

1 ratepayer interest in the sale proceeds is satisfied in ~~2008~~~~2011~~. This proposal
2 does not harm the ratepayer since rates do not change, which is consistent with
3 the agreements made in Docket No. UT-991358. In Docket No. UT-991358,
4 Public Counsel and the Commission Staff agreed not to initiate, or support any
5 third-party in a request for the Commission to initiate any complaint proceeding
6 regarding the overall revenues or earnings level of the Company prior to January
7 1, 2004.³⁷ The Commission also agreed it would not take any action that would
8 change the retail prices or access rates of the Company prior to January 1, 2004.
9 The Company agreed not to seek to increase any tariffed rate or charge prior to
10 January 1, 2004, except as otherwise specified in the agreement.³⁸

11 Under QC's proposal, ratepayers will receive the current value of the existing
12 imputation of \$103,370,843 (an increase of over \$18 million or 21% of the value last
13 set in Docket No. UT-970766) for the regulated results of operation each year until
14 ~~2008~~~~2011~~. The benefit is received through the calculation of the Company's results of
15 operation and is most relevant when such results are formally reviewed as part of a
16 rate case or earnings investigation. Under QC's proposal, should a review commence
17 between 2004 and ~~2008~~~~2011~~, the amount of annual imputation to QC intrastate
18 revenues will be \$103,370,843. If all of the Company's retail services are
19 competitively classified prior to ~~2008~~~~2011~~, imputation will essentially be

³⁷ Under the settlement agreement, Commission Staff and Public Counsel could seek to change rates to: (1) implement a state or federal program of universal service support, or similar program; (2) effect revenue-neutral rate rebalancing; (3) adjust revenues for changes in reciprocal compensation expense; or (4) adjust revenues for changes in mandated costs.

³⁸ The Company agreed to not seek to increase any tariffed rate or charge other than to: (1) implement a state or federal program of universal service support, or similar program; (2) effect revenue-neutral or revenue-negative rate rebalancing; (3) adjust revenues for increases in reciprocal compensation expense; (4) adjust revenues for changes in mandated costs and to recover mandates imposed by federal, state or local governments; or (5) make individual or minor rate adjustments in the normal course of its business (including, without limitation, individual case basis contracts, new service offerings and price listed services).