
- International, dialed as either 011 or 01
- Operator, dialed as either 0+, 0- or 00

This arrangement is provided in Telephone Company end offices, where available. It is available with FGA at rates and charges as set forth in Section 4.5.2(B). Blocking of the 800 Service Access Code may not be available in all end offices where this arrangement is otherwise available.

(F) Dual Tone Multifrequency Address Signaling (M) (D)

This option allows reception of called party address signals from the customer in the form of Dual Tone Multifrequency (DTMF) signals. It is provided in all Telephone Company end offices where available. When FGA arrangements are provided as part of a hunt group or uniform call distribution group, and the customer requires DTMF address signaling, then all arrangements in the hunt group or uniform call distribution group will be so equipped. It is available with FGA.

(M) Material transferred from Sheet 174.

Advice No. XX

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By A. W. Armstrong - Regional Vice President

Effective:

Original Sheet 174.2

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.2 Description of Switched Access (Cont'd)

4.2.5 End Office Services Optional Arrangements (Cont'd)

(G) Hunt Group Arrangement

- (1) This option provides the ability to sequentially access one of two or more line side connections in the originating direction, when the access code of the line group is dialed. It is available with FGA. This arrangement contemplates one access code (i.e., telephone number) per arrangement.
- (2) This option provides the ability to sequentially access one of two or more lines in the terminating direction, when the hunting number of the line group is forwarded from the customer to the Telephone Company.

(M)

(D)
(M)(D)

(M) Material transferred from Sheet 174.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

— Revised Sheet 196
— Canceling
— Revised Sheet 196

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.4 Payment Arrangements and Credit Allowances

4.4.1 (Reserved for Future Use)

4.4.2 Cancellation of Applications

A customer may cancel an application for Switched Access in accordance with the regulations and charges as set forth in Section 3.

(T)

4.4.3 Credit Allowances

Allowances for interruptions are as set forth in 2.4.4.

(T)

(D)

(D)

(D)

4.5 Rate and Charge Regulations

4.5.1 Rate Elements

For the purposes of determining the rates and charges for Switched Access, including SAC Access Service, the following four rate elements may apply:

(C)

Switched Transport
Extended FGA Switched Transport
End Office Switching
Information Surcharge

(N)

FGB, FGC, FGD and SAC Access Service are also subject to the Network Blocking charges as set forth in 4.5.2(I).

(T)

(T)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 201
Canceling
Original Sheet 201

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Nonrecurring Charges (Cont'd)

(b) Design Change Charge (Cont'd)

The Design Change Charge for Switched Access Service as set forth in Section 4.6.1(C) will apply on a per ASR per occurrence basis for each request requiring a design change.

(T)

The Design Change Charge is in addition to any Switched Ordering charges associated with the change requested. When the design change is on a pending ASR, the Initial Ordering Charge - Switched Access will apply. If the design change is to an existing service, the Subsequent Ordering Charge - Switched Access will apply.

If a change of service date is required, the Service Date Change Charge as set forth in 3.2.2(A) will also apply.

(T)

(B) Installation Charge for FGA Optional Toll Blocking Arrangements

(N)

This charge applies per FGA line equipped with either of the optional call blocking arrangements set forth in Section 4.2.5(D) and (E); InterLATA Call Denial on Line or Hunt Group, or Call Denial on Line or Hunt Group Outside the Access Area. This charge applies in addition to applicable Switched Access Ordering Charges.

(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 209
Canceling
Original Sheet 209

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(N) Description and Application of Rates (Cont'd)

(2) Switched Transport

The Switched Transport is determined as follows:

- (a) The Switched Transport rate is applied per access minute basis, either as premium or nonpremium as described in 4.5.2(N)(1). (T)
- (b) (Reserved for Future Use) (T)
- (c) The Extended FGA Switched Transport rate applies per terminating access minute extended beyond the FGA Access Area (i.e., local calling area), however inside the LATA, as set forth in 4.5.2(N)(3). (T)

(3) Extended FGA Terminating Traffic

- (a) For calls established on a 1+ basis outside the specific FGA Access Area, however inside the LATA, in conjunction with terminating FGA traffic to an end office equipped with equal access capabilities, the following rates apply for each access minute of each such call:
 - the premium rates for End Office Switching, as set forth in 4.6.3, and the Information Surcharge as set forth in 4.6.4.
 - the premium Extended FGA Switched Transport rate as set forth in 4.6.2(C).

