

Exhibit No. \_\_\_\_ (BAE-11)  
Docket No. UT-040788  
Witness: Betty A. Erdahl

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**VERIZON NORTHWEST INC.,**

**Respondent.**

**DOCKET NO. UT-040788**

**EXHIBIT TO TESTIMONY  
OF  
BETTY A. ERDAHL**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

**Calculation of Staff Adjustment P18, Employee Separation Cost**

**November 22, 2004**

**VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS**  
 2004 Washington General Rate Case  
 Pro forma Adjustment - Employee Separation Cost  
 (Thousands of Dollars)

**Calculation of Staff's Pro forma Adjustment P18**  
**Employee Separation Cost**

**Staff Adjustment**

Employee Separation Expense. This proforma is to amortize business as usual employee separation expenses over a 5 year period.

Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Amount Inc (Dec)	Intrastate Amount Inc (Dec)
1	Remove Severance expense from test year	6728	12.9961%	77.6897%	(25,128)	(16,985)
2						
3						
4	Severance Expense	6728	12.9961%	77.6897%		
5						
6						
7	Total adjustment to relating to separation expense	6728	12.9961%	77.6897%	(23,056)	(15,585)

**VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS**  
 2004 Washington General Rate Case  
 Proforma Adjustment - Severance Expense  
 (Thousands of Dollars)

**Calculation of Staff's Pro forma Adjustment P18.1**  
**Management Voluntary Separations Program**

Staff

Line No	4th Qtr. 2002	1st Qtr. 2003	2nd Qtr. 2003	3rd Qtr. 2003	Total Severance
1	43,638	2,608,040	682,045	3,289,332	6,623,055
2	419,115		1,366,701	50,650	1,836,466
3	(462,753)	(81,512)	(4,656,787)	(3,339,982)	(8,541,034)
4	1,695,068	3,179,348	3,409,748	2,097,133	10,381,297
5					0
6					0
7					0
8			(109,132)		(109,132)
9				167,144	167,144
10	1,695,068	5,705,876	692,575	2,264,277	10,357,796
11					
12					
13					
14					
15					
16					
17					

Source: Corporate Services-Accounting, Corporate Books