

YEAR 2000

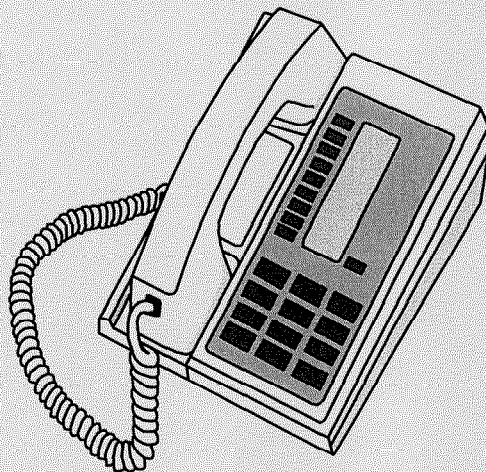
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PUBLIC SERVICE  
COMMISSION

ANNUAL REPORT  
OF

**Qwest Corporation**

TELEPHONE UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

# Telephone Annual Report

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# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL 97 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS - PROTECTION - UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print - See the worksheet "CONTROL".
5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

9. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4  
Schedule 10  
Schedules 13 - 17  
Schedule 19  
Schedule 20, Page 1 of 2  
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

10. All companies owned by another company shall attach a corporate structure chart of the holding company.
11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:
- Schedule 6  
Schedules 17 and 18  
Schedule 21
12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
16. Common sense must be used when filling out all schedules.

### **Specific Instructions**

#### **Schedules 3 through 9**

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).
2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.

4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

#### **Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

#### **Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) - Name/Position, or Column (g) - Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

#### **Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

#### **Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.



### **Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

### **Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

### **Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

### **Schedule 37**

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

## General Information

Year: 2000

1. Legal Name of Respondent:  
Qwest Corporation
2. Name Under Which Respondent Does Business:  
Qwest Corporation
3. Date of Incorporation:  
The Colorado Telephone Company was organized January 10, 1881, consolidated with the Tri-State Telephone and Telegraph Company on July 17, 1911, forming the Mountain States Telephone and Telegraph Company which on July 20, 1911, purchased the Rocky Mountain Telephone Company. On January 1, 1991, the Mountain States Telephone and Telegraph Company was merged with Northwestern Bell and Pacific Northwest Bell to form U S WEST Communications, Inc. On July 1, 2000, U S WEST, Inc., together with all its subsidiaries, including U S WEST Communications, Inc., was merged into Qwest Communications International, Inc.
4. Address to send Correspondence Concerning Report:  
441 North Park Avenue, Room 7  
Helena, Montana 59624
5. Person Responsible for This Report:  
Gary Duncan
- 5a. Telephone Number:  
(406)441-7288

## Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of the year, provide the following:
- 1a. Name and address of the controlling organization or person:  
Qwest Communications International, Inc.  
1801 California Street  
Denver, Colorado 80202
- 1b. Means by which control was held:  
Through ownership of voting securities
- 1c. Percent Ownership:  
100%

## Board of Directors

Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Augustine M. Cruciotti Denver, Colorado	None
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

## Officers

**Year: 2000**

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	Senior Vice President	Network Services and Secretary	Robert Tregemba, Littleton, CO
2	Senior Vice President	Qwest Services Corporation	Carol Kline, Denver, CO
3	Assistant Secretary		Kamelia Davidson, Denver, CO
4	Assistant Secretary		Jennifer Pettus, Denver, CO

## Total Company Balance Sheet

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	237,562	42,284
3	1180	Telecommunications Accounts Receivable - Net	1,489,488	1,511,596
4	1190	Other Accounts Receivable - Net	311,568	320,249
5	1200	Notes Receivable - Net	(11)	(10)
6	1210	Interest and Dividends Receivable	736	588
7	1220	Materials and Supplies	131,415	156,194
8	* 1280	Prepayments	31,287	24,240
9	^ 1290	Prepaid Rents	0	0
10	^ 1300	Prepaid Taxes	15,224	10,940
11	^ 1310	Prepaid Insurance	299	2,338
12	^ 1320	Prepaid Directory Expenses	0	0
13	^ 1330	Other Prepayments	15,764	10,962
14	1350	Other Current Assets	85,672	64,778
15		<b>Total Current Assets</b>	<b>2,287,717</b>	<b>2,119,919</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	(137,780)	182,171
18	1402	Investments in Nonaffiliated Companies	8,548	8,221
19	1406	Nonregulated Investments	0	0
20	1407	Unamortized Debt Issuance Expense	132,356	136,855
21	1408	Sinking Funds	0	0
22	1410	Other Noncurrent Assets	357,562	411,014
23	1438	Deferred Maintenance and Retirements	0	0
24	1439	Deferred Charges	842,172	313,977
25	1500	Other Jurisdictional Assets - Net	206,130	405,039
26		<b>Total Noncurrent Assets</b>	<b>1,408,988</b>	<b>1,457,277</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	38,609,393	35,279,885
29	2002	Property Held for Future Telecommunications Use	0	1,250
30	2003	Plant Under Construction - Short Term	822,358	1,189,684
31	2004	Plant Under Construction - Long Term	189,141	127,415
32	2005	Telecommunications Plant Adjustment	2,746	2,746
33	2006	Nonoperating Plant	53,056	39,488
34	2007	Goodwill	0	0
35	3100	Accumulated Depreciation	(19,320,508)	(18,213,385)
36	3200	Accumulated Depreciation - Held for Future Use	0	0
37	3300	Accumulated Depreciation - Nonoperating	0	(16,785)
38	3400	Accumulated Amortization (Includes 3500 and 3600)	(350,334)	(204,550)
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>20,005,852</b>	<b>18,205,748</b>
40		<b>TOTAL ASSETS</b>	<b>23,702,557</b>	<b>21,782,944</b>

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^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	1,759,470	1,756,668
43	4020	Notes Payable	586,498	217,937
44	4030	Advance Billing and Payments	341,986	301,517
45	4040	Customer Deposits	40,686	40,926
46	4050	Current Maturities - Long Term Debt	238,586	522,000
47	4060	Current Maturities - Capital Leases	117,931	73,488
48	4070	Income Taxes - Accrued	218,561	211,633
49	4080	Other Taxes - Accrued	282,363	247,193
50	4100	Net Current Deferred Operating Income Taxes	(48,643)	(127,618)
51	4110	Net Current Deferred Nonoperating Income Taxes	953	(267)
52	4120	Other Accrued Liabilities	491,914	850,458
53	4130	Other Current Liabilities	368,460	81,800
54		<b>Total Current Liabilities</b>	<b>4,398,765</b>	<b>4,175,735</b>
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt	6,107,693	5,290,693
57	4220	Premium on Long-Term Debt	142	924
58	4230	Discount on Long-Term Debt	(124,824)	(123,836)
59	4240	Reacquired Debt	0	0
60	4250	Obligations Under Capital Leases	164,553	92,062
61	4260	Advances From Affiliated Companies	0	0
62	4270	Other Long-Term Debt	67,811	123,469
63		<b>Total Long-Term Debt</b>	<b>6,215,375</b>	<b>5,383,312</b>
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities	1,468,123	1,474,629
66	4320	Unamort. Oper. Invest. Tax Credits - Net	234,618	251,551
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net	0	0
68	4340	Net Noncurrent Deferred Oper. Income Taxes	2,568,749	2,526,463
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	12,471	9,548
70	4360	Other Deferred Credits	1,390,928	738,365
71	4370	Other Jurisdictional Liab. and Def. Credits	44,254	69,285
72		<b>Total Other Liabilities and Deferred Credits</b>	<b>5,719,143</b>	<b>5,069,841</b>
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	8,034,312	8,067,038
75	4520	Additional Paid-In Capital	0	0
76	4530	Treasury Stock	0	0
77	4540	Other Capital	0	0
78	4550	Retained Earnings	(665,038)	(912,982)
79		<b>Total Stockholders' Equity</b>	<b>7,369,274</b>	<b>7,154,056</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>23,702,557</b>	<b>21,782,944</b>

## Total Company Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	5,787,001	5,703,825
3	5080	Network Access Revenues	4,075,102	3,848,642
4	* 5100	Long Distance Message Revenue	373,686	560,503
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	372,513	558,509
6	^ 5120	Long Distance Private Network Revenue	1,172	1,994
7	^ 5160	Other Long Distance Revenue	1	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	1,410,299	1,193,732
10	^ 5230	Directory Revenue	90,738	95,732
11	^ 5240	Rent Revenue	238,088	97,947
12	^ 5250	Corporate Operations Revenue	59,332	59,990
13	^ 5260	Miscellaneous Revenue	234,374	201,864
14	^ 5270	Carrier Billing and Collection Revenue	183,469	144,927
15	^ 5280	Nonregulated Revenue	604,298	593,272
16	5300	Uncollectible Revenue	130,610	102,162
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>11,515,478</b>	<b>11,204,540</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	12,747	7,855
20	6120	General Support Expense	606,063	476,883
21	6210	Central Office Switching Expense	175,755	218,650
22	6220	Operator Systems Expense	596	972
23	6230	Central Office Transmission Expense	136,832	140,535
24	6310	Information Origination/Termination Expense	188,087	187,353
25	6410	Cable and Wire Facilities Expense	790,896	751,518
26	6431	Aerial Wire Expense	682	554
27	6441	Conduit Systems Expense	14,151	13,555
28	6510	Other Property, Plant & Equipment Expense	4,731	4,901
29	6530	Network Operations Expense	675,948	683,977
30	6540	Access Expense	313,735	359,314
31	6560	Depreciation and Amortization Expense	2,805,372	2,585,287
32	6610	Marketing	579,061	601,371
33	6620	Services	838,176	833,754
34	6710	Executive and Planning	129,569	90,787
35	6720	General and Administrative	1,431,454	1,205,849
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>8,689,022</b>	<b>8,149,006</b>
38	7100	Other Operating Income and Expense	53	7,746
39	7200	Operating Taxes	1,102,049	1,231,101
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,724,460</b>	<b>1,832,179</b>
41	7300	Nonoperating Income and Expense	(292,713)	(185,777)
42	7400	Nonoperating Taxes	5,234	2,449
43	7500	Interest and Related Items	564,847	432,703
44	7600	Extraordinary Items	0	0
45	7910	Effects of Juris. Ratemaking Diff. - Net	(173,865)	(144,138)
46	7990	Nonregulated Net Income	0	0
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>687,801</b>	<b>1,067,112</b>

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^ Subaccount of the account marked with a \*.

Note 1: This includes accounts 5100, 5111, and 5112 to be consistent with prior years.

## Montana Total State Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	141,736	141,581
3	5080	Network Access Revenues	101,459	97,216
4	* 5100	Long Distance Message Revenue	9,730	17,705
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,731	17,706
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	13,260	10,610
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(7,062)	(8,902)
12	^ 5250	Corporate Operations Revenue	544	1,269
13	^ 5260	Miscellaneous Revenue	3,635	3,120
14	^ 5270	Carrier Billing and Collection Revenue	2,955	2,773
15	^ 5280	Nonregulated Revenue	11,026	10,115
16	5300	Uncollectible Revenue	2,274	2,279
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>263,911</b>	<b>264,833</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	236	223
20	6120	General Support Expense	9,116	6,721
21	6210	Central Office Switching Expense	3,145	4,556
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	2,428	2,668
24	6310	Information Origination/Termination Expense	2,941	3,305
25	6410	Cable and Wire Facilities Expense	10,869	10,637
26	6431	Aerial Wire Expense	11	11
27	6441	Conduit Systems Expense	55	73
28	6510	Other Property, Plant & Equipment Expense	28	(27)
29	6530	Network Operations Expense	11,415	12,750
30	6540	Access Expense	4,489	8,000
31	6560	Depreciation and Amortization Expense	62,081	62,745
32	6610	Marketing	10,823	11,621
33	6620	Services	17,386	18,179
34	6710	Executive and Planning	3,201	2,049
35	6720	General and Administrative	23,976	24,468
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>162,134</b>	<b>167,895</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	0	5
39	7200	Operating Taxes	39,482	46,442
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>62,295</b>	<b>50,491</b>

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^ Subaccount of the account marked with a \*.

Note 1: This includes accounts 5100, 5111, and 5112 to be consistent with prior years.

