

1 On February 17, 1995, the Company filed a general rate case in Docket No. UT-
2 950200. In that case the imputation of directory revenues was increased to
3 \$79,900,000. Rates resulting from this docket were in effect between May 1, 1997
4 and January 31, 1998. Finally, in Docket No. UT-970766, effective February 1,
5 1998, the WUTC ordered an imputation of \$85,223,468, using a 1996 test year.
6 This was the last Commission order that included a directory imputation
7 calculation.

8 **VII. COMMISSION ACTION REQUESTED BY QWEST IN THIS DOCKET**

9 **Q. IS QC SEEKING TO INCREASE ITS RATES AT THIS TIME AS A**
10 **RESULT OF THE DEX SALE?**

11 A. No. QC is not asking to increase its rates at this time based upon the Dex sale.
12 ~~Therefore, the sale need not affect current levels of directory revenue imputation.~~
13 Under QC's proposal, Washington ratepayers will continue to receive the current
14 value of the existing imputation embedded in rates until the ratepayer interest in
15 the sale proceeds is satisfied in year 2008~~2011~~.

16 **Q. PLEASE EXPLAIN HOW RATEPAYERS WILL CONTINUE TO**
17 **RECEIVE THE CURRENT VALUE OF THE EXISTING IMPUTATION**
18 **EMBEDDED IN RATES UNTIL 2008**~~2011~~.

19 A. Ratepayers will receive the current value of the existing imputation of \$103,370,843
20 as an adjustment to revenues for the regulated results of operation each year until
21 2008~~2011~~. The adjustment will be in accordance with the imputation methodology
22 employed since 1989 and detailed in the settlement agreement.²² The adjustment to
23 revenues is included in the results of operations reported by QC

²² *Id.*