(N)
(K)

(K) Material transferred to Sheet 209.2.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Original Sheet 209.1

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(N) Description and Application of Rates (Cont'd)

(3) Extended FGA Terminating Traffic (Cont'd)

(a) (Cont'd)

For calls established on a 1+ basis, outside the specific FGA Access Area, however inside the LATA, in conjunction with terminating FGA traffic to an end office not equipped with equal access capabilities, the following rates apply for each access minute of each such call:

- the nonpremium rates for End Office Switching, as set forth in 4.6.3, and the Information Surcharge as set forth in 4.6.4.
- the nonpremium Extended FGA Switched Transport rate as set forth in 4.6.2(C).

- (b) When FGA terminating traffic is extended outside the LATA, as set forth in 4.2.4(B)(6) Switched Access rate elements, as set forth in 4.6.3 and 4.6.4, will be billed to the FGA customer for the terminating interLATA access function provided via the FGA connection, and Switched Access rate elements, as set forth in 4.6.2, 4.6.3, and 4.6.4, will be billed to the IC providing the interLATA service to the FGA customer for the originating interLATA access function.

(N)
|
(N)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Original Sheet 209.2

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.5 Rate and Charge Regulations (Cont'd)

4.5.2 Rate Regulations (Cont'd)

(N) Description and Application of Rates (Cont'd)

(4) Equal Access Notification

The Telephone Company will provide written notification to all of its customers of record operating within a particular LATA that an end office in that LATA is scheduled to be converted to an equal access end office. This notification will be sent, via U.S. Mail, to each GTE-NW customer of record operating in the LATA where the conversion is scheduled to occur, at least twelve months before the conversion date. (T)

The customer will have the choice of converting existing services to equal access (i.e., Feature Group D) at no charge or retaining the existing services (with the exception of FGC). Premium rates will apply to the total Access Minutes beginning on the actual conversion date, whether the customer chooses to convert to FGD or retain existing services. (T)

(M)

(M)

(M) Material transferred from Sheet 209.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

____ Revised Sheet 221
____ Canceling
____ Revised Sheet 221

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.6 Rates and Charges

4.6.1 Nonrecurring Charges

Charge

(A) (Reserved for Future Use)

(B) Switched Access Service Ordering Charge

Ordering Charge - Switched Access

Initial

\$ 169.28 (I)

Subsequent

141.18 (I)

(C) Design Change Charge

Per ASR/Per Occurrence

38.04

(D) Network Blocking Charge

Applies to FGB, FGC, FGD and SAC Access Service

Per Call

.016

(E) FGA Optional Toll Blocking

Per FGA Line

5.32

(N)
|
(N)

(K)
|
(K)

(K) Material transferred to Sheet 222.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 222
Canceling
Revised Sheet 222

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.6 Rates and Charges (Cont'd)

4.6.2 Switched Transport

	<u>Rate</u>	
(A) <u>Switched Transport</u>		(M)
Per Access Minute		
Premium	\$.0175469	(R)
Nonpremium	.0087735	(R)
(B) (Reserved for Future Use)		(M)
(C) <u>Extended FGA Switched Transport</u>		(N)
For FGA		
Per Access Minute		
Premium	.0211009	
Nonpremium	.0105505	(N)

4.6.3 End Office Services

The rates for End Office Switching are based on originating and terminating Access Minutes.

End Office Switching

Per Access Minute

Premium		
End Office Switching 1	.0150740	(I)
End Office Switching 2	.0151497	(R)
Nonpremium	.0075749	(R)

(M) Material transferred from Sheet 221.

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

Revised Sheet 223
Canceling
Revised Sheet 223

FACILITIES FOR INTRASTATE ACCESS

4. SWITCHED ACCESS (Cont'd)

4.6 Rates and Charges (Cont'd)

4.6.4 Information Surcharge

Rate

Per Access Minute

Premium
Nonpremium

\$.0007160 (R)
.0003580 (R)

4.6.5 (Reserved for Future Use)

4.6.6 (Reserved for Future Use)

Advice No. XX

Issued:
Issued by GTE Northwest Incorporated
By A. W. Armstrong - Regional Vice President

Effective:

GTE Northwest/Contel of the Northwest
Washington Merger
Calling Scope by Exchange

