

Exhibit No. \_\_\_ C (PMS-10-C)

Docket No. UT-040788

Witness: Paula M. Strain

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  
PAULA M. STRAIN  
REGARDING REVENUE REQUIREMENTS

STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

Staff Summary of Restating Adjustments

November 22, 2004

REDACTED VERSION



VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS  
 2004 Washington General Rate Case  
 Staff Summary of Restating Adjustments  
 Test Year - October 2002 to September 2003  
 (Thousands of Dollars)

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Line	Description	(a) R15-03	(b) R16-03	(c) R5-02	(d) R6-02	(e) R8-02	(f) R9-02	(g) R10-02	(h) R11-02	(i) R12-02	(j) R13-02	(k) R14-02
1	Operating Revenues:											
2	Local Network Service											
3	Network Access Revenues											
4	Long Dist Netw Revenues											
5	Miscellaneous Revenues			236	971							
6	Uncollectibles											
7	Total Operating Revenue	0	0	236	971	0	0	0	0	0	0	0
8	Operating Expenses:											
9	Plant Specific Operations											
10	Plant Non-Spec Operations											
11	Access											
12	Customer Operations											
13	Corporate Operations											
14	Depreciation											
15	Other Income & Expenses											
16	Taxes Other Than Income Taxes											
17	Total Operating Expenses	(117)	(117)	0	437	0	0	0	0	0	0	0
18	Earnings Before Interest and Taxes (EBIT)	(2,378)	(2,378)	236	971	437	(1,297)	1,007	(706)	(2,225)	3,974	526
19	Federal Income Tax	832	832	83	340	(153)	454	(352)	247	779	(1,391)	(142)
20	Net Operating Income											
21	Interest Expense											
22	Rate Base (Average):											
23	Telecomm Plant in Service											
24	Other Assets (SFAS 87)											
25	Investor Supplied Working Capital											
26	Depr & Amort Reserve											
27	Deferred Income Taxes											
28	Other LT Liab											
29	Total Rate Base	0	35,223	0	0	0	0	0	0	0	0	0
30	Operating Revenue											
31	Other Deductions											
32	Interest (AFUDC)											
33	Schedule "M" additions											
34	Schedule "M" deductions											
35	Income Before Tax	2,378	2,378	236	971	(437)	1,297	(1,007)	706	2,225	(3,974)	(405)
36	State Income Tax											
37	Taxable Income	2,378	2,378	236	971	(437)	1,297	(1,007)	706	2,225	(3,974)	(405)
38	Adjustments to FIT											
39	Federal Income Tax	832	832	83	340	(153)	454	(352)	247	779	(1,391)	(142)

SOURCE/CALC  
 line 22  
 line 24

II. 48-49-50  
 line 52 - line 53  
 1.54 x FIT Rate (35%)

