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2 **BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

3
4 In the Matter of Sprint Nextel Corporation's
5 Application for Approval of Transfer of
6 Control of United Telephone Company of the
7 Northwest and Sprint Long Distance, Inc.
8 from Sprint Nextel Corporation to LTD
9 Holding Company

Docket No. UT-051291

**DIRECTORY BILL CREDIT ACCOUNTING
AND RECONCILIATION REPORT**

7 Regarding the Sale and Transfer of Sprint
8 Publishing and Advertising to R.H.
9 Donnelley, a non-affiliate

10 **I. INTRODUCTION**

11 On March 13, 2006, the Washington Utilities and Transportation Commission
12 ("Commission"), in Order 06 in this Docket, adopted the Settlement Agreement between the
13 parties of this docket ("Agreement"). On page 3, under 1(d), the Agreement states as follows:

14 Not later than 120 days after transaction closing, United shall
15 render an accounting and reconciliation report to Commission
16 Staff and Public Counsel of the number and amounts of credits
17 applied with a reconciliation of total bill credits to the \$400,000
18 target.

19 This pleading provides the accounting and reconciliation data required by the Agreement.

20 **II. BACKGROUND**

21 In accordance with the Agreement, United was required to provide bill credits totaling
22 \$400,000 to active retail customers of record on a per account basis. On June 29, 2006, United
23 obtained a current customer account total as of that day. That number was divided into
24 \$400,000 and the credit amount of \$7.45 per account was calculated. The actual bill credits
25 were applied to customers' accounts on June 30, 2006. Total actual credits posted to
26 customers' accounts were \$399,141.20. The credits appeared on customers' bills during the
July billing cycles.

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III. RECONCILIATION REPORT

Regarding the disposition of the \$400,000 bill credit, United's accounting reporting data indicates that \$400,000 was accrued as a liability in May 2006 and maintained at that amount in June 2006. The accounting accrual was estimated to apply to residential accounts in the amount of \$352,000 and business accounts in the amount of \$48,000. The accrual was reversed in July 2006 as the actual credits were processed through the billing system and posted to customers' accounts.

The actual bill credits applied to customers' bills in July 2006 totaled \$399,141.20 of which \$350,813.05 was applied to residential accounts and \$48,328.15 was applied to business accounts. The amounts credited in each of the customer bill cycles in July is shown on Attachment A.

With the credits totaling \$399,141.20 issued in July 2006, there is a residuary of \$858.20 from the committed amount of \$400,000. Please see Attachment A for the accounting reporting data. By the terms of the Agreement,¹ sixty days after this report is filed, the parties to the Agreement should present to the Commission their joint or separate recommendations for the distribution of a Bill Credit residuary from the \$400,000.

RESPECTFULLY SUBMITTED this 5th day of September, 2006.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

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¹ Settlement Agreement at p. 3.