Proposed
Rate Group

GTE WASHINGTON
CALLING VOLUME ORDER

I	Stevens Pass*	77
I	Farmington* (2)	136
I	Mansfield*	239
I	Oakesdale*	319
I	Metline Falls*	367
I	Garfield* (2)	405
I	Skykomish*	408
I	Ione*	563
I	Cusick*	608
I	Palouse* (2)	669
I	Waterville*	719
I	Rosalia*	802
I	Bridgeport*	892
I	Tekoa* (2)	1,060
I	Darrington*	1,183
I	Brewster*	1,247
I	Priest River (2)	1,638
I	Woodland*	3,071
I	Newport* (2)	3,755
I	Soap Lake	4,735
I	Chelan* (1)	4,748
I	Leavenworth (1)	7,187
I	Quincy	7,385
I	George	7,385
I	# Anacortes*	8,917
I	Camas* (1)	10,405
I	Stanwood (1)	12,909
I	Oak Harbor	18,900
I	Pullman	20,528
I	Garrison-Moscow (2)	20,529
I	# Sedro Woolley	34,872
I	# Burlington	34,872
I	# Mount Vernon	34,872
I	Entiat	37,692
I	Wenatchee (1)	39,781
I	Cashmere	43,869
I	Coupeville	43,869
II	Kennewick (1)	82,124
II	Richland (1)	82,124
II	Sultan	100,719
II	Snohomish (1)	100,719
II	Monroe	103,899
II	Marysville-Lake Goodwin	106,997
II	Granite Falls	109,190
II	Marysville (1)	113,003
II	Arlington	113,547

NEW RATE GROUPS:

I	1 - 80,000
II	80,001 - 500,000
III	500,001 +

GTE Northwest/Contel of the Northwest
Washington Merger
Calling Scope by Exchange

Proposed
Rate Group

GTE WASHINGTON
CALLING VOLUME ORDER

II	Rockford (2)	188,724
II	Fairfield (2)	188,724
II	Latah	188,724
II	Everett (1)	210,527
II	Silver Lake	257,143
II	Benton City	282,127
III	Richmond Beach	715,239
III	Bothell - Duvall	770,181
III	Halls Lake (1)	797,531
III	Kirkland (1)	812,967
III	Bothell (exc Duvall)	820,188

* Exchanges with no current EAS rate.
 (1) Exchanges comprised of more than one Central Office.
 (2) Calling scope includes Idaho portion of the exchange.
 # Skagit County - Mount Vernon Exchange

GTE Northwest/Contel of the Northwest
Washington Merger
Calling Scope By Exchange

CONTEL WASHINGTON
Calling Volume Order

Naches	1,206
Nile	1,206
Republic	1,822
Curlew	1,822
Molson-Chesaw	1,940
Loomis	1,952
Tonasket	2,142
Grayland	2,623
Westport	2,623
Lynden	24,585
Deming	24,585
Blaine	24,585
Ferndale	24,585
Maple Falls	24,585
Custer	24,585
Everson	24,585
Sumas	24,585
Birch Bay	24,585
Acme	24,585
Laurel	24,585
# La Conner	34,872
# Conway	34,872
# Mt. Vernon	34,872
# Edison	34,872
# Sedro Woolley	34,872
# Concrete	34,872
# Burlington	34,872
# Marblemount	34,872
# Lyman-Hamilton	34,872
# Big Lake	34,872
# Alger	34,872

Skagit County Mount Vernon Exchanges

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF GTE NORTHWEST INCORPORATED AND	)	CAUSE NO. UT-910499
CONTEL OF THE NORTHWEST, INC. FOR)	
AN ORDER APPROVING CONTRACTS WITH	)	JOINT MOTION FOR
AFFILIATED INTERESTS FOR	)	APPROVAL OF
SERVICES AND PURCHASES	)	SETTLEMENT
<hr/>		

EXHIBIT B

ONE PARTY UNIVERSAL
SERVICE PROGRAMS

**GTE Northwest/Contel of the Northwest
Washington Merger**

WASHINGTON ONE PARTY UNIVERSAL SERVICE (OPUS)

GTE-NW committed to an OPUS schedule in June of 1991, by letter to the commission. This commitment was reaffirmed on 12-18-91 with the filing of tariff Advise No. 542, which became effective January 23, 1992. This tariff provides for quarterly updates of exchanges that are ready for OPUS conversion. (see attached)

GTE-NW's OPUS is being completed in conjunction with our routine engineering and construction program. By completing our OPUS in this manner it helps reduce the over-all cost of conversion, thus reducing the burden on the company and customer. However, by completing OPUS as part of our day-to-day engineering and construction activities there are not specific engineering studies that focus just on OPUS conversions. In order to identify the specific cost of OPUS, GTE-NW has used \$5,000.00 per conversion on a going forward basis and have shared this information with WUTC staff.