## Montana Intrastate Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	141,736	141,581
3	5080	Network Access Revenues	24,293	23,494
4	* 5100	Long Distance Message Revenue	9,671	17,666
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,672	17,667
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	1,205	93
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(5,235)	(6,551)
12	^ 5250	Corporate Operations Revenue	401	935
13	^ 5260	Miscellaneous Revenue	3,004	2,522
14	^ 5270	Carrier Billing and Collection Revenue	901	688
15	^ 5280	Nonregulated Revenue	(27)	264
16	5300	Uncollectible Revenue	2,468	2,038
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>174,437</b>	<b>180,796</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	140	154
20	6120	General Support Expense	6,015	4,569
21	6210	Central Office Switching Expense	1,712	2,785
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	1,566	1,713
24	6310	Information Origination/Termination Expense	629	469
25	6410	Cable and Wire Facilities Expense	7,495	7,451
26	6431	Aerial Wire Expense	7	8
27	6441	Conduit Systems Expense	38	51
28	6510	Other Property, Plant & Equipment Expense	33	1
29	6530	Network Operations Expense	6,841	7,846
30	6540	Access Expense	2,893	5,950
31	6560	Depreciation and Amortization Expense	40,399	41,817
32	6610	Marketing	6,794	7,417
33	6620	Services	13,269	13,711
34	6710	Executive and Planning	2,205	1,411
35	6720	General and Administrative	16,285	16,026
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>106,275</b>	<b>111,320</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(1,517)	(1,697)
39	7200	Operating Taxes	26,957	34,166
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>42,721</b>	<b>37,007</b>

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^ Subaccount of the account marked with a \*.

Note 1: This includes accounts 5100, 5111, and 5112 to be consistent with prior years.



## Montana Intrastate Regulated Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	139,229	139,218
3	5080	Network Access Revenues	19,444	19,258
4	* 5100	Long Distance Message Revenue	9,670	17,665
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,671	17,666
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	503	554
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(4,958)	(6,258)
12	^ 5250	Corporate Operations Revenue	358	870
13	^ 5260	Miscellaneous Revenue	2,969	2,405
14	^ 5270	Carrier Billing and Collection Revenue	(0)	1
15	^ 5280	Nonregulated Revenue	(27)	1,301
16	5300	Uncollectible Revenue	2,386	1,992
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>166,460</b>	<b>174,704</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	134	149
20	6120	General Support Expense	5,721	4,433
21	6210	Central Office Switching Expense	1,696	2,935
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	1,385	1,580
24	6310	Information Origination/Termination Expense	613	451
25	6410	Cable and Wire Facilities Expense	7,255	7,201
26	6431	Aerial Wire Expense	7	8
27	6441	Conduit Systems Expense	38	51
28	6510	Other Property, Plant & Equipment Expense	33	(1)
29	6530	Network Operations Expense	6,596	7,780
30	6540	Access Expense	2,893	5,950
31	6560	Depreciation and Amortization Expense	46,303	47,156
32	6610	Marketing	6,122	7,145
33	6620	Services	13,034	13,711
34	6710	Executive and Planning	2,104	1,375
35	6720	General and Administrative	21,542	18,806
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>115,430</b>	<b>118,671</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(1,517)	(1,710)
39	7200	Operating Taxes	24,237	29,909
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>28,310</b>	<b>27,835</b>

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^ Subaccount of the account marked with a \*.

Note 1: This includes accounts 5100, 5111, and 5112 to be consistent with prior years.

**Average Rate Base - Total State**

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	838,308	793,864
2	3100	Accumulated Depreciation (Note 1)	463,643	412,710
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	797	671
6	4340	Noncurrent Deferred Operating Income Taxes	63,142	66,903
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	312,320	314,922

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	558,915	533,216
2	3100	Accumulated Depreciation (Note 1)	307,489	275,605
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	537	436
6	4340	Noncurrent Deferred Operating Income Taxes	42,519	44,909
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	209,444	213,138

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	536,242	523,104
2	3100	Accumulated Depreciation (Note 1)	314,314	251,951
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	515	422
6	4340	Noncurrent Deferred Operating Income Taxes	29,047	46,009
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	193,395	225,566

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Note 1: This also includes Accumulated Amortizations, accounts 3410, 3420, 3500, 3600.

## Statement of Cash Flows

(Thousands of Dollars)

Year: 2000

Line No.	Item Description (a)	This Year (b)	Last Year (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income	687,800	1,067,112
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	2,805,372	2,585,287
6	Provision for Accounts Receivable Losses	130,610	102,164
7	Deferred Income Taxes - Net	75,477	(53,888)
8	Unamortized Investment Tax Credits (ITCs) - Net	(17,011)	(5,524)
9	Allowance for Funds Used During Construction (AFUDC)	(51,242)	(27,138)
10	Change in Operating Receivables - Net	30,642	(186,734)
11	Change in Materials, Supplies & Inventories - Net	24,780	(31,092)
12	Change in Operating Payables & Accrued Liabilities - Net	402,412	256,961
13	Change in Other Assets & Deferred Charges - Net	47,587	538,510
14	Change in Other Liabilities & Deferred Credits - Net	621,017	198,104
15	Other	(220,446)	219,884
16	Total Adjustments	3,849,198	3,596,534
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>4,536,998</b>	<b>4,663,646</b>
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	(4,433,598)	(3,696,909)
21	Proceeds from Disposals of Property, Plant & Equipment	171,874	(38,857)
22	Investments In & Advances to Affiliates	700	725
23	Proceeds from Repayment of Advances	0	0
24	Other Investing Activities	0	0
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(4,261,024)</b>	<b>(3,735,041)</b>
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.	368,561	94,984
28	Advances from Affiliates	0	0
29	Repayment of Advances from Affiliates	0	0
30	Proceeds from Issuances of Long-Term Debt	1,000,000	783,212
31	Repayment of Long-Term Debt	(522,000)	(225,695)
32	Payment of Capital Lease Obligations	(106,152)	(110,673)
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment	0	0
34	Repurchase of Treasury Shares	0	0
35	Dividends Paid	(821,104)	(1,495,224)
36	Other Financing Activities	0	0
37	<b>Net Cash Provided by Financing Activities</b>	<b>(80,695)</b>	<b>(953,396)</b>
38	Effect of Exchange Rate Changes on Cash	0	0
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>195,279</b>	<b>(24,791)</b>
40	Cash & Cash Equivalents at Beginning of Period	42,283	67,074
41	Cash & Cash Equivalents at End of Period	237,562	42,283

Company Name: Qwest Corporation

SCHEDULE 10

## Receivables and Investments-Affiliated &amp; Nonaffiliated Companies

(Thousands of Dollars)

Year: 2000

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow-Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	QWEST Wireless, LLC		530		63,103					(162,962)	
2	Malheur Home Telephone Company				351				736	12,438	
3	El Paso County Telephone									10,174	
4	Mubeta Development									2,571	
5	QWEST Communications Corporation		343								
6	QWEST Communication Services, Inc				9,904						
7	QWEST DEX		141		2,672						
8	QWEST Advanced Technologies, Inc		2		184						
9	QWEST Business Resources, Inc		1		1,118						
10	QWEST Federal Services, Inc				463						
11	QWEST Interprise America		4,197		10,029						
12	QWEST Broadband Services		89		35,193						
13	QWEST Long Distance				220						
14	QWEST Service Corporation				11,576						
15	QWEST Information Technologies, Inc.				10,771						
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27	All other investments				2,379						
28	Non-affiliates	37,056	1,543,078	58,893	163,605		(11)				8,548
29											
30	Totals	37,056	1,548,381	58,893	311,568	0	(11)	0	736	(137,779)	8,548

Company Name: Qwest Corporation - Montana

SCHEDULE 11

## Net Plant in Service - Detail

(Thousands of Dollars)

Year: 2000

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	*	2110 Land and Support Assets	66,625	3,592	2,264	0	67,953	32,431	35,522
2	^	2111 Land	1,736	0	0		1,736	0	1,736
3	^	2112 Motor Vehicles	10,316	698	579		10,435	8,116	2,319
4	^	2113 Aircraft	0	0	0		0	0	0
5	^	2114 Special Purpose Vehicles	147	0	0		147	101	46
6	^	2115 Garage Work Equipment	260	40	2		298	24	274
7	^	2116 Other Work Equipment	4,539	371	320		4,590	169	4,421
8	^	2121 Buildings	40,109	1,820	427		41,502	18,813	22,689
9	^	2122 Furniture	18	0	2		16	(75)	91
10	^	2123 Office Equipment	2,077	0	495		1,582	1,204	378
11	^	2124 General Purpose Computers	7,423	663	439		7,647	4,079	3,568
12		2211 Analog Electronic Switching	4	5	7		2	(3)	5
13		2212 Digital Electronic Switching	148,880	12,465	(3,511)		164,856	88,213	76,643
14		2215 Electro-Mechanical Switching	(1)	0	(1)		0	0	0
15		2220 Operator Systems	0	0	0		0	0	0
16		2231 Radio Systems	15,937	59	1,084		14,912	8,483	6,429
17		2232 Circuit Equipment	146,378	14,162	420		160,120	104,730	55,390
18	*	2310 Information Orig & Term Equip	8,457	609	186	0	8,880	5,551	3,329
19	^	2311 Station Apparatus	0	0	0		0	0	0
20	^	2321 Customer Premises Wiring	0	0	0		0	0	0
21	^	2341 Large Private Branch Exchanges	0	0	0		0	0	0
22	^	2351 Public Telephone Term. Equip.	3,417	74	185		3,306	2,817	489
23	^	2362 Other Terminal Equipment	5,040	535	1		5,574	2,734	2,840
24		2411 Poles	6,570	93	16		6,647	9,050	(2,403)
25	*	2420 Cable and Wire Facilities	385,204	16,687	1,530	0	400,361	230,778	169,583
26	^	2421 Aerial Cable	32,817	1,234	163		33,888	27,935	5,953
27	^	2422 Underground Cable	41,905	715	87		42,533	29,613	12,920
28	^	2423 Buried Cable	303,129	14,514	1,274		316,369	168,214	148,155
29	^	2424 Submarine Cable	32	0	0		32	25	7
30	^	2425 Deep Sea Cable	0	0	0		0	0	0
31	^	2426 Intrabuilding Network Cable	7,321	224	6		7,539	4,991	2,548
32		2431 Aerial Wire	1,059	35	6		1,088	1,175	(87)
33		2441 Conduit Systems	20,969	190			21,159	8,196	12,963
34		Totals	800,082	47,897	2,001	0	845,978	488,604	357,374

^ Subaccount of the account marked with a \*.

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## Analysis of Plant Held for Future Use

(Thousands of Dollars)

Year: 2000

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	<i>Qwest Corporation - Montana had no Plant Held for Future Use in 2000.</i>						
2							
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24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)		0	0	0	0	0

## Average Cost of Long Term Debt

(Thousands of Dollars)

Year: 2000

Line No.	Description	(a)	Issue Date	(b)	Maturity Date	(c)	Principal Amount	(d)	Gross Proceeds	(e)	Net Proceeds	(f)	Net Per \$100	(g)	Outstanding Per Balance Sheet	(h)	Yield to Maturity	(i)	Annual Net Cost	(j)	Amortization of Premium or Discount	(k)	Total Cost (%)	(l)
1	Qwest Corporation																							
2			10/15/95		10/15/02		250,000		247,642	N/A			99.06		249,367		6.38%		15,938		344		6.53%	
3	6.375% 07 Year Note		10/15/95		11/01/04		100,000		96,979	N/A			96.98		98,772		5.65%		5,650		286		6.01%	
4	5.650% 11 Year Note		11/01/04		09/15/05		250,000		247,661	N/A			99.06		248,853		6.63%		16,563		232		6.75%	
5	6.625% 10 Year Note		09/15/95		11/15/05		150,000		149,319	N/A			99.55		149,757		6.13%		9,188		56		6.17%	
6	6.125% 12 Year Note		11/15/93		06/15/93		150,000		149,319	N/A			99.55		149,757		6.13%		9,188		56		6.17%	
7	7.500% 30 Year Debenture		06/15/93		06/15/23		484,000		479,693	N/A			99.11		480,785		7.50%		36,300		146		7.58%	
8	7.250% 30 Year Debenture		09/15/95		09/15/25		250,000		247,278	N/A			98.91		247,708		7.25%		18,125		82		7.35%	
9	7.200% 31 Year Debenture		11/10/95		11/10/26		250,000		245,018	N/A			98.01		245,447		7.20%		18,000		117		7.38%	
10	8.875% 40 Year Debenture		06/01/91		06/01/31		250,000		240,477	N/A			96.19		241,322		8.88%		22,188		93		9.23%	
11	6.875% 40 Year Debenture		09/15/93		09/15/33		1,000,000		903,417	N/A			90.34		908,543		6.88%		68,750		823		7.66%	
12	7.250% 40 Year Debenture		10/15/95		10/15/35		250,000		244,154	N/A			97.66		244,551		7.25%		18,125		79		7.44%	
13	7.125% 50 Year Debenture		11/15/93		11/15/43		250,000		247,770	N/A			99.11		248,130		7.13%		17,813		50		7.20%	
14	5.625% 10 Year Note		11/15/98		11/15/08		320,000		316,787	N/A			99.00		317,243		5.63%		18,000		323		5.78%	
15	7.200% 5 Year Note		11/01/99		11/01/04		750,000		743,935	N/A			99.19		745,174		7.20%		54,000		1,063		7.39%	
16	7.625% 3 Year Note		06/09/00		06/09/03		1,000,000		991,896	N/A			99.19		993,233		7.63%		76,250		2,388		7.92%	
17																								
18	EASTERN REGION																							
19																								
20																								
21	6.000% 35 Year Debenture		09/01/66		09/01/01		50,000		49,777	N/A			99.55		49,996		6.00%		3,000		6		6.01%	
22	6.250% 39 Year Debenture		01/01/68		01/01/07		89,700		89,045	N/A			89.27		89,599		6.25%		5,906		17		6.28%	
23	Refinanced Debenture		02/15/77		02/15/17					N/A											498		-6.20%	
24	7.750% 40 Year Debenture		05/01/90		05/01/30		42,883		33,853	N/A			78.94		34,237		7.75%		3,323		54		9.86%	
25	Merger Costs																							
26	CENTRAL REGION																							
27																								
28																								
29	4.500% 40 Year Debenture		06/01/62		06/01/02		50,000		50,679	N/A			101.36		50,024		4.50%		2,250		(17)		4.46%	
30	5.500% 39 Year Debenture		06/01/66		06/01/05		40,760		40,738	N/A			99.95		40,758		5.50%		2,242		1		5.50%	
31	6.000% 40 Year Debenture		08/01/67		08/01/07		70,200		69,768	N/A			99.38		70,129		6.00%		4,212		11		6.02%	
32	Refinanced Debenture		11/15/76		11/15/16					N/A														
33	Refinanced Debenture		09/15/77		09/15/17					N/A														
34	Refinanced Debenture		06/01/83		06/01/23					N/A														
35	Refinanced Debenture		02/01/85		02/01/25					N/A														
36	Refinanced Debenture		02/01/77		02/01/17					N/A														
37	Refinanced Debenture		02/01/77		02/01/17					N/A														
38	7.375% 40 Year Debenture		02/01/77		02/01/17					N/A														
39	Merger Costs																							
40																								
41	Subtotal Page 1 of 2						5,952,693		5,777,368	N/A			97.05		5,706,034				419,588					

