

Exhibit No. ___ (BAE-14)
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 SR21, re: Pension Asset

November 22, 2004

VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS
 2004 Washington General Rate Case
 Restating Adjustment - Remove Pension Asset from Ratebase
 (Thousands of Dollars)

Calculation of Staff's Restating Adjustment SR21

Staff Adjustment

This adjustment is to remove pension asset from the rate base and remove associated gains from the test year. To switch from FAS 87/88 to cash contribution for rate setting purposes.

Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Amount Inc (Dec)	Intrastate Amount Inc (Dec)
1	Remove gain on pension asset booked to test year expense	6728	12.9961%	77.6897%	8,481	5,733
2	Gain booked is shown in response to PC DR #124					
3						
4	Remove pension asset from rate base	1410	13.4199%	77.7754%	(199,198)	(134,136)
5						
6						
7						

Regulated = 172,466 This ties to Exhibit NWH-2, col. b, line 30
 CAM 13.4199%
 Reg % 86.5801%
 Reg & non 199,198 Divided regulated amount by 1-CAM factor to get Washington amount