GTE-NW is committed to provide One Party Universal Service to all of its Washington customers by 12-31-94 and has included OPUS as part of its routine construction budget in order to meet that commitment. GTE-NW will continue to keep WUTC staff apprised of our progress.

Attached are the exchanges that have already been converted to OPUS and a schedule of those exchanges to be converted during the remainder of 1992, 1993 and 1994.

GTE NORTHWEST

WASHINGTON OPUS CONVERSION SCHEDULE

1992

GTE-NW has completed our One Party Universal Service (OPUS) plan for the following exchanges or serving offices, these were 100% OPUS ready as of May 1, 1992:

Benton City	Bothel
Burlington	Camano Island Phase I
Camano Island Phase II	Casino
Clearview	Duvall
Everett	Halls Lake
Highlands	Juanita
Kennewick	Kirkland
Lake Stevens	Latah
Manor Way	Meadow Springs
Monroe	Mount Vernon
North Richland	Redmond
Richland	Richmond Beach
Sammamish	Sedro Woolley
Silver Lake	Stanwood
West Richland	

The following offices will be 100% OPUS complete by the following dates:

EXCHANGE/ OFFICE	COMPLETION DATE	LINE TO BE CONVERTED	COST TO CONVERT
Fairfield	06-30-92	41	\$ 205,000
Mansfield	06-30-92	24	\$ 120,000
Marysville	06-30-92	204	\$ 1,020,000
Farmington	09-30-92	13	\$ 65,000
Snohomish	09-30-92	287	\$ 1,435,000
Stevens Pass	09-30-92	7	\$ 35,000
Wenatchee	09-30-92	353	\$ 1,765,000
Anacortes	12-31-92	355	\$ 1,775,000
Bridgeport	12-31-92	122	\$ 610,000
Chelan	12-31-92	228	\$ 1,140,000
Manson	12-31-92	304	\$ 1,520,000
Oak Harbor	12-31-92	249	\$ 1,245,000
Tekoa	12-31-92	26	\$ 130,000
Wenatchee East	12-31-92	147	\$ 735,000
TOTAL REMAINING TO BE CONVERTED IN 1992		2360	\$11,800,000

GTE NORTHWEST
WASHINGTON OPUS CONVERSION SCHEDULE
1993

The following offices will be 100% OPUS complete on the following dates in 1993.

EXCHANGE/ OFFICE	COMPLETION DATE	LINES TO BE CONVERTED	COST TO CONVERT
Camano Island	3/31/93	100	\$ 500,000
Malden	3/31/93	11	\$ 55,000
Thornton	3/31/93	12	\$ 60,000
George	6/30/93	101	\$ 505,000
Marysville	6/30/93	212	\$ 1,060,000
Palouse	6/30/93	63	\$ 315,000
Skykomish	6/30/93	94	\$ 470,000
Stanwood	6/30/92	271	\$ 1,355,000
Arlington	9/30/93	428	\$ 2,140,000
Granite Falls	9/30/93	169	\$ 845,000
Metline Falls	9/30/93	23	\$ 115,000
Rockford	9/30/93	70	\$ 350,000
Rosalia	9/30/93	110	\$ 550,000
Soap Lake	9/30/93	56	\$ 280,000
Brewster	12/31/93	106	\$ 530,000
Cashmere	12/31/93	241	\$ 1,205,000
Coupeville	12/31/93	252	\$ 1,260,000
Darrington	12/31/93	<u>153</u>	<u>\$ 765,000</u>
TOTAL TO BE CONVERTED IN 1993		2472	\$12,360,000

GTE NORTHWEST
WASHINGTON OPUS CONVERSION SCHEDULE
1994

The following offices will be 100% OPUS complete on the following dates in 1994.

