

Exhibit No. ___ (TWZ-19-C)
Docket No. UT-040788
Witness: Timothy W. Zawislak
REDACTED VERSION

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
TIMOTHY W. ZAWISLAK

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Verizon NW Response to Staff Data Request No. 261

November 22, 2004

REDACTED VERSION

Docket No. UT-040788 -
WUTC Staff Data Requests to Verizon Nos. 246-261
June 7, 2004

Data Request No. 261:

Provide the level of Operational Support Systems (OSS) revenue and expenditures (including investment and expenses) booked by Verizon Northwest Inc., state of Washington, by account number, for the period beginning October 1, 2002, through September 30, 2003.

RESPONSE:

Specific revenue, expenses, and investments for OSS are not identifiable in the financial system.

Prepared By: Jane Lee
Date: June 1, 2004
Witness: Nancy Heuring

Docket No. UT-040788 – General Rate Case
Verizon Supplemental Response to WUTC Staff Data Request No. 261
September 16, 2004

DATA REQUEST NO. 261 (Supplement):

This is a supplement to Staff Data Request No. 261. The purpose of this supplement is to identify the Company's response to date, and the Staff/Company discussions to date, regarding this request. Finally, it is Staff's understanding that the Company has agreed to provide a supplemental response to this data request by September 15, 2004.

Staff Data Request No. 261 seeks the following information:

Data Request No. 261:

Provide the level of Operational Support Systems (OSS) revenue and expenditures (including investment and expenses) booked by Verizon Northwest Inc., state of Washington, by account number, for the period beginning October 1, 2002, through September 30, 2003.

The Company responded to this data request on June 7, 2004. The Company stated in its response:

RESPONSE:

Specific revenue, expenses, and investments for OSS are not identifiable in the financial system.

Staff has discussed that response with the Company on the following dates: June 9, 2004, June 16, 2004, and June 23, 2004. The result of those discussions is that the Company agreed to do a special study that would take more time than the standard discovery deadline would allow. The Company therefore suggested that this study would be available by mid-September. Staff expects that the Company will provide a supplemental answer to Data Request No. 261 that is responsive to the question via its special study, no later than September 15, 2004.

SUPPLEMENTAL RESPONSE:

Verizon repeats its position that specific revenue, expenses, and investment for OSS are not identifiable in the financial system for a specific timeframe.

OSS revenues from transition surcharges were identified by a special query run against the appropriate IOSCs. Since OSS transition costs are not identifiable in the accounting system, Verizon has estimated the Washington expenses related to OSS transition costs through special studies. Please see Confidential Attachment 261 for the revenues and estimated expenses, by account number, in the test year.

Prepared By: Gregg Diamond

Date: September 15, 2004

Witness: Kevin Collins or another SME to be identified at a later time.

Verizon Supplemental Response to WUTC Staff Data Request No. 261
UT-040788

Confidential Attachment 261

(Confidential per Protective Order in WUTC Docket No. UT-040788)

**Verizon Northwest, Inc. - State of Washington
OSS Transition Revenue and Expense
Test Year Ended September 30, 2003**

**Confidential Attachment 261
Page 1 of 3**

Total
Washington

Revenue

Expense

VZ Northwest, Inc. - State of Washington
 OSS Transition Surcharge
 Test Year Ended September 30, 2003

Confidential Attachment 261
 Page 2 of 3

COMP	ST	IOSC	Oct '02	Nov '02	Dec '02	Jan '03	Feb '03	Mar '03	Apr '03	May '03	Jun '03	Jul '03	Aug '03	Sep '03	Oct 02-Sep 03 @ \$3.27 / unit
CTNW	WA														
GTNW	WA														
CTNW	WA														
GTNW	WA														
CTNW	WA														
GTNW	WA														
TOTAL															
TOTAL															
TOTAL															

Verizon Northwest Inc. - Washington
 OSS Transition Costs
 Expensed during Test Year Ended Sept. 2003

Year Incurred	Total OSS Transition Costs (1)	Total Amortization During Test Year	WA Allocation Factor	Total WA Test Year Expense	FCC Account
1999					
2000					
2001					
2002					
Sep 2003 ytd (2)					

Notes: (1) Amounts are per Cost Studies performed by Service Cost and are reflected in OSS Transition Cost filings. The software costs are captured by DPSRs in VDSI's system.

(2) Assume Jan-Sep 2003 purchases evenly by quarter and billed to Telcos a qtr in arrears:

	<u>1st qtr</u>	<u>2nd qtr</u>	<u>3rd qtr</u>	<u>Total</u>
Software Capitalized: \$				
# Months Amortized:				
Amortization: \$				