approves the Agreement. This Agreement is expressly subject to Commission approval except for ¶¶ 11 and 12 below. The Parties agree that if the Commission approves the Agreement without material change, this docket will be concluded.

E. Agreed Conditions on Approval of the Separation

7 The conditions are as follows:

1. Directory Sale

a. The Washington portion of the gain on sale of Sprint's directory publishing operations is **BEGIN HIGHLY CONFIDENTIAL**** [redacted] ****END HIGHLY CONFIDENTIAL.**

b. $9,789,750 will be attributed to ratepayers.

c. The $9,789,750 will be amortized over ten years resulting in an annual amortization of $1.451M. This directory gain on sale amortization will begin on January 1, 2008, or on the effective date of any new rates that are developed as a result of a rate case or an earnings investigation, whichever is earlier. At the time the directory gain on sale amortization described in this section begins, the amortization will replace existing directory imputation. The amortization period will continue for ten years, after which time the directory gain on sale amortization will cease.

d. An additional one-time bill credit of four-hundred-thousand dollars ($400,000) will be divided between retail customers on a per account basis. The bill credit shall be issued to customers as soon as practicable after the Separation, but no later than 60 days after transaction closing. Not later than 120 days after transaction closing, United shall render an accounting and reconciliation report to Commission Staff and Public Counsel of the number and amounts of credits applied with a reconciliation of total bill credits to the $400,000 target. Within 60 days after filing of the aforementioned report the Parties shall present to the Commission their joint or separate recommendations for the distribution of any bill credit residuary from the $400,000.