## Average Cost of Long Term Debt

(Thousands of Dollars)

Year: 2000

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	WESTERN REGION											
2												
3	4.375% 40 Year Debenture	09/01/62	09/01/02	50,000	N/A	50,539	101.08	50,022	4.38%	2,188	(13)	4.35%
4	4.500% 40 Year Debenture	04/01/63	04/01/03	50,000	N/A	50,779	101.56	50,044	4.50%	2,250	(19)	4.46%
5	Refinanced Debenture	05/01/80	05/01/20		N/A			(8,533)			441	-5.17%
6	Merger Costs							(362)			35	
7												
8												
9	MEDIUM TERM NOTE PROGRAM											
10												
11	7.100% 10 Year Note	01/19/93	01/20/03	35,000	N/A	34,768	99.34	34,952	7.10%	2,485	23	7.18%
12	7.100% 10 Year Note	01/21/93	01/21/03	12,000	N/A	11,921	99.34	11,984	7.10%	852	8	7.18%
13	7.050% 10 Year Note	01/27/93	01/27/03	15,000	N/A	14,901	99.34	14,979	7.05%	1,058	10	7.13%
14	6.960% 10 Year Note	02/03/93	02/03/03	18,000	N/A	17,881	99.34	17,975	6.96%	1,253	12	7.04%
15	6.970% 10 Year Note	02/03/93	02/03/03	15,000	N/A	14,901	99.34	14,979	6.97%	1,046	10	7.05%
16	6.900% 10 Year Note	02/04/93	02/04/03	10,000	N/A	9,934	99.34	9,986	6.90%	690	7	6.98%
17												
18												
19												
20	STRUCTURED NOTES											
21												
22	6.5120% 6 Year Note	11/27/95	11/27/01	133,000	N/A	133,000	100.00	133,000	6.51%	8,661	0	6.51%
23												
24												
25												
26												
27												
28	Subtotal Page 2 of 2			338,000	N/A	338,624	100.18	329,388		20,481	479	
29												
30	Grand Total			6,290,693	N/A	6,115,992	97.22	6,035,422		440,069	11,515	7.48%

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## NOTES:

The amortization of debt issuance expenses are included in column K for the debt issues.

Merger costs are not included in the calculation of the cost of debt.



## Cost of Preferred Stock

(Thousands of Dollars)

Year: 2000

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	<b>QWEST CORPORATION</b>											
2	<b>HAS NO PREFERRED STOCK</b>											
3												
4												
5												
6												
7												
8												
9												
10												
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22												
23												
24												
25												
26												
27												
28												
29												
30	<b>Totals (Sum L.1 to L.29)</b>					0	0			0	0	0

## Analysis of Common Stock

(Thousands of Dollars)

Year: 2000

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31, 2000:	1	7,369,274	687,800	269,299	See Note 4	N/A	N/A	N/A
2									
3									
4									
5									
6									
7									
8	Month by Month Data								
9	January		7,149,658	94,331	94,331	0.00%			
10	February		7,049,437	89,985	89,985	0.00%			
11	March		6,958,647	84,983	84,983	0.00%			
12	April		6,899,408	97,584	-	100.00%			
13	May		6,837,563	93,416	-	100.00%			
14	June		6,796,546	48,121	-	100.00%			
15	July		6,749,908	81,349	-	100.00%			
16	August		7,353,536	75,312	-	100.00%			
17	September		7,175,003	(171,592)	-	100.00%			
18	October		7,281,066	106,851	-	100.00%			
19	November		7,364,486	83,916	-	100.00%			
20	December		7,369,274	3,546	-	100.00%			
21									
22									
23									

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## Notes:

1. Qwest Corporation is 100% owned by Qwest Communications International, Inc., the parent company. Qwest Corporation has issued one share of stock to its parent company.
2. Because one share of stock is outstanding, all per share figures reflect gross dollar amounts of Book Value, Net Income, and Dividends.
3. Book Value (per share) in column C reflects Total Shareholders Equity and includes both capital stock and retained earnings.
4. Effective with April business, the dividend policy of Qwest Corporation changed from 0% retention ratio to 100% retention ratio.

Company Name: Qwest Corporation

SCHEDULE 16

**Capital Stock and Funded Debt Reacquired or Retired During the Year**

(Thousands of Dollars)

Year: 2000

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	<b>FUNDED DEBT</b>						
2	7 YR 6.56% Due 02-01-00	2/1/00		7,000			
3	(USWC) Medium						
4	40 YR 5.00% Due 04-01-00	4/1/00		40,000			
5	(Central)						
6	10 YR 9.5% Due 05-01-00	5/1/00		100,000			
7	(Central )						
8	10 YR 9.5% Due 05-01-00	5/1/00		75,000			
9	(Eastern)						
10	5 YR 6.125% Due 11-21-00	11/21/00		250,000			
11	(USWC)						
12	37 YR 4.5% Due 12-01-00	12/1/00		50,000			
13	(Western)						
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Totals (Sum L.1 to L.24)		0	522,000	0	0	0

Total Company Expense Matrix

Year: 2000

Line	No.	Acct.	(a)	Description	(b)	Salaries and Wages	(c)	Benefits	(d)	Rents	(e)	Other Expenses	(f)	Clearances	(g)	Total
1	*	6110		Network Support Expense		(60,190)	(156,311)	3,942,527	3,942,527	9,020,744	9,020,744	12,746,770	0	0	0	12,746,770
2	v	6112		Motor Vehicle Expense		(26,666)	(133,395)	3,867,360	4,332,927	4,332,927	4,332,927	8,040,227	0	0	0	8,040,227
3	v	6113		Aircraft Expense		0	0	10,544	5,936	43,193	43,193	16,480	0	0	0	16,480
4	v	6114		Special Purpose Vehicles Expense		841	165	0	0	0	0	44,200	0	0	0	44,200
5	v	6115		Garage Work Equipment Expense		2,266	448	4,619	653,451	653,451	653,451	660,784	0	0	0	660,784
6	*	6116		Other Work Equipment Expense		(36,632)	(23,530)	60,004	3,985,236	3,985,236	3,985,236	3,985,079	0	0	0	3,985,079
7	*	6120		General Support Expense		31,531,638	(3,820,461)	182,896,715	395,454,993	395,454,993	395,454,993	606,062,885	0	0	0	606,062,885
8	v	6121		Land and Building Expense		10,888,368	2,128,179	153,275,545	96,945,933	96,945,933	96,945,933	263,238,025	0	0	0	263,238,025
9	v	6122		Furniture and Artworks Expense		362,016	70,682	1,771,803	35,149,542	35,149,542	35,149,542	37,354,043	0	0	0	37,354,043
10	v	6123		Office Equipment Expense		5,722,941	1,122,921	12,862,767	16,811,528	16,811,528	16,811,528	36,520,156	0	0	0	36,520,156
11	v	6124		General Purpose Computers Expense		14,558,313	(7,142,243)	14,986,600	246,547,990	246,547,990	246,547,990	268,950,661	0	0	0	268,950,661
12	*	6210		Central Office Switching Expense		92,507,503	17,996,257	28,030,207	37,220,846	37,220,846	37,220,846	175,754,813	0	0	0	175,754,813
13	v	6211		Analog Electronic Expense		11,286,841	2,214,455	3,297,901	6,031,767	6,031,767	6,031,767	22,830,964	0	0	0	22,830,964
14	v	6212		Digital Electronic Expense		80,900,998	15,719,421	24,732,011	31,168,590	31,168,590	31,168,590	152,521,020	0	0	0	152,521,020
15	v	6215		Electro-Mechanical Expense		319,664	62,381	294	20,489	20,489	20,489	402,828	0	0	0	402,828
16		6220		Operator Systems Expense		14,611	2,850	(23,430)	602,465	602,465	602,465	596,497	0	0	0	596,497
17	*	6230		Central Office Transmission Expense		93,013,833	18,116,214	891,186	24,810,621	24,810,621	24,810,621	136,831,854	0	0	0	136,831,854
18	v	6231		Radio Systems Expense		1,994,663	390,162	13,007	1,151,605	1,151,605	1,151,605	3,549,436	0	0	0	3,549,436
19	v	6232		Circuit Equipment Expense		91,019,171	17,726,052	878,179	23,659,016	23,659,016	23,659,016	133,282,418	0	0	0	133,282,418
20	*	6310		Information Origination/Termination Expense		110,356,601	21,610,557	599,573	55,520,597	55,520,597	55,520,597	188,087,327	0	0	0	188,087,327
21	v	6311		Station Apparatus Expense		4,056,803	799,402	22,816	13,731,761	13,731,761	13,731,761	18,610,782	0	0	0	18,610,782
22	v	6341		Large Private Branch Exchange Expense		13,993,760	2,738,080	78,161	1,715,565	1,715,565	1,715,565	18,525,566	0	0	0	18,525,566
23	v	6351		Public Telephone Terminal Equipment Expense		6,567,698	1,286,912	10,971	12,205,849	12,205,849	12,205,849	20,071,431	0	0	0	20,071,431
24	v	6362		Other Terminal Equipment Expense		85,738,339	16,786,163	487,625	27,867,422	27,867,422	27,867,422	130,879,549	0	0	0	130,879,549
25	*	6410		Cable and Wire Facilities Expense		384,805,134	78,900,738	22,591,235	304,598,975	304,598,975	304,598,975	790,896,082	0	0	0	790,896,082
26	v	6411		Poles Expense		327,599	64,087	13,200,563	1,804,300	1,804,300	1,804,300	15,396,548	0	0	0	15,396,548
27	v	6421		Aerial Cable Expense		96,458,588	18,856,934	5,073,586	36,316,993	36,316,993	36,316,993	156,706,100	0	0	0	156,706,100
28	v	6422		Underground Cable Expense		33,112,679	6,482,147	838,793	23,667,948	23,667,948	23,667,948	64,101,567	0	0	0	64,101,567
29	v	6423		Buried Cable Expense		243,702,470	51,304,570	3,304,752	224,243,947	224,243,947	224,243,947	522,555,738	0	0	0	522,555,738
30	v	6424		Submarine Cable Expense		641	124	0	14,009	14,009	14,009	14,774	0	0	0	14,774
31	v	6425		Deep Sea Cable Expense		0	0	0	0	0	0	0	0	0	0	0
32	v	6426		Intrabuilding Network Cable Expense		10,753,596	2,105,075	74,541	4,357,122	4,357,122	4,357,122	17,290,334	0	0	0	17,290,334
33	v	6431		Aerial Wire Expense		49,339	9,855	394	621,294	621,294	621,294	680,882	0	0	0	680,882
34				Subtotals		711,768,906	132,571,897	238,829,406	813,655,880	813,655,880	813,655,880	1,896,826,089	0	0	0	1,896,826,089

