

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of)	DOCKET UT-960709
GTE NORTHWEST INCORPORATED for an Order)	
Approving an Agreement and Amendment to)	ORDER GRANTING
the Agreement with GTE Directories)	APPLICATION
.....)	

~~On May 22, 1996, GTE Northwest Incorporated (GTE-NW) filed an application with the Commission under the provisions of chapter 80.16 RCW for an order granting approval of a 1985 directory publishing agreement between Mast Advertising and Publishing, Inc., (Mast) and Continental Telephone Company of the Northwest, Inc. (Contel), and an amendment to that agreement between GTE-NW and Associated Directory Services (ADS, formerly Mast).~~

Subsequent to 1985, Contel merged with GTE-NW, and GTE Directories purchased the directory publishing contracts for the former Contel companies from ADS, a subsidiary of SBC Corporation. GTE Directories and GTE-NW are both wholly owned subsidiaries of GTE Corporation and are, therefore, affiliated interests as defined in RCW 80.16.010.

Under the terms of the proposed Agreement and Amendment, ADS will compile, print and sell advertising for telephone directories of former Contel exchanges of GTE-NW. GTE-NW retains a portion of the revenues generated therefrom by GTE Directories. The Amendment to the Agreement increases the revenue retention percentage in exchange for a one-time payment from GTE-NW to ADS. The amended agreement is effective January 1, 1996, and expires in 2001. GTE-NW states that the Agreement and Amendment will create synergies as a result of managing directory publishing with one publisher instead of two, and that GTE-NW customers will benefit from the arrangement.

The Commission neither approves nor disapproves the reasonableness of the fees, charges, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, or allocations in a future rate proceeding.

FINDINGS

THE COMMISSION FINDS:

1. GTE Northwest Incorporated, a Washington corporation, is a public service company subject to the jurisdiction of this

Commission under the provisions of chapter 80.16 RCW.

2. GTE Directories Corporation is an affiliated interest of ~~GTE Northwest Incorporated, as defined in RCW 80.16.010.~~

3. ~~As to form, the application filed herein meets the requirements of chapter 80.16 RCW and the rules and regulations adopted pursuant thereto.~~

4. It appears, upon investigation, that the arrangement between GTE Northwest Incorporated and GTE Directories Corporation is reasonable and consistent with the public interest and should, therefore, be approved.

O R D E R

THE COMMISSION ORDERS:

1. Subject to the conditions of this order, GTE Northwest Incorporated is hereby authorized to enter into a directory publishing Agreement with GTE Directories, as described in Appendix A of the application herein.

2. GTE Northwest Incorporated shall file with the Commission details of the arrangement described in ordering paragraph no. 1 of the ~~order herein~~, as required by WAC 480-146-091, Reporting of Affiliated Interest Transactions.

3. The reasonableness of the fees, charges or accounting allocations involved in carrying out the provisions of ordering paragraph no. 1 of this order are neither approved nor disapproved in this proceeding.

4. Jurisdiction over these proceedings is hereby retained by the Commission for the purpose of entering such further orders or of taking any other action it may deem necessary and proper in respect to the subjects under consideration in these proceedings.

5. This order shall in no way affect the authority of this Commission over rates, service, or accounts, evaluations, estimates, or determination of cost or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

DATED at Olympia Washington and effective this 9th day of October, 1996.

