

VERIZON NORTHWEST INC. - WASHINGTON OPERATIONS
 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.

Line No.	Description	Account Code	CAM Factor	Intrastate Factor	Staff	Staff	Revised	Revised
					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%	(48,408)	(35,266)		(34,435)
4								
5	Deferred Income Taxes	4XXX				3,971		
6								
7	Depreciation expense	656X	2.5454%	74.9435%	(2,282)	(1,667)		
8								
9								
10	Accumulated Depreciation Reserve	Acc Depr Res Proforma			(19,608,795)		(19,608,795)	
11		1/2 Retirement			(28,799,207)		(28,799,207)	
12		1/2 Depreciation Expense					1,141,113	
13					(48,408,002)	(35,266)	(47,266,889)	(34,435)
14	Deferred Income Taxes (Acc. Depr Res X 35% (FIT))							
15								
16		Acc Depr Res Proforma			(19,608,795)			
17		1/2 Retirement			(28,799,207)			
18		1/2 Depreciation Expense						
19					(48,408,002)			
20		Times .35 Deferred FIT impact						
21		Times .11			(5,324,880)	3,879		
22								
23		Deferred Tax effect of Depr. Exp. Adj at 1/2 Yr			(1,141,113)			
24		Times .11			(125,522)	91		
25						3,971		
26								
27	Depreciation expense	Proforma TPIS			159,904,009			
28		Test Yr TPIS			162,186,234			
29		Old Rate						
30		New Rate						
31		Change in Rate						
32		Proforma Depr			(2,282,225)	(1,667)		