^ Subaccount of the account marked with a ^

Company Name: Qwest Corporation

SCHEDULE 17

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## Total Company Expense Matrix

Year: 2000

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense	400,224	77,947	98,606	13,573,361	0	14,150,138
36	6510	Other Property Expenses	(419,211)	(601,295)	0	5,753,381	0	4,732,874
37	* 6530	Network Operations Expense	443,123,717	56,756,159	358,608	175,709,726	0	675,948,210
38	^ 6531	Power Expense	0	0	0	53,102,942	0	53,102,942
39	^ 6532	Network Administration Expense	2,695,238	4,848,592	0	3,140,850	0	10,684,680
40	^ 6533	Testing Expense	128,198,720	25,061,083	0	3,548,253	0	156,808,055
41	^ 6534	Plant Operations Expense	285,334,759	30,624,912	67,683	80,523,882	0	396,551,236
42	^ 6535	Engineering Expense	26,895,001	(3,778,428)	290,925	35,393,799	0	58,801,297
43	6540	Access Expense	0	0	0	313,734,583	0	313,734,583
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	2,579,772,010	0	2,579,772,010
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0	0	0
46	6563	Amortization Expense - Tangible	0	0	0	125,758,935	0	125,758,935
47	6564	Amortization Expense - Intangible	0	0	0	79,239,387	0	79,239,387
48	6565	Amortization - Other	0	0	0	20,602,148	0	20,602,148
49	* 6610	Marketing	179,296,155	24,162,034	2,136	375,600,681	0	579,061,006
50	^ 6611	Product Management	82,988,598	10,469,687	2,127	101,731,553	0	195,191,966
51	^ 6612	Sales	95,639,439	13,533,083	9	166,123,211	0	275,295,741
52	^ 6613	Product Advertising	668,118	159,264	0	107,745,916	0	108,573,299
53	6621	Call Completion Services	17,343,372	2,934,768	0	3,802,797	0	24,080,936
54	6622	Number Services	66,148,893	13,715,529	229	2,977,995	0	82,842,646
55	6623	Customer Services	451,117,964	104,161,850	12,451	175,959,717	0	731,251,981
56	6711	Executive	55,465,698	20,636,819	42	47,057,436	0	123,159,994
57	6712	Planning	2,256,166	468,154	0	3,684,361	0	6,408,681
58	6721	Accounting and Finance	40,019,702	6,951,193	106	23,577,656	0	70,548,657
59	6722	External Relations	35,322,409	8,319,922	4,349,401	89,456,062	0	137,447,794
60	6723	Human Relations	26,253,967	3,449,930	152	50,831,924	0	80,535,972
61	6724	Information Management	(84,842,714)	(34,749,131)	30,583,239	619,417,142	0	530,408,536
62	6725	Legal	0	(57)	0	57,228,777	0	57,228,720
63	6726	Procurement	1,141,194	327,879	0	21,887,655	0	23,356,729
64	6727	Research and Development	0	0	0	72,092	0	72,092
65	6728	Other General and Administrative	33,731,965	(13,991,128)	2,965,262	509,148,034	0	531,854,132
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67		<b>Totals</b>	<b>1,978,128,408</b>	<b>325,192,468</b>	<b>277,199,637</b>	<b>6,108,501,737</b>	<b>0</b>	<b>8,689,022,250</b>

^ Subaccount of the account marked with a \*.

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## Total State Expense Matrix

Year: 2000

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	156,075	27,473	(9,889)	62,671	0	236,329
2	^	6112 Motor Vehicle Expense	153,821	27,424	10,319	(42,386)	0	149,178
3	^	6113 Aircraft Expense	0	0	0	0	0	0
4	^	6114 Special Purpose Vehicles Expense	453	90	0	4,214	0	4,758
5	^	6115 Garage Work Equipment Expense	0	0	0	33,265	0	33,265
6	^	6116 Other Work Equipment Expense	1,801	(42)	(20,209)	67,578	0	49,128
7	*	6120 General Support Expense	675,361	(79,598)	2,124,127	6,396,309	0	9,116,198
8	^	6121 Land and Building Expense	373,942	73,070	1,136,860	1,239,033	0	2,822,904
9	^	6122 Furniture and Artworks Expense	0	0	37,009	186,799	0	223,808
10	^	6123 Office Equipment Expense	10,162	2,003	217,759	118,563	0	348,487
11	^	6124 General Purpose Computers Expense	291,257	(154,671)	732,499	4,851,915	0	5,721,000
12	*	6210 Central Office Switching Expense	2,192,738	426,258	(11,219)	537,690	0	3,145,468
13	^	6211 Analog Electronic Expense	177,114	34,655	7	7,201	0	218,978
14	^	6212 Digital Electronic Expense	2,015,172	391,516	(11,227)	530,459	0	2,925,920
15	^	6215 Electro-Mechanical Expense	451	88	1	30	0	570
16	^	6220 Operator Systems Expense	0	0	0	0	0	0
17	*	6230 Central Office Transmission Expense	1,734,410	333,374	7,380	353,083	0	2,428,246
18	^	6231 Radio Systems Expense	37,877	7,424	216	4,831	0	50,348
19	^	6232 Circuit Equipment Expense	1,696,533	325,949	7,164	348,252	0	2,377,899
20	*	6310 Information Origination/Termination Expense	1,971,750	385,625	8,245	575,403	0	2,941,023
21	^	6311 Station Apparatus Expense	21,269	4,153	34	1,315	0	26,771
22	^	6341 Large Private Branch Exchange Expense	133,120	26,051	538	12,719	0	172,428
23	^	6351 Public Telephone Terminal Equipment Expense	214,059	41,861	235	189,392	0	445,547
24	^	6362 Other Terminal Equipment Expense	1,603,303	313,561	7,438	371,977	0	2,296,278
25	*	6410 Cable and Wire Facilities Expense	5,508,474	1,176,893	346,651	3,836,875	0	10,868,893
26	^	6411 Poles Expense	1,552	306	279,973	18,682	0	300,514
27	^	6421 Aerial Cable Expense	1,546,039	302,456	9,568	397,264	0	2,255,327
28	^	6422 Underground Cable Expense	371,392	72,858	2,357	136,850	0	583,457
29	^	6423 Buried Cable Expense	3,425,570	769,150	53,778	3,181,497	0	7,429,994
30	^	6424 Submarine Cable Expense	0	0	0	0	0	0
31	^	6425 Deep Sea Cable Expense	0	0	0	0	0	0
32	^	6426 Intrabuilding Network Cable Expense	161,598	31,664	968	39,797	0	234,028
33	^	6431 Aerial Wire Expense	156	32	1	10,363	0	10,553
34		Subtotals	12,236,641	2,269,599	2,465,289	11,709,608	0	28,681,137

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^ Subaccount of the account marked with a \*.

## Total State Expense Matrix

Year: 2000

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense	2,167	426	6	52,422	0	55,020
36	6510	Other Property Expenses	63,826	2,901	0	(38,231)	0	28,495
37	6530	Network Operations Expense	7,394,159	615,830	339	3,403,315	0	11,413,644
38	6531	Power Expense	0	0	0	1,048,601	0	1,048,601
39	6532	Network Administration Expense	(164,130)	70,844	0	49,007	0	(44,279)
40	6533	Testing Expense	2,627,609	513,343	0	83,850	0	3,224,802
41	6534	Plant Operations Expense	4,730,068	64,627	326	1,257,811	0	6,052,831
42	6535	Engineering Expense	200,611	(32,983)	14	964,047	0	1,131,689
43	6540	Access Expense	0	0	0	4,489,125	0	4,489,125
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	58,157,349	0	58,157,349
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0	0	0
46	6563	Amortization Expense - Tangible	0	0	0	1,988,236	0	1,988,236
47	6564	Amortization Expense - Intangible	0	0	0	1,941,705	0	1,941,705
48	6565	Amortization - Other	0	0	0	(6,036)	0	(6,036)
49	6610	Marketing	3,714,954	488,772	25	6,619,617	0	10,823,369
50	6611	Product Management	1,806,713	226,751	25	2,127,151	0	4,160,640
51	6612	Sales	1,894,253	258,752	0	3,230,582	0	5,383,586
52	6613	Product Advertising	13,989	3,270	0	1,261,884	0	1,279,142
53	6621	Call Completion Services	576,154	113,943	0	104,945	0	795,042
54	6622	Number Services	1,117,797	224,847	77	46,366	0	1,389,087
55	6623	Customer Services	9,635,282	2,178,603	414	3,387,895	0	15,202,193
56	6711	Executive	1,531,963	460,943	1	1,073,573	0	3,066,480
57	6712	Planning	47,753	9,909	0	77,532	0	135,194
58	6721	Accounting and Finance	846,049	149,517	0	435,455	0	1,431,021
59	6722	External Relations	1,085,564	264,284	161	1,436,929	0	2,786,938
60	6723	Human Relations	554,362	72,131	3	1,049,375	0	1,675,871
61	6724	Information Management	(2,120,171)	(818,370)	468,833	10,248,434	0	7,778,725
62	6725	Legal	0	0	0	1,212,628	0	1,212,628
63	6726	Procurement	19,740	5,753	0	454,889	0	480,382
64	6727	Research and Development	0	0	0	1,511	0	1,511
65	6728	Other General and Administrative	712,599	(297,812)	8,865	8,184,684	0	8,608,336
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67	8747	Administrative Services Clearing	0	0	0	0	0	0
68		Totals	37,418,839	5,741,275	2,944,012	116,031,326	0	162,135,451

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^ Subaccount of the account marked with a \*.

## Pension Costs

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

1	Plan Name Qwest Pension Plan			
2	Defined Benefit Plan? Yes		Defined Contribution Plan? No	
3	Actuarial Cost Method? Projected Unit Credit		IRS Code: 005	
4	Annual Contribution by Employer: 0		Is the Plan Over Funded? Yes	
5				
	Item	Current Year	Last Year	% Change
6	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	7,508,994	8,123,158	-7.56%
8	Service cost	146,596	166,665	-12.04%
9	Interest Cost	567,059	541,650	4.69%
10	Plan participants' contributions	0	0	0.00%
11	Amendments	0	0	0.00%
12	Actuarial Gain	246,022	(728,245)	133.78%
13	Acquisition	0	0	0.00%
14	Benefits paid	(681,292)	(594,234)	-14.65%
14a	Special termination benefits	(21,979)	0	
15	Benefit obligation at end of year	7,765,400	7,508,994	3.41%
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	12,188,767	10,829,356	12.55%
18	Adjustment to match trust	0	(3,839)	
19	Actual return on plan assets	(279,806)	2,068,920	-113.52%
20	Acquisition	0	(6,963)	
21	Employer contribution	0	0	0.00%
22	Plan participants' contributions	0	0	0.00%
23	420 Transfer	(81,000)	(104,473)	22.47%
24	Benefits paid	(681,292)	(594,234)	-14.65%
25	Fair value of plan assets at end of year	11,146,669	12,188,767	-8.55%
26	<b>Funded Status</b>	3,381,269	4,679,773	-27.75%
27	Unrecognized net actuarial loss	(2,395,953)	(3,819,787)	37.28%
28	Unrecognized prior service cost	(252,398)	(317,091)	20.40%
29	Prepaid (accrued) benefit cost	732,918	542,895	35.00%
30				
31	<b>Weighted-average Assumptions as of Year End</b>			
32	Discount rate	7.75%	8.00%	-3.13%
33	Expected return on plan assets	est 9.40%	9.40%	0.00%
34	Rate of compensation increase	4.65%	4.65%	0.00%
35				
36	<b>Components of Net Periodic Benefit Costs</b>			
37	Service cost	146,596	166,665	-12.04%
38	Interest cost	567,059	541,650	4.69%
39	Expected return on plan assets	(861,860)	(769,448)	-12.01%
40	Amortization of prior service cost	(62,414)	(63,524)	1.75%
41	Recognized net actuarial loss	(47,090)	0	
42	Net periodic benefit cost	(257,709)	(124,657)	-106.73%
43				
44	<b>Montana Intrastate Costs:</b>			
45	Pension Costs	(2,366)	(1,503)	-57.42%
46	Pension Costs Capitalized	(554)	(227)	-144.05%
47	Accumulated Pension Asset (Liability) at Year End	12,732	10,103	26.02%
48	<b>Number of Company Employees:</b>			
49	Covered by the Plan	82,966	86,326	-3.89%
50	Not Covered by the Plan	0	0	0.00%
51	Active	44,143	47,652	-7.36%
52	Retired	38,823	38,674	0.39%
53	Deferred Vested Terminated	15,139	14,511	4.33%



