

1 ratepayer interest associated with the Dex sale will be fully satisfied when rates no  
2 longer require the support of the imputation of directory revenues.

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4 **Q. DOES THE DEX SALE REQUIRE COMMISSION APPROVAL?**

5 A. No. QC does not believe the Dex sale is subject to Chapters 80.12 RCW or 480-  
6 143 WAC. RCW 80.12.020 requires pre-approval of any sale, lease, assignment  
7 or other disposal by a public service company or any of its franchises, properties or  
8 facilities *which are necessary or useful in the performance of its duties to the*  
9 *public.* WAC 480-143-480(4) clarifies that, for purposes of RCW 80.12.020,  
10 property is not “necessary or useful” if it is excluded from the public service  
11 company’s rate base.

12 QC does not suggest that this lack of authority changes the Commission's rulings  
13 in the prior dockets associated with directory revenues and/or earnings and the  
14 imputation of those revenues for ratemaking purposes. QC's interpretation of the  
15 Accounting Order (~~which held is that QC retained the right to publish directories~~  
16 ~~and the goodwill associated with the directory advertising business.) is that no~~  
17 ~~approval is required under~~ QC’s interpretation of Washington law is that no  
18 Commission approval is required for the sale or transfer of this asset to the Buyer.  
19 The goodwill associated with the directory advertising business in Washington and  
20 the right to publish a directory on behalf of Qwest have always been excluded  
21 from the rate base of PT&T, PNB, U S WEST and QC. In fact, there is no asset of  
22 any kind on QC’s Washington regulated asset accounts which pertains to the  
23 directory business. As such, the sale of goodwill to the Buyer and the right to  
24 publish directories on behalf of Qwest do not require Commission approval, even  
25 if the transferor is QC.