EXCHANGE/ OFFICE	COMPLETION DATE	LINES TO BE CONVERTED	COST TO CONVERT
Quincy	3/31/94	128	\$ 640,000
Woodland	3/31/94	109	\$ 545,000
Camas	6/30/94	143	\$ 715,000
Washougal	6/30/94	123	\$ 615,000
Washougal River	6/30/94	35	\$ 175,000
Garfield	6/30/94	28	\$ 140,000
Oakesdale	6/30/94	35	\$ 175,000
Waterville	6/30/94	107	\$ 535,000
Entiat	9/30/94	234	\$ 1,170,000
Leavenworth	9/30/94	223	\$ 1,115,000
Pullman	9/30/94	220	\$ 1,100,000
Cusick	12/31/94	236	\$ 1,180,000
Ione	12/31/94	89	\$ 445,000
Lake Wenatchee	12/31/94	490	\$ 2,450,000
Newport	12/31/94	<u>879</u>	<u>\$ 4,395,000</u>
TOTAL TO BE CONVERTED IN 1994		3079	\$15,395,000

CONTEL of the NORTHWEST
WASHINGTON OPUS CONVERSION SCHEDULE
1992

All Contel-NW exchanges have been converted to OPUS except for those exchanges that will be completed on the following dates.

EXCHANGE/ OFFICE	COMPLETION DATE
Edison	7/31/92
Naches	8/31/92
Sumas	8/31/92
Nile	8/31/92
Everson	8/31/92
Grayland	10/31/92

APPENDIX B

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF GTE NORTHWEST INCORPORATED)
AND CONTEL OF THE NORTHWEST,)
INC. FOR AN ORDER APPROVING)
CONTRACTS WITH AFFILIATED)
INTERESTS FOR SERVICES AND)
PURCHASES)

DOCKET NO. UT-910499
JOINT MOTION FOR APPROVAL
OF AMENDED SETTLEMENT

1. Name and address of moving parties:

Commission Staff
1400 S. Evergreen Park Drive, SW
Olympia, WA 98504

Public Counsel
900 Fourth Avenue
Suite 2000
Seattle, WA 98164

GTE Northwest Incorporated
1800 41st Street
Everett, WA 98102

Contel of the Northwest, Inc.
1201 Pacific Ave., Suite 1900
Tacoma, WA 98402-4391

U S WEST Communications
1600 Bell Plaza, Room 3206
Seattle, WA 98191

UT-910499
11 admitted
By Lincoln
Date August 18, 1992

1 2. Relief Sought:


2 On June 5, 1992 the parties filed with this Commission a Joint Motion
3 for Approval of Settlement. The parties have amended their settlement
4 agreement as described below and request that their Settlement Agreement, as
5 amended, be approved and adopted by order of this Commission.

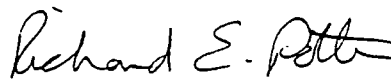
6 3. Basis for Motion:

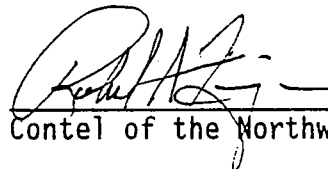
7 The parties incorporate by reference their previously filed Joint
8 Motion. Subsequent to the filing of that motion, developments concerning
9 revenues to GTE Northwest from the Washington Telephone Assistance Program
10 caused the parties to amend their settlement agreement, as described in the
11 Amendment to Settlement Agreement attached to this motion.

12
13 Respectfully submitted this 18th day of August, 1992.

14
15
16 
17 _____
Commission Staff


18 _____
Public Counsel

19
20 
21 _____
GTE Northwest Incorporated


22 _____
Contel of the Northwest, Inc.

23
24 
25 _____
U S WEST Communications

AMENDMENT TO SETTLEMENT AGREEMENT

1. BACKGROUND

On June 5, 1992 the undersigned parties entered into a Settlement Agreement in Washington Utilities and Transportation Commission Cause No. UT-910499. Among other things, the Settlement Agreement included a revenues reduction for GTE Northwest Incorporated to be implemented by changes to the tariffs of GTE Northwest and Contel of the Northwest, Inc.

Subsequent to the making of the Settlement Agreement it was discovered that during the test period on which the agreement was based GTE Northwest had inadvertently underbilled the Washington Department of Social and Health Services for reimbursement under the Washington Telephone Assistance Program (WTAP).

