VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS

2004 Washington General Rate Case Correction to Verizon Calculation of P17 (Thousands of Dollars)

23 24 Exhibit No.____(NWH-22)
Docket No. UT-040788
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(a) (b) (c) (d) (e) (f) (g) (h)

This adjustment is to correct the Company's formula error in calculating accumulated depreciation and the subsequent impact in deferred income taxes.

	, , , , , , , , , , , , , , , , , , ,			, ,	Company	Company	Revised	Revised	
Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Amount Inc (Dec)	Intrastate Amount Inc (Dec)	Amount Inc (Dec)	Intrastate Amount Inc (Dec)	
1	Telecom Plant In Service	2XXX	5.1093%	75.5366%	(5,854)	(4,196)			
2									
3	Accumulated Depreciation Reserve	3XXX	3.7916%	75.7228%	41,448	30,196		(35,266)	
4									
5	Deferred Income Taxes (Line 3 X 35% (FIT))	4XXX				(10,568)		4,118	
6	December 1997	0507	0.54540/	74.04050/	04.545	47.440			
/	Depreciation expense	656X	2.5454%	74.9435%	64,515	47,119			
8 9					Company		Revised		
10	Accumulated Depreciation Reserve	Acc Depr Res Pr	roforma	-	(19,608,795)		(19,608,795)		
11	Accumulated Depreciation Reserve	1/2 Retirement	ioioiiia		28,799,207		(28,799,207)		
12		1/2 Depreciation Expense			32,257,708		(20,799,207)		
13		1/2 Depreciation	LAPCHSC		41,448,119	30,196	(48,408,002)	(35,266)	
14					11,110,110	00,100	(10,100,002)	(00,200)	
15	Deferred Income Taxes (Acc. Depr Res X 35% (FIT))								
16		,,							
17		Acc Depr Res Pr	roforma		(19,608,795)		(19,608,795)		
18		1/2 Retirement			28,799,207		(28,799,207)		
19		1/2 Depreciation Expense			32,257,708		32,257,708		
20		•	•		41,448,119		(16,150,294)		
21		Times .35 Deferred FIT impact			14,506,842	(10,568)	(5,652,603)	4,118	
22			•			•			

VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS 2004 Washington General Rate Case

2004 Washington General Rate Case Company's Revision to Staff Calculation of P17 (Thousands of Dollars) Exhibit No.____(NWH-23)

Docket No. UT-040788

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(a) (b) (c) (d) (e) (f) (g) (h)

This adjustment is to correct Staff's failure to account for depreciation in accumulated depreciation.

Triis aujus	iment is to correct Starrs railure to account for depreciation in	Staff	Staff	Revised	Revised			
Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Amount Inc (Dec)	Intrastate Amount Inc (Dec)	Amount Inc (Dec)	Intrastate Amount Inc (Dec)
1 2	Telecom Plant In Service	2XXX	5.1093%	75.5366%	(5,854)	(4,196)		
3	Accumulated Depreciation Reserve	3XXX	3.7916%	75.7228%	(48,408)	(35,266)		(34,435)
5 6	Deferred Income Taxes	4XXX				3,971		
7 8	Depreciation expense	656X	2.5454%	74.9435%	(2,282)	(1,667)		
9 10 11 12	Accumulated Depreciation Reserve	Acc Depr Res Pour 1/2 Retirement 1/2 Depreciation		-	Staff (19,608,795) (28,799,207)	Staff	Revised (19,608,795) (28,799,207) 1,141,113	
13 14 15	Deferred Income Taxes (Acc. Depr R	Res X 35% (FIT))			(48,408,002)	(35,266)	(47,266,889)	(34,435)
16 17 18		Acc Depr Res Proforma 1/2 Retirement 1/2 Depreciation Expense			(19,608,795) (28,799,207)			
19 20		Times .35 Deferred FIT impact			(48,408,002)			
21 22		Times .11	·		(5,324,880)	3,879		
23 24 25 26		Deferred Tax eff Times .11	ect of Depr. Exp. /	Adj at 1/2 Yr	(1,141,113) (125,522)	91 3,971		
27 28 29 30 31	Depreciation expense	Proforma TPIS Test Yr TPIS Old Rate New Rate Change in Rate		<u> </u>	159,904,009 162,186,234			
32		Proforma Depr			(2,282,225)	(1,667)		