February 24, 2005

NOTICE SUSPENDING PROCEDURAL SCHEDULE and NOTICE OF HEARING ON SETTLEMENT PROPOSAL (Set for Friday, March 18, 2005, 1:30 p.m.)

RE: WUTC v. Verizon Northwest Inc. Docket No. UT-040788

In the Matter of the Petition of Verizon Northwest, Inc., for Approval of Revised Depreciation Rates, Docket No. UT-040520

TO ALL PARTIES:

On February 23, 2005, Commission Staff filed a Settlement Agreement on behalf of parties to the docket that would, if accepted, resolve all contested issues in this proceeding. The Commission will convene a hearing for purposes of exploring the terms and conditions of the settlement and to determine whether the result of the settlement is consistent with the public interest and the requirements of law. The procedural schedule in Docket Nos. UT-040788 and UT-040520 is suspended, except for public hearings set for March 22 and 23, 2005.

PLEASE TAKE NOTICE That the evidentiary hearings in Docket No. UT-040788 scheduled to begin Monday, March 7, 2005, and the evidentiary hearings in Docket No. UT-040520 scheduled to begin Monday, April 4, 2005, are cancelled.

PLEASE TAKE FURTHER NOTICE That a hearing on the parties' proposed settlement will be held on Friday, March 18, 2005, beginning at 1:30 p.m., in Room 206, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

Sincerely,

C. ROBERT WALLIS Administrative Law Judge