2. SUPPLEMENTAL AGREEMENT

The parties agree as follows:

- a. The amount of WTAP revenues due GTE Northwest for the test period should be deemed to be \$252,000.00;
- b. The amount of revenue reductions should be increased by this amount;
- c. This additional revenue reduction should be spread over the Contel-NW rate group for R-1, B-1, PBX, Semi-Pub and COCOT network

access services, shown on Exhibit A - Schedule 7 to the Settlement Agreement (revised sheets for that schedule are attached to this amendment and incorporated by reference); and

d. The parties shall make a joint motion to the Commission to approve and adopt the Settlement Agreement with the amendments described above.

Steven W. Smith
Commission Staff

August 18, 1992
Date

Charles T. ...
Public Counsel

8/18/92
Date

Richard E. ...
GTE Northwest Incorporated

August 11, 1992
Date

Robert H. ...
Contel of the Northwest, Inc.

8/18/92
Date

[Signature]
U S WEST Communications

3/14/92
Date

EXHIBIT A - Schedule 1
Page 1 of 1

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Local Measured Service (LMS)

Introduction	(\$940,980)	Exhibit A - Schedule 2
Custom Calling Integration	\$126,279	Exhibit A - Schedule 3
Directory Listing Integration	\$57,206	Exhibit A - Schedule 4
Line Hunt Unbundling	\$605,376	Exhibit A - Schedule 5
OPUS Upgrade	\$196,156	Exhibit A - Schedule 6
GTE Network Access Rate Change	(\$4,568,116)	Exhibit A - Schedule 7
Contel Network Access Rate Change	<u>(\$3,478,522)</u>	Exhibit A - Schedule 7
Local Subtotal	<u>(\$8,002,610)</u>	
Access Reduction	(\$2,000,000)	Exhibit A - Schedule 8
Total Merger Reduction	<u>(\$10,002,610)</u>	

GTE Northwest/Contel of the Northwest
Washington Merger

Revenue Impact Summary

Proposed Rates

GTE-NW

Rate Group	I	II	III
B-1	\$21.40	\$31.40	\$38.00
PBX	34.42	46.50	51.50
Semi-Pub	21.40	31.40	38.00
COCOT	39.00	49.00	52.00
R-1	9.75	12.50	13.76

NOTE: R-2, R-4, B-2, B-4 Frozen at Current Rates

Contel-NW

Proposed Network Access Rates

B-1	\$37.65
PBX	51.70
Semi-Pub	37.65
COCOT	51.70
R-1	14.55

GTE NORTHWEST/CONTEL OF THE NORTHWEST
WASHINGTON MERGER

REVENUE IMPACT SUMMARY

CONTEL WASHINGTON SUMMARY:	1992 UNITS	CURRENT 92 ANNUALIZED ACCESS	CURRENT ANNUALIZED EAS	COMBINED CURRENT EAS & ACCESS	PROPOSED 92 ACCESS ANNUALIZED	PROPOSED 92 EAS ANNUALIZED	COMBINED PROPOSED EAS & ACCESS	PROPOSED ANNUAL DIFFERENCE
-1	5,874	\$2,327,514	\$747,556	\$3,075,070	\$2,653,873	\$0	\$2,653,873	(\$421,196)
-2	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-4	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BOX/KEY	3,053	\$1,581,210	\$535,865	\$2,117,075	\$1,894,081	\$0	\$1,894,081	(\$222,993)
EMI PUB	32	\$12,680	\$4,289	\$16,968	\$14,458	\$0	\$14,458	(\$2,511)
MI MEASURED	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OCOT	111	\$61,205	\$13,056	\$74,261	\$68,864	\$0	\$68,864	(\$5,397)
TOTAL-BUSINESS	9,070	\$3,982,609	\$1,300,765	\$5,283,374	\$4,631,276	\$0	\$4,631,276	(\$652,097)
-1	49,076	\$8,698,230	\$2,696,864	\$11,395,094	\$8,568,670	\$0	\$8,568,670	(\$2,826,425)
-2	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-4	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ES KEY	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-1 MEASURED	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL-RESIDENCE	49,076	\$8,698,230	\$2,696,864	\$11,395,094	\$8,568,670	\$0	\$8,568,670	(\$2,826,425)
TOTAL RES & BUS	58,146	\$12,680,839	\$3,997,629	\$16,678,468	\$13,199,946	\$0	\$13,199,946	(\$3,478,522)