**Other Post Employment Benefits (OPEBS)**

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: 90.12.86			
4	Order number: 5535g			
5	Amount recovered through rates	(302)	2,255	-113.39%
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate	7.75%	8.00%	-3.13%
8	Expected return on plan assets	est 9.40%	8.80%	6.82%
9	Medical Cost Inflation Rate	8% graded to 5%	8% graded to 5%	
10	Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	
11	Rate of compensation increase	N/A	N/A	
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13	VEBA - Yes 420 Transfer - No			
14	Cash - Yes			
15	<b>Describe any Changes to the Benefit Plan:</b> Eliminated coverage for management employees who had less			
16	than 20 years of service or who were not 3 years from being service pension eligible as of 12/31/00. For all			
16a	management retirees after 9/7/2000 future contributions towards medical coverage will be required.			
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
19	Benefit obligation at beginning of year	4,035,371	4,476,410	-9.85%
20	Service cost	38,675	55,184	-29.92%
21	Interest Cost	304,637	299,493	1.72%
22	Plan participants' contributions	0	0	0.00%
23	Amendments	(110,802)	3311	-3446.48%
24	Actuarial Gain	58,516	(609,716)	109.60%
24a	Curtailment	(45,273)	0	
25	Acquisition	0	0	0.00%
26	Benefits paid	(231,124)	(189,311)	-22.09%
27	Benefit obligation at end of year	4,050,000	4,035,371	0.36%
28	<b>Change in Plan Assets</b>			
29	Fair value of plan assets at beginning of year	2,665,335	2,419,543	10.16%
29a	Adjustment to match trust	0	(4,462)	
30	Actual return on plan assets	(62,431)	526,787	-111.85%
31	Acquisition	0	(610)	
32	Employer contribution	16,000	18,000	-11.11%
32a	Life Trust Reimbursement	(282,000)	(209,085)	-34.87%
33	Plan participants' contributions	0	0	0.00%
34	Benefits paid	(114,857)	(84,838)	-35.38%
35	Fair value of plan assets at end of year	2,222,047	2,665,335	-16.63%
36	<b>Funded Status</b>	(1,827,953)	(1,370,036)	-33.42%
37	Unrecognized net actuarial loss	(887,970)	(1,340,018)	33.73%
38	Unrecognized prior service cost	(11,647)	117,077	-109.95%
39	Prepaid (accrued) benefit cost	(2,727,570)	(2,592,977)	-5.19%
40	<b>Components of Net Periodic Benefit Costs</b>			
41	Service cost	38,675	55,184	-29.92%
42	Interest cost	304,637	299,493	1.72%
43	Expected return on plan assets	(249,025)	(212,920)	-16.96%
44	Amortization of prior service cost	8,287	13,370	-38.02%
45	Recognized net actuarial loss	(86,632)	(25,906)	-234.41%
46	Net periodic benefit cost	15,942	129,221	-87.66%
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA	16,000	18,000	-11.11%
49	Amount Funded through 401(h)	0	0	0.00%
50	Amount Funded through Other - 420 Transfer	81,000	104,473	-22.47%
51	TOTAL	97,000	122,473	-20.80%
52	Amount that was tax deductible - VEBA	16,000	18,000	-11.11%
53	Amount that was tax deductible - 401(h)	0	0	0.00%
54	Amount that was tax deductible - Other - 420 Transfer	0	0	0.00%
55	TOTAL	16,000	18,000	-11.11%

## Other Post Employment Benefits (OPEBS)Continued

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	85,917	84,464	1.72%
3	Not Covered by the Plan	0	0	0.00%
4	Active	49,197	47,652	3.24%
5	Retired	36,720	36,812	-0.25%
6	Spouses/Dependants covered by the Plan	22,549	22,674	-0.55%
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year	44,508	55,741	-20.15%
10	Service cost	533	736	-27.58%
11	Interest Cost	4,213	3,993	5.51%
12	Plan participants' contributions	0	0	0.00%
13	Amendments	117	178	-34.27%
14	Actuarial Gain	1,776	(12,316)	114.42%
15	Acquisition	0	0	0.00%
16	Benefits paid	(3,414)	(3,824)	10.72%
17	Benefit obligation at end of year	47,733	44,508	7.25%
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year	56,958	51,035	11.61%
19a	Adjustment to match trust	0	(90)	
20	Actual return on plan assets	(1,334)	10,641	-112.54%
21	Acquisition	0	(12)	
22	Employer contribution	(1,642)	1,322	-224.21%
22a	Life Trust Reimbursement	(3,324)	(4,224)	21.31%
23	Plan participants' contributions	0	0	0.00%
24	Benefits paid	(1,354)	(1,714)	21.00%
25	Fair value of plan assets at end of year	49,304	56,958	-13.44%
26	<b>Funded Status</b>	1,571	12,450	-87.38%
27	Unrecognized net actuarial loss	(10,465)	(27,068)	61.34%
28	Unrecognized prior service cost	(137)	2,365	-105.79%
29	Prepaid (accrued) benefit cost	(9,031)	(12,253)	26.30%
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost	533	736	-27.58%
32	Interest cost	3,562	3,993	-10.79%
33	Expected return on plan assets	(5,624)	(4,640)	-21.21%
34	Amortization of prior service cost	2,451	2,512	-2.43%
35	Recognized net actuarial loss	(1,224)	(345)	-254.78%
36	Net periodic benefit cost	(302)	2,256	-113.39%
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA	69	2,745	-97.49%
39	Amount Funded through 401(h)	0	0	0.00%
40	Amount Funded through other 420 Transfer	0	0	0.00%
41	TOTAL	69	2,745	-97.49%
42	Amount that was tax deductible - VEBA	69	2,745	-97.49%
43	Amount that was tax deductible - 401(h)	0	0	0.00%
44	Amount that was tax deductible - Other	0	0	0.00%
45	TOTAL	69	2,745	-97.49%
46	<b>Montana Intrastate Costs:</b>			
47	Benefit Cost Expensed	(227)	2,267	-110.01%
48	Benefit Cost Capitalized	(75)	(12)	-525.00%
49	Benefit Payments - Medical	3,060	1,978	54.70%
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan	608	591	2.88%
52	Not Covered by the Plan	0	0	0.00%
53	Active	608	591	2.88%
54	Retired	N/A	N/A	
55	Spouses/Dependants covered by the Plan	N/A	N/A	

Please note that Last Year Lines: 22, 33, 35, 38, 40, 42, 43 and 49 have been updated for actuals.

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## Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	ARIZONA DIAMOND BACKS	Advertising and Information Service	2,173		
2	ARNOLD WORLDWIDE INC	Advertising and Information Service	1,174		
3	CALDERA DESIGN	Advertising and Information Service	1,363		
4	CAMPBELL MITHUN ESTY INC	Advertising and Information Service	2,514		
5	CASH PLUS INC	Advertising and Information Service	38,140		
6	CMYK LLC	Advertising and Information Service	2,157		
7	COLORADO ROCKIES	Advertising and Information Service	2,786		
8	COLORADO ROCKIES BASEBALL CLUB	Advertising and Information Service	2,725		
9	CONSUMERWARE INC	Advertising and Information Service	11,863		
10	CRAMER-KRASSELL COMPANY	Advertising and Information Service	8,163		
11	DDB NEEDHAM WORLDWIDE	Advertising and Information Service	25,442		
12	HUNT DDBDIRECT	Advertising and Information Service	2,773		
13	INNOTRAC	Advertising and Information Service	1,935		
14	MEDIA PASSAGE.COM	Advertising and Information Service	14,720		
15	MINN HOCKEY VENTURES GROUP	Advertising and Information Service	1,500		
16	OLYMPIC PROPERTIES OF THE UNIT	Advertising and Information Service	5,000		
17	PEPSI CENTER	Advertising and Information Service	2,000		
18	PHNX SUNS LIMITED PARTNERSHIP	Advertising and Information Service	1,138		
19	PRECISION DIRECT INC	Advertising and Information Service	1,202		
20	SOLIS ADVERTISING & PUBLIC RELATIONS	Advertising and Information Service	1,591		
21	THE CONVERGENCY	Advertising and Information Service	1,868		
22	TMP WORLDWIDE	Advertising and Information Service	1,934		
23	U S WEST DEX	Advertising and Information Service	6,394		
24					
25	TOTAL ADVERTISING AND INFORMATION SERVICES		140,555		
26					
27					
28	ARTHUR ANDERSEN LLP	Audit and Accounting Service	680		
29	REGINAL F WIGHT & ASSOCIATES	Audit and Accounting Service	580		
30					
31	TOTAL AUDIT AND ACCOUNTING SERVICES		1,260		
32					
33					
34	AIMS LOGISTIC	Clerical and Office Service	75,085		
35	INNOTRAC	Clerical and Office Service	2,207		
36	STEELCASE	Clerical and Office Service	1,507		
37					
38	TOTAL CLERICAL AND OFFICE SERVICES		78,799		
39					
40					
41	AIC/TECHWEST ANALYST INTL	Computer and Data Processing Service	13,903		
42	AMERICAN MGMT SYSTEMS INC	Computer and Data Processing Service	5,151		
43	ANDERSEN CONSULTING LLP	Computer and Data Processing Service	4,493		
44	ENTEX INFORMATION SERVICES	Computer and Data Processing Service	3,424		
45	MCKINSEY & COMPANY INC	Computer and Data Processing Service	1,213		
46	NORTEL NETWORKS	Computer and Data Processing Service	1,259		
47	SCC COMMUNICATIONS CORP	Computer and Data Processing Service	9,980		
48	SMS/800 MANAGEMENT TEAM	Computer and Data Processing Service	1,122		
49	U S WEST COMMUNICATIONS	Computer and Data Processing Service	1,077		
50	XPEDIOR INC	Computer and Data Processing Service	1,194		
51					
52	TOTAL COMPUTER AND DATA PROCESSING SERVICES		42,816		
53					
54					
55	A G WASSENAAR INC	Consulting and Research Service	790		
56	AMERICAN MGMT SYSTEMS INC	Consulting and Research Service	1,782		
57	ANDERSEN CONSULTING LLP	Consulting and Research Service	14,077		
58	BELLCORE	Consulting and Research Service	101,781		
59	BOYLE & ASSOCIATES INC	Consulting and Research Service	837		

## Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
60	DIAMOND TECHNOLOGIES PARTNERS	Consulting and Research Service	1,857		
61	EVERIS INC	Consulting and Research Service	816		
62	MORRISSEY ENGINEERING INC	Consulting and Research Service	672		
63	POWER ENGINEERS	Consulting and Research Service	700		
64	RNL DESIGN	Consulting and Research Service	5,606		
65	SHG/SW INCORPORATED	Consulting and Research Service	721		
66	TELCORDIA TECHNOLOGIES INC	Consulting and Research Service	16,714		
67	THE ADKINS ASSOCIATION INC	Consulting and Research Service	1,139		
68	THE THOMPSON GROUP	Consulting and Research Service	966		
69	U S WEST INC	Consulting and Research Service	3,009		
70					
71	TOTAL CONSULTING AND RESEARCH SERVICES		151,467		
72					
73					
74	ACCENT SERVICE COMPANY INC	Financial Service	5,582		
75	ADVANTAGE RECEIVABLE SOLUTIONS	Financial Service	2,119		
76	BANK ONE ARIZONA - A667	Financial Service	702		
77	BOSTON EQUISERVE	Financial Service	1,476		
78	COLLECTION SERVICE BUREAU	Financial Service	536		
79	CONTINENTAL ALLIANCE INC	Financial Service	1,982		
80	CREDIT BUREAU OF MISSOULA	Financial Service	555		
81	EQUIFAX CREDIT INFORMATION SERVICES	Financial Service	9,941		
82	FIRST DATA CORPORATION	Financial Service	3,993		
83	FIRST SECURITY COMMERCIAL BANK	Financial Service	538		
84	MERRILL CORPORATION	Financial Service	2,115		
85	NATIONWIDE CREDIT INC.	Financial Service	814		
86	NORWEST BANK MINNESOTA NA	Financial Service	1,352		
87	SEAFIRST BANK	Financial Service	577		
88	WCI FINANCIAL SERVICES	Financial Service	1,471		
89					
90	TOTAL FINANCIAL SERVICES		33,753		
91					
92					
93	CITIZENS FOR A SOUND ECONOMY	Membership Fees and Dues	100		
94	CITIZENS VICTORY FUND	Membership Fees and Dues	125		
95	DEMOCRATIC NATIONAL COMMITTEE	Membership Fees and Dues	75		
96	DNVR METRO CHAMBER OF COMMERCE	Membership Fees and Dues	125		
97	GREATER DES MOINES PARTNERSHIP	Membership Fees and Dues	90		
98	GREATER PHOENIX ECON COUNCIL	Membership Fees and Dues	101		
99	GREATER SEATTLE CHAMBER OF COMM	Membership Fees and Dues	62		
100	IOWA TELECOM ASSOCIATION	Membership Fees and Dues	124		
101	MINNESOTA TELEPHONE ASSOCIATION	Membership Fees and Dues	106		
102	REPUBLICAN NATIONAL STATE	Membership Fees and Dues	130		
103	UNITED STATES TELEPHONE ASSN	Membership Fees and Dues	855		
104	WASHINGTON ROUNDTABLE	Membership Fees and Dues	59		
105					
106	TOTAL MEMBERSHIP FEES AND DUES		1,952		
107					
108					
109	SNELLING PERSONNEL SERVICES	Personnel Service	6,279		
110	TECHNOLOGY STAFFING RESOURCES	Personnel Service	1,882		
111					
112	TOTAL PERSONNEL SERVICES		8,161		
113					
114					
115	XEROX CORPORATION	Printing and Design Service	14,717		
116					
117	TOTAL PRINTING AND DESIGN SERVICES		14,717		
118					

## Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
119					
120	APG SECURITY INC	Security Service	1,217		
121	BURNS INTERNATIONAL SECURITY	Security Service	3,053		
122					
123	TOTAL SECURITY SERVICES		4,270		
124					
125					
126	CONTRIBUTIONS		775		
127					
128					
129	GRAND TOTAL		478,525		

## Subscriber Line Usage Data

(Thousands of Minutes)

Year: 2000

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	1,777,823	15.82%	1,927,242	20.46%
3	Interstate, IntraLATA	376	0.00%	729	0.01%
4	<b>Total Interstate Usage</b>	<b>1,778,199</b>	<b>15.83%</b>	<b>1,927,970</b>	<b>20.47%</b>
5	Intrastate, InterLATA	514,429	4.58%	502,930	5.34%
6	Intrastate, IntraLATA	140,527	1.25%	284,210	3.02%
7	<b>Total Intrastate Usage</b>	<b>654,956</b>	<b>5.83%</b>	<b>787,141</b>	<b>8.36%</b>
8	<b>Total Toll Usage</b>	<b>2,433,154</b>	<b>21.66%</b>	<b>2,715,111</b>	<b>28.83%</b>
9	Centrex *				
10	Local	8,802,764	78.34%	6,703,172	71.17%
11	<b>Total Minutes</b>	<b>11,235,918</b>	<b>100.00%</b>	<b>9,418,283</b>	<b>100.00%</b>

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\* Centrex minutes are no longer identified separately. They are now included in Local.

## Central Office and Access Line Statistics

Year: 2000

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	AMSTERDAM	ELECTRIC											100.0%	868
2	ANACONDA	ELECTRIC											100.0%	4,733
3	BELGRADE	ELECTRIC											100.0%	6,801
4	BILLINGS MAIN	ELECTRIC											100.0%	51,106
5	BILLINGS WEST	ELECTRIC											100.0%	23,206
6	BOULDER	ELECTRIC											100.0%	1,007
7	BOZEMAN	ELECTRIC											100.0%	33,714
8	BRIDGER	ELECTRIC											100.0%	673
9	BUTTE	ELECTRIC											100.0%	14,154
10	BUTTE SOUTH	ELECTRIC											100.0%	7,763
11	CANYON FERRY	ELECTRIC		WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY									100.0%	863
12	CASCADE	ELECTRIC											100.0%	1,007
13	CLANCY	ELECTRIC											100.0%	1,157
14	CLYDE PARK	ELECTRIC											100.0%	539
15	COLSTRIP	ELECTRIC											100.0%	1,403
16	COLUMBUS	ELECTRIC											100.0%	2,016
17	CONRAD	ELECTRIC											100.0%	2,256
18	COOKE CITY	ELECTRIC											100.0%	258
19	CORVALLIS	ELECTRIC											100.0%	3,211
20	CUT BANK	ELECTRIC											100.0%	2,475
21	DARBY	ELECTRIC											100.0%	1,923
22	DEER LODGE	ELECTRIC											100.0%	2,619
23	DILLON	ELECTRIC											100.0%	4,440
24	DUTTON	ELECTRIC											100.0%	298
25	EAST GLACIER PARK	ELECTRIC											100.0%	426
26	EAST HELENA	ELECTRIC											100.0%	4,289
27	FAIRVIEW	ELECTRIC											100.0%	209
28	FORSYTH	ELECTRIC											100.0%	1,573
29	FRENCHTOWN	ELECTRIC											100.0%	1,883
30	FROMBERG	ELECTRIC											100.0%	414
31	Subtotal Page 1													177,284

## Central Office and Access Line Statistics

Year: 2000

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	GALLATIN GATEWAY	ELECTRIC											100.0%	1,156
2	GARDINER	ELECTRIC											100.0%	1,140
3	GLENDIVE	ELECTRIC											100.0%	2,275
4	GREAT FALLS	ELECTRIC											100.0%	44,161
5	HAMILTON	ELECTRIC											100.0%	7,785
6	HARDIN	ELECTRIC											100.0%	2,517
7	HAVRE	ELECTRIC											100.0%	7,523
8	HELENA MAIN	ELECTRIC											100.0%	30,177
9	HELENA NORTH	ELECTRIC											100.0%	3,254
10	JOLIET	ELECTRIC											100.0%	1,092
11	LAUREL	ELECTRIC		WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY									100.0%	4,908
12	LEWISTOWN	ELECTRIC											100.0%	5,920
13	LIVINGSTON	ELECTRIC											100.0%	7,479
14	LOLO	ELECTRIC											100.0%	4,204
15	MANHATTAN	ELECTRIC											100.0%	1,267
16	MILES CITY	ELECTRIC											100.0%	6,797
17	MILLTOWN	ELECTRIC											100.0%	1,422
18	MISSOULA MAIN	ELECTRIC											100.0%	47,352
19	MISSOULA SOUTH	ELECTRIC											100.0%	5,638
20	OPPORTUNITY	ELECTRIC											100.0%	451
21	PARK CITY	ELECTRIC											100.0%	818
22	POWELL	ELECTRIC											100.0%	2
23	PRAY	ELECTRIC											100.0%	917
24	RED LODGE	ELECTRIC											100.0%	3,133
25	ROBERTS	ELECTRIC											100.0%	358
26	SHELBY	ELECTRIC											100.0%	2,185
27	SHEPHERD	ELECTRIC											100.0%	1,617
28	SIDNEY	ELECTRIC											100.0%	3,073
29	ST MARY	ELECTRIC											100.0%	335
30	STEVENSVILLE	ELECTRIC											100.0%	4,830
31	Subtotal Page 2													203,786



Company Name: Qwest Corporation

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## Central Office and Access Line Statistics

Year: 2000

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	TERRY	ELECTRIC											100.0%	79
2	THREE FORKS	ELECTRIC											100.0%	1,747
3	TOWNSEND	ELECTRIC											100.0%	2,038
4	ULM	ELECTRIC											100.0%	386
5	VAUGHN	ELECTRIC											100.0%	1,169
6	VICTOR	ELECTRIC											100.0%	1,708
7	WARM SPRINGS	ELECTRIC											100.0%	245
8	WEST GLACIER	ELECTRIC		WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY									100.0%	535
9	WEST YELLOWSTON	ELECTRIC											100.0%	2,083
10	WHITEHALL	ELECTRIC											100.0%	1,863
11	WIBAUX	ELECTRIC											100.0%	241
12	WILSALL	ELECTRIC											100.0%	402
13	WOLF CREEK	ELECTRIC											100.0%	338
14														
15														
16														
17														
18														
19														
20	Subtotal Page 3													12,834
21														
22	MONTANA		251,235	8	0	7,170	8,818	11,801	63,605	1,656	2,619	46,992		393,904

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## Central Office and Switch Information

Year: 2000

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	Amsterdam	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	845	1993
2	Anaconda	Remote/Helena Host	Digital	ERSN	AXE/RSS	4,703	1992
3	Belgrade	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	6,762	1984
4	Billings Main	Stand Alone	Digital	LUCENT	5ESS	49,629	1994
5	Billings Main	Host Only	Digital	ERSN	AXE	0	1991
6	Billings Main	STP	Digital	ERSN	AXE/STP	0	1992
7	Billings West	Lines/Host	Digital	LUCENT	5ESS	23,045	1985
8	Billings West	Packet (Unreg)	Digital	NTI	DPN100	0	1993
9	Boulder	Remote/Helena Host	Digital	ERSN	AXE/RSS	981	1992
10	Bozeman	Lines/Host	Digital	LUCENT	5ESS	33,297	1984
11	Bozeman	STP	Digital	ERSN	AXE/STP	0	1992
12	Bridger	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	659	1993
13	Butte Main	Lines/Host	Digital	LUCENT	5ESS	13,989	1990
14	Butte South	Remote/Butte	Digital	LUCENT	5ESS/ORM	7,717	1995
15	Canyon Ferry	Remote/Helena Host	Digital	ERSN	AXE/RSS	848	1992
16	Cascade	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	992	1994
17	Clancy	Remote/Helena Host	Digital	ERSN	AXE/RSS	1,129	1992
18	Clyde Park	Remote/Livingston	Digital	ERSN	AXE/RSS	517	1992
19	Colstrip	Remote/Billings	Digital	LUCENT	5ESS/RSM	1,370	1997
20	Columbus	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	1,980	1992
21	Conrad	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	2,230	1994
22	Cooke City	Remote/Livingston	Digital	ERSN	AXE/RSS	243	1992
23	Corvallis	Remote/Hamilton	Digital	ERSN	AXE/RSS	3,186	1991
24	Cut Bank	Remote/Shelby	Digital	ERSN	AXE/RSS	2,454	1994
25	Darby	Remote/Hamilton	Digital	ERSN	AXE/RSS	1,897	1991
26	Deer Lodge	Remote/Helena Host	Digital	ERSN	AXE/RSS	2,579	1990
27	Dillon	Remote/Helena Host	Digital	ERSN	AXE/RSS	4,398	1992
28	Dutton	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	283	1994
29	East Glacier	Remote/Shelby	Digital	ERSN	AXE/RSS	411	1993
30	East Helena	Remote/Helena	Digital	LUCENT	5ESS/RSM	4,269	1988
31	Fairview	Remote/Glendive	Digital	ERSN	AXE/RSS	439	1993
32	Forsyth	Remote/Miles City	Digital	ERSN	AXE/RSS	1,542	1992
33	Frenchtown	Remote/Missoula	Digital	LUCENT	5ESS/RSM	1,863	1990
34	Fromberg	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	392	1993
35	Gallatin Gateway	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,138	1993
36	Gardiner	Remote/Livingston	Digital	ERSN	AXE/RSS	1,115	1991
37	Glendive Main	Lines/Host	Digital	ERSN	AXE	2,133	1992
38	Great Falls	Lines/Host	Digital	LUCENT	5ESS	43,599	1987
39	Great Falls	Packet (Unreg)	Digital	NTI	DPN100	0	1993
40	Hamilton	Lines/Host	Digital	ERSN	AXE	7,719	1991
41	Hardin	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	2,492	1992
42	Havre	Stand Alone	Digital	ERSN	AXE	7,455	1991
43	Helena Main	Lines/Host	Digital	LUCENT	5ESS	28,940	1988
44	Helena Main	Host	Digital	ERSN	AXE	0	1990
45	Helena Main	STP	Digital	ERSN	AXE/STP	0	1992
46	Helena North	Remote/Helena	Digital	LUCENT	5ESS/RSM	3,242	1988

