

Exhibit No. ___ (BAE-3)
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's Restating
Adjustment R15-03 – Reclassified Items

November 22, 2004

VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS
2004 Washington General Rate Case
Restating Adjustment
(Thousands of Dollars)

Calculation of Staff's Restating Adjustment R15-03

Staff Adjustment to remove reclassified items and corporate image advertising from the test year.

Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Amount Inc (Dec)	Intrastate Amount Inc (Dec)
1	To reduce expenses for reclassified items					
2						
3	12MTD 2003 adjustment amount	6722	17.5934%	77.6897%	(314)	(201)
4						
5	12MTD 2003 adjustment amount	6113	8.5139%	76.3907%	(167)	(117)
6						
7	Less Corporate Image Advertising	672210	17.5934%	77.6897%	(1,212)	(776)
8						
9	Reduce expense for reclassified items	672210	17.5934%	77.6897%	(1,111)	(711)
10						
11	Reduce expense for reclassified items	672217	8.5139%	76.3907%	(820)	(573)
12						
13						
14	Total Staff Adjustment				(3,624)	(2,378)
15						
16						
17						
18						
19						
20						
21						
22	Amounts from Attachment 334e - Staff DR					
23	Total amount in account	672210			2,637	
24	Less Company proposed adjustment	6722			(314)	
25	Account 672210 "less" Co. adjustment	672210			2,323	
26						
27	Corporate Image Advertising	672217			(1,212)	
28	Account 672210 "less" Co. adjustment & Corp Image	672217			1,111	
29						
30	Total amount in account	672217			820	
31						

Washington
Amount