

VERIZON NORTHWEST - WASHINGTON OPERATIONS  
 DOCKET NO. UT-040788  
 DIRECTORY IMPUTATION - RETENTION RATIO METHOD  
 TEST YEAR ENDING 9/31/2003  
 (000's)  
 (Brosch Exhibit No. \_\_\_\_, MLB-5C, page 2 of 3, Corrected)

LINE NO.	DESCRIPTION (A)	REFERENCE (B)	Year 2002	Year 2002	Year 2003	Year 2003
			(C)	Corrected Recalculation	(D)	Corrected Recalculation
1	<b>Washington Local Advertising Revenues</b>					
2	Washington Net Revenue	PC-220		(X)		(X)
3	GTE Directories Retention Ratio to Telephone Operations					
4	Gross Imputation Under Retention Approach	Line 1 * Line 2				
5	Less: Subscriber Listing Fees Paid by VDC	Attach. WUTC 249				
6	Billing & Collection Fees Paid by VDC	"				
7	Total Revenues Booked Under Fee for Service Contracts					
8	Net: Imputation Required Under Retention Ratio Method					

**(X) The Washington Net Revenue Used in the Retention Ratio to Telephone Operations Calculation Should Only Included "Franchise Revenues" That Would Have Been Subject to Retention Ratio Sharing Under the Previously Existing Publishing Agreements.**

**Non-Franchise Revenues Would Not Have Been Subject to The Retention Ratio Sharing As These Revenues Were Generated from Customers Whose Telephone Service Was Provided Outside of Verizon's Local Exchange Territories.**

**The Washington Net Revenue Amount for 2002, of \$\*\*\*\*\* Represents an Estimate of Washington Franchise Revenues, Based on the % of Total Telco Billed Accounts for 2002 (For the Entire Directories Company, Not Washington Only) vs Total Direct and Telco Billed Accounts. For 2002, This % Was 53%.**

**In 2003, Franchise vs Non-Franchise Revenues Were Not Available/No Longer Tracked As in Prior Years. Therefore, For Purposes of This Exercise, The Same % for 2002 Was Estimated/Used for 2003.**