## Central Office and Switch Information

Year: 2000

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
47	Joliet	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	1,070	1993
48	Laurel	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	4,848	1992
49	Lewistown	Stand Alone	Digital	ERSN	AXE	5,865	1993
50	Livingston	Lines/Host	Digital	ERSN	AXE	7,407	1992
51	Lolo	Remote/Missoula	Digital	LUCENT	5ESS/RSM	4,179	1993
52	Manhattan	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,249	1993
53	Miles City	Lines/Host	Digital	ERSN	AXE	6,731	1992
54	Milltown	Remote/Missoula	Digital	LUCENT	5ESS/RSM	1,401	1993
55	Missoula Main	Lines/Host	Digital	LUCENT	5ESS	46,019	1986
56	Missoula Main	STP	Digital	ERSN	AXE/STP	0	1992
57	Missoula South	Remote/Missoula	Digital	LUCENT	5ESS/ORM	5,618	1993
58	Opportunity	Remote/Helena Host	Digital	ERSN	AXE/RSS	438	1992
59	Park City	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	794	1992
60	Pray	Remote/Livingston	Digital	ERSN	AXE/RSS	893	1990
61	Red Lodge	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	3,104	1992
62	Roberts	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	334	1993
63	Saint Mary	Remote/Shelby	Digital	ERSN	AXE/RSS	318	1993
64	Shelby	Lines/Host	Digital	ERSN	AXE	2,140	1993
65	Shepherd	Remote/Billings West W/OSPS	Digital	LUCENT	5ESS/RSM	1,593	1985
66	Sidney	Remote/Glendive	Digital	ERSN	AXE/RSS	3,055	1993
67	Stevensville	Remote/Hamilton	Digital	ERSN	AXE/RSS	4,797	1991
68	Terry	Remote/Miles City	Digital	ERSN	AXE/RSS	59	1994
69	Three Forks	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,725	1993
70	Townsend	Remote/Helena Host	Digital	ERSN	AXE/RSS	2,010	1992
71	Ulm	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	370	1993
72	Vaughn	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	1,154	1993
73	Victor	Remote/Hamilton	Digital	ERSN	AXE/RSS	1,683	1991
74	Warm Springs	Remote/Helena Host	Digital	ERSN	AXE/RSS	231	1992
75	West Glacier	Remote/Shelby	Digital	ERSN	AXE/RSS	510	1993
76	W. Yellowstone	Remote/Livingston	Digital	ERSN	AXE/RSS	2,051	1991
77	Whitehall	Remote/Helena Host	Digital	ERSN	AXE/RSS	1,838	1992
78	Wibaux	Remote/Glendive	Digital	ERSN	AXE/RSS	228	1994
79	Wilsall	Remote/Livingston	Digital	ERSN	AXE/RSS	381	1992
80	Wolf Creek	Remote/Helena Host	Digital	ERSN	AXE/RSS	319	1992

**Construction Budget-Montana**

(Thousands of Dollars)

Year: 2000

Line No.	Description (a)	Year 2001 (b)
1	<b>Central Office Assets:</b>	
2	Switching	
3	MT Belgrade 5ESS: Replace 5RSM with 5ESS Host Swit	3,768
4	Billings Main C.O.-Add Power Capacity and AC Dist	650
5	MT Billings Main 5ESS add Dual Fabric	523
6	MT Billings Main 5ESS: 100 PRI 140 DS1's	1,058
7	MT Billings West 5ESS: 20 PRI 280 DS1's	1,013
8	UL_MT Billings Main 5ESS: 60 PRI 60 DS1's	518
9	UL_MT Bozeman 5ESS: 80 PRI 80 MSG DS1's	744
10	UL_MT Butte Main 5ESS: 60PRI 60 MSG DS1's	560
11	UL_MT Great Falls 5ESS: 100 PRI 100 DS1's	934
12	MT Helena 5ESS: 120 PRI 140 DS1's	913
13	UP_MT Missoula 5ESS: 80 PRI 280 DS1's	1,003
14	Montana-2001 Capitalization of Plug-in-Equipment	1,000
15	2001 MT/Right-to-Use (RTU) Software State Estimate	2,315
16	Total Switching	14,999
17		
18	Circuit Equipment	
19	BLNGMTMA - GLND OC48 Addition	1,201
20	2001-OC48-BLNGMTMA - to - GLNDMTMA-FUJITSU	948
21	OC 192 MSSL / GRSNMT01 / & HLNA	1,504
22	Montana-2001 Capitalization of Plug-in Equipment	1,045
23	Total Circuit Equipment	4,698
24	Total Switching and Central Office Projects over \$500,000	19,697
25	Miscellaneous Central Office Projects not over \$500,000	13,613
26	<b>Total Central Office Budget (L.24+L.25)</b>	<b>33,310</b>
27	Other Projects over \$500,000:	
28		
29	Outside Plant	
30	Growth and Preservation	13,300
31	Montana-2001 Capitalization of Plug-In Equipment	1,745
32		
33		
34		
35		
36		
37		
38	Total Other Projects over \$500,000	15,045
39	Miscellaneous Projects not over \$500,000	15,897
40	<b>Total Construction Budget (L.26+L.38+L.39)*</b>	<b>64,252</b>

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\*An additional \$1.2 billion is included in the estimated 2001 Capital Expenditures for Qwest Corp but not specifically budgeted to a state.

## Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Interprise Networking Svcs	2	
2	BGS-Finance & Operations	1	
3	BGS-Operations	7	
4	BGS-CCS/Centers for Customer Service		1
5	BGS-CPE Operations		6
6	Center for Customer Service	146	
7	CMC Residence Helena	78	
8	CMC Residence Staff	1	
9	Communications-Merger Related		1
10	Executive	4	2
11	Field Inventory Management	2	
12	Finance		82
13	Fleet Services	6	6
14	GB Alternative Chnl & Gov Mk		3
15	Local Network Operations Staff	110	
16	Network Complex Services	93	100
17	Network Operations		2
18	Network Services ID, MT, IA, ND	119	235
19	Public Policy	10	9
20	Publishing	1	
21	Real Estate	10	10
22	Real Estate Asset Management		2
23	Risk Management	1	1
24	Small Business Service Delivery		148
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	Note: At the end of the year, there were 56 construction technicians included in the		
40	Network totals. There is not a job category for splicer.		
41	Totals (Sum L.1 to L.40)	591	608

## Compensation of Top 10 Montana Based Employees

Year: 2000

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	<b>THIS INFORMATION IS PROPRIETARY</b>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)	0	0	0	0	0	N/A

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## Compensation of Top 5 Corporate Employees - SEC Information

Year: 2000

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Joseph P. Nacchio Chairman and Chief Executive Officer	\$854,615	\$1,963,736	\$1,114,158	\$3,932,509	\$4,898,575	-19.7%
2	Afshin Mohebbi President - Worldwide Operations	\$561,058	\$636,414	\$234,404	\$1,431,876	\$935,877	53.0%
3	Stephen M. Jacobsen Executive Vice President - Global Business Markets	\$350,000	\$402,804	\$2,824,480	\$3,577,284	\$459,605	678.3%
4	Lewis O. Wilks Executive Vice President - Internet Business Development and Chief Strategy Officer	\$334,615	\$365,471	\$1,414	\$701,500	\$603,361	16.3%
5	Drake S. Tempest Executive Vice President, General Counsel and Chief Administrative Officer	\$298,077	\$289,387	\$4,284	\$591,748	\$774,984	-23.6%
6	Totals (Sum L.1 to L.5)	\$2,398,365	\$3,657,812	\$4,178,740	\$10,234,917	\$7,672,402	

## Montana Composite Statistics

Year: 2000

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	558,915
3	2003-2004	Construction Work in Progress	9,605
4	2005	Plant Acquisition Adjustments	0
5	2002	Plant Held for Future Use	0
6	1220	Materials & Supplies	537
7		(Less):	
8	3100-3400	Depreciation & Amortization Reserves	307,489
9	4360.2	Contributions in Aid of Construction	(986)
10		<b>NET BOOK COSTS</b>	<b>262,554</b>
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000-5300	Operating Revenues	176,905
13	6560	Depreciation & Amortization Expenses	40,399
14		Federal & State Income Taxes	19,548
15		Other Taxes	7,409
16		Other Operating Expenses	66,828
17		<b>TOTAL Operating Expenses</b>	<b>134,184</b>
18		<b>Net Operating Income</b>	<b>42,721</b>
19		Other Income	(4,488)
20		Other Deductions	5,609
21		<b>NET INCOME</b>	<b>32,624</b>
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	267,231
24		Business Access Lines	104,639
25		PBX Access Lines	17,759
26		Other Access Lines (Public)	4,275
27		<b>Total Number of Access Lines</b>	<b>393,904</b>
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	2,388
30		Toll Calls (Intra- or Interstate)	496
31		<b>Total Number of Calls Per Access Line (L.29 + L.30)</b>	<b>2,884</b>
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	18.41
34		Gross Plant Investment per Access Line	1,445



## Depreciation-Montana Intrastate Regulated

(Thousands of Dollars)

Year: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	0.0%	0
2	2114	Special Purpose Vehicles	4.2%	4
3	2115	Garage Work Equipment	9.8%	19
4	2116	Other Work Equipment	9.4%	247
5	2121	Buildings	3.7%	1,046
6	2122	Furniture	170.4%	19
7	2123.1	Office Support Equipment	18.0%	29
8	2123.2	Company Communications Equipment	121.0%	25
9	2124	General Purpose Computers	19.3%	939
10	2211	Analog Electronic Switching Equipment	0.0%	0
11	2212	Digital Electronic Switching Equipment	13.9%	16,082
12	2220	Operator System	0.0%	0
13	2231	Radio Systems	10.9%	928
14	2232	Circuit DDS	8.5%	68
15	2232	Circuit Digital	10.9%	7,937
16	2232	Circuit Analog	17.0%	973
17	2362	Other Terminal Equipment	10.7%	420
18	2411	Poles	11.0%	509
19	2421	Aerial Cable Metallic	11.5%	2,672
20	2421	Aerial Cable Nonmetallic	9.9%	8
21	2422	Underground Cable Metallic	7.3%	1,685
22	2422	Underground Cable Nonmetallic	6.4%	413
23	2423	Buried Cable Metallic	6.3%	11,867
24	2423	Buried Cable Nonmetallic	6.2%	1,714
25	2424	Submarine Cable Metallic	2.2%	0
26	2424	Submarine Cable Nonmetallic	0.0%	0
27	2426	Intrabuilding Network Cable Metallic	3.5%	177
28	2426	Intrabuilding Network Cable Nonmetallic	3.6%	5
29	2431	Aerial Wire	0.0%	0
30	2441	Conduit Systems	2.3%	339
31				
32				
33				
34				
35		COMPOSITE TOTAL		48,125
36				
37	Have these rates been approved by the Commission? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
38				
39	If yes: <u>Docket Number</u> <u>Order Number</u>			
40				

Montana depreciation expense reflects costs that are based upon forward-looking asset lives consistent with asset lives of other telecommunications carriers. See the following sheet for depreciation data following depreciation rates last approved by the Commission.

## Depreciation-Montana Intrastate Regulated

(Thousands of Dollars)

Year: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	4.9%	347
2	2114	Special Purpose Vehicles	5.8%	8
3	2115	Garage Work Equipment	10.5%	21
4	2116	Other Work Equipment	5.3%	51
5	2121	Buildings	3.4%	880
6	2122	Furniture	20.8%	(15)
7	2123.1	Office Support Equipment	10.6%	5
8	2123.2	Company Communications Equipment	8.3%	(327)
9	2124	General Purpose Computers	0.2%	(853)
10	2211	Analog Electronic Switching Equipment	0.0%	0
11	2212	Digital Electronic Switching Equipment	7.1%	918
12	2220	Operator System	0.0%	0
13	2231	Radio Systems	11.2%	981
14	2232	Circuit DDS	11.7%	121
15	2232	Circuit Digital	11.2%	8,358
16	2232	Circuit Analog	24.0%	2,085
17	2362	Other Terminal Equipment	13.1%	599
18	2411	Poles	10.1%	427
19	2421	Aerial Cable Metallic	6.8%	524
20	2421	Aerial Cable Nonmetallic	11.6%	8
21	2422	Underground Cable Metallic	6.3%	1,227
22	2422	Underground Cable Nonmetallic	6.6%	439
23	2423	Buried Cable Metallic	4.6%	5,589
24	2423	Buried Cable Nonmetallic	6.2%	1,714
25	2424	Submarine Cable Metallic	2.4%	1
26	2424	Submarine Cable Nonmetallic	0.0%	0
27	2426	Intrabuilding Network Cable Metallic	4.1%	237
28	2426	Intrabuilding Network Cable Nonmetallic	7.8%	16
29	2431	Aerial Wire	0.0%	0
30	2441	Conduit Systems	2.1%	280
31				
32				
33				
34				
35		COMPOSITE TOTAL		23,641
36				
37	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
38				
39	If yes: 96.8.131 <u>Docket Number</u> 5937c <u>Order Number</u>			
40				

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The following table represents depreciation data based upon the last approved rates which was in Docket No. D96.8.131, Order No 5937c. The total expense in column (d) was not used in any of the financial statements in this annual report.

## Montana Regulatory Capital Structure &amp; Costs

Year: 2000

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<u>Commission Accepted - Most Recent</u>			
1	Docket Number <u>88.12.55</u>			
2	Order Number <u>5398a</u>			
3				
4	Common Equity	50.00%	12.00%	6.00%
5	Preferred Stock	0.00%	0.00%	0.00%
6	Long Term Debt	50.00%	8.88%	4.44%
7	Other	0.00%	0.00%	0.00%
8	<b>Total</b>	<b>100.00%</b>		<b>10.44%</b>
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity (Note 1)	50.72%	12.00%	6.09%
13	Preferred Stock	0.00%	0.00%	0.00%
14	Long Term Debt	42.93%	7.72%	3.31%
15	Other	6.35%	7.00%	0.44%
16	<b>Total</b>	<b>100.00%</b>		<b>9.85%</b>

Note 1: The authorized level is 12.00%, per revised 1993 Annual Report.

## SCHEDULE 32

## Network Access - Charges and Revenues

(Thousands of Dollars)

Year: 2000

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	4,489	101,459
2			
3	Montana - Intrastate	2,893	24,293
4			
5	Montana - Intrastate Regulated	2,893	19,444
6			
7			
8			
9			
10			
11			
12			
13			

## Affiliate Transactions - Products &amp; Services Provided to Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Qwest Interprise America	ACCRUAL	FDC	(965,838)		(20,316)
2	Qwest Interprise America	ADVERTISING	FDC	533,676		-
3	Qwest Interprise America	COMMON SUPPORT	FDC	4,620,655		101,471
4	Qwest Interprise America	CORPORATE COMMUNICATIONS	FDC	582,817		13,582
5		<b>FDC</b>		<b>4,771,310</b>		<b>94,737</b>
6	Qwest Interprise America	EQUIPMENT/MATERIEL	PCP	2,080,554		42,003
7		<b>PCP</b>		<b>2,080,554</b>		<b>42,003</b>
8		<b>TOTAL</b>		<b>6,851,864</b>	<b>0.78%</b>	<b>136,740</b>
9						
10	Qwest Advanced Technologies	ACCRUAL	FDC	1		-
11	Qwest Advanced Technologies	PLANNING AND SUPPORT	FDC	15,852,858		365,092
12	Qwest Advanced Technologies	POST EMPLOYMENT BENEFITS	FDC	211,280		4,378
13	Qwest Advanced Technologies	SHARED SUPPORT	FDC	21,802		477
14	Qwest Advanced Technologies	TRAINING	FDC	4,781		102
15		<b>FDC</b>		<b>16,090,722</b>		<b>370,049</b>
16		<b>TOTAL</b>		<b>16,090,722</b>	<b>55.66%</b>	<b>370,049</b>
17						
18	Qwest Broadband Services	MARKETING	FDC	30,932		-
19		<b>FDC</b>		<b>30,932</b>		<b>-</b>
20		<b>TOTAL</b>		<b>30,932</b>	<b>0.00%</b>	<b>-</b>
21						
22	Qwest Business Resources	ACCRUAL	FDC	(988,093)		(20,709)
23	Qwest Business Resources	FLIGHT - PROCUREMENT	FDC	1,691,876		23,226
24	Qwest Business Resources	MISCELLANEOUS	FDC	(1,291,157)		(14,872)
25	Qwest Business Resources	POST EMPLOYMENT BENEFITS	FDC	1,233,140		26,779
26	Qwest Business Resources	PROCUREMENT	FDC	34,422,680		779,305
27		<b>FDC</b>		<b>35,068,446</b>		<b>793,729</b>
28	Qwest Business Resources	LEASED SPACE	PCP	4,440,688		73,711
29	Qwest Business Resources	OPERATING EXPENSE	PCP	2,090,970		31,452
30	Qwest Business Resources	SHARED SPACE	PCP	330,105		6,927

## Affiliate Transactions - Products &amp; Services Provided to Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1		PCP		6,861,763		112,090
2		TOTAL		41,930,209	55.54%	905,819
3	Qwest Communications Services	ACCRUAL	FDC	1,181,284		24,786
4	Qwest Communications Services	ADVERTISING	FDC	4,140		6
5	Qwest Communications Services	MARKETING LB REG	FDC	48,902,820		1,073,885
6	Qwest Communications Services	POST EMPLOYMENT BENEFITS	FDC	300,251		6,522
7	Qwest Communications Services	SHARED SPACE	FDC	178		3
8		FDC		50,388,672		1,105,201
9	Qwest Communications Services	EQUIPMENT/MATERIEL	PCP	1,185,347		4,802
10	Qwest Communications Services	SHARED SPACE	PCP	95,877		1,701
11		PCP		1,281,224		6,504
12		TOTAL		51,669,896	0.00%	1,111,705
13						
14	Qwest Dex	ACCRUAL	PCP	7,127,253		152,899
15	Qwest Dex	ADVERTISING	PCP	4,412,314		99,344
16	Qwest Dex	MISCELLANEOUS	PCP	21,114		443
17	Qwest Dex	PHONE SERV PAGES	PCP	1,282,666		28,033
18	Qwest Dex	POST EMPLOYMENT BENEFITS	PCP	27,591		599
19		PCP		12,870,937		281,319
20		TOTAL		12,870,937	0.50%	281,319
21						
22	Qwest Federal Services	DUES/SOFTWARE	FDC	7,495		160
23	Qwest Federal Services	SHARED SUPPORT	FDC	755,522		16,693
24		FDC		763,016		16,853
25		TOTAL		763,016	0.00%	16,853
26						
27	Qwest Services Corporation	AUTO LIABILITY INSURANCE	FDC	2,034,240		43,521
28	Qwest Services Corporation	GENERAL LIABILITY INSURANCE	FDC	1,981,255		42,373
29	Qwest Services Corporation	HEADQUARTERS	FDC	73,300,457		1,559,240
30	Qwest Services Corporation	LEGAL - DIRECT	FDC	27,547,820		583,446

## Affiliate Transactions - Products &amp; Services Provided to Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Qwest Services Corporation	POST EMPLOYMENT BENEFITS	FDC	329,504		7,034
2	Qwest Services Corporation	WORKERS COMPENSATION	FDC	4,373,966		105,254
3		<b>FDC</b>		<b>109,567,243</b>		<b>2,340,868</b>
4		<b>TOTAL</b>		<b>109,567,243</b>	<b>0.00%</b>	<b>2,340,868</b>
5	Qwest Information Technologies	CORPORATE CALLING CARDS	FDC	165,965		3,522
6	Qwest Information Technologies	INFORMATION MGMT SERVICES	FDC	521,541,260		11,029,706
7		<b>FDC</b>		<b>521,707,225</b>		<b>11,033,228</b>
8	Qwest Information Technologies	SHARED SPACE	PCP	29,652,027		625,967
9		<b>PCP</b>		<b>29,652,027</b>		<b>625,967</b>
10		<b>TOTAL</b>		<b>551,359,252</b>	<b>90.76%</b>	<b>11,659,195</b>
11						
12	LCT	LEGAL	FDC	385,136		8,172
13		<b>FDC</b>		<b>385,136</b>		<b>8,172</b>
14		<b>TOTAL</b>		<b>385,136</b>	<b>0.00%</b>	<b>8,172</b>
15						
16	Qwest Long Distance	ACCRUAL	FDC	(389,849)		(8,904)
17	Qwest Long Distance	MISCELLANEOUS	FDC	6,953		151
18		<b>FDC</b>		<b>(382,896)</b>		<b>(8,753)</b>
19	Qwest Long Distance	CORPORATE COMMUNICATIONS	PCP	11,321,004		237,289
20		<b>PCP</b>		<b>11,321,004</b>		<b>237,289</b>
21		<b>TOTAL</b>		<b>10,938,108</b>	<b>43.00%</b>	<b>228,536</b>
22						
23	National Telecomm Alliance	NATIONAL SECUR EMER PREP	PCP	1,812,839		47,167
24		<b>PCP</b>		<b>1,812,839</b>		<b>47,167</b>
25		<b>TOTAL</b>		<b>1,812,839</b>	<b>0.00%</b>	<b>47,167</b>
26						
27	Qwest Wireless	ISS USAGE	PCP	11,371		-
28	Qwest Wireless	OCS USAGE	PCP	7,452,730		-
29	Qwest Wireless	OUT OF PERIOD ADJUSTMENTS	PCP	1,001,374		-
30						

**Affiliate Transactions - Products & Services Provided to Utility**

**Schedule 33**

**Affiliate Transactions - Products & Services Provided to Utility**

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2		PCP		8,465,475		
3		TOTAL		8,465,475	2.59%	
4						
5		GRAND TOTAL		812,735,629		17,106,422
6						
7						
8						
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29						
30						

Part 32 requires that affiliates bill QC at the lower of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending upon the outcome of the pricing audit.

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Interprise America	FAIR COMPENSATION	FCP	10,527,892		228,982
2		<b>FCP</b>		<b>10,527,892</b>		<b>228,982</b>
3	Qwest Interprise America	ADMINISTRATIVE	FDC	301,106		(266)
4	Qwest Interprise America	BILLING & COLLECTIONS	FDC	3,243,379		36,119
5	Qwest Interprise America	FINANCE	FDC	442,453		9,367
6	Qwest Interprise America	GENERAL SERVICES	FDC	9,961,193		176,427
7	Qwest Interprise America	HUMAN RESOURCES	FDC	356,640		7,553
8	Qwest Interprise America	INFORMATION TECH SERVICES	FDC	749,774		15,873
9	Qwest Interprise America	MARKETING	FDC	49,646		1,081
10	Qwest Interprise America	MISCELLANEOUS	FDC	968		20
11	Qwest Interprise America	PUBLIC RELATIONS	FDC	66,050		1,398
12	Qwest Interprise America	SECURITY	FDC	990		21
13	Qwest Interprise America	SHARED SPACE	FDC	4,332,304		(38,947)
14		<b>FDC</b>		<b>19,504,503</b>		<b>208,647</b>
15	Qwest Interprise America	INFORMATION TECH SERVICES	FMV	195,240		4,133
16	Qwest Interprise America	PUBLIC RELATIONS	FMV	510,020		10,797
17	Qwest Interprise America	RISK MANAGEMENT	FMV	54,222		1,148
18	Qwest Interprise America	SECURITY	FMV	7,973		169
19	Qwest Interprise America	SHARED SPACE	FMV	193,396		-
20		<b>FMV</b>		<b>960,851</b>		<b>16,247</b>
21	Qwest Interprise America	BILLING & COLLECTIONS	PCP	722,670		7,952
22		<b>PCP</b>		<b>722,670</b>		<b>7,952</b>
23		<b>TOTAL</b>		<b>31,715,917</b>	<b>N/A</b>	<b>461,828</b>
24						
25	Qwest Advanced Technologies	ADMINISTRATIVE	FDC	51,076		(149)
26	Qwest Advanced Technologies	FINANCE	FDC	172,294		3,647
27	Qwest Advanced Technologies	FLEET SERVICES	FDC	445		-
28	Qwest Advanced Technologies	GENERAL SERVICES	FDC	117,434		2,513
29	Qwest Advanced Technologies	HUMAN RESOURCES	FDC	209,272		4,432



## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Advanced Technologies	INFORMATION TECH SERVICES	FDC	291,067		6,170
2	Qwest Advanced Technologies	PUBLIC RELATIONS	FDC	48,216		1,021
3		<b>FDC</b>		<b>889,803</b>		<b>17,635</b>
4	Qwest Advanced Technologies	FLEET SERVICES	FMV	33		-
5	Qwest Advanced Technologies	INFORMATION TECH SERVICES	FMV	59,245		1,254
6	Qwest Advanced Technologies	PUBLIC RELATIONS	FMV	2,663		56
7	Qwest Advanced Technologies	RISK MANAGEMENT	FMV	24,421		517
8	Qwest Advanced Technologies	SECURITY	FMV	2,619		55
9		<b>FMV</b>		<b>88,981</b>		<b>1,882</b>
10		<b>TOTAL</b>		<b>978,784</b>	<b>N/A</b>	<b>19,518</b>
11						
12	Qwest Broadband Services	ACCRUAL	FDC	6,571		1,544
13	Qwest Broadband Services	ADMINISTRATIVE	FDC	24,183		-
14	Qwest Broadband Services	FINANCE	FDC	89,430		1,893
15	Qwest Broadband Services	GENERAL SERVICES	FDC	10,910,493		149,381
16	Qwest Broadband Services	HUMAN RESOURCES	FDC	33,634		713
17	Qwest Broadband Services	INFORMATION TECH SERVICES	FDC	123,522		1,728
18	Qwest Broadband Services	LEASES	FDC	12,590,122		-
19	Qwest Broadband Services	MARKETING	FDC	516,228		1,649
20	Qwest Broadband Services	NETWORK SERVICES	FDC	83,403,664		23,978
21	Qwest Broadband Services	PUBLIC RELATIONS	FDC	7,009		148
22	Qwest Broadband Services	SECURITY	FDC	347		7
23		<b>FDC</b>		<b>107,705,203</b>		<b>181,042</b>
24	Qwest Broadband Services	GENERAL SERVICES	FMV	422		9
25	Qwest Broadband Services	LEASES	FMV	229,338		-
26	Qwest Broadband Services	PUBLIC RELATIONS	FMV	59,502		1,260
27	Qwest Broadband Services	RISK MANAGEMENT	FMV	1,845		39
28	Qwest Broadband Services	SECURITY	FMV	2,597		55
29		<b>FMV</b>		<b>293,704</b>		<b>1,363</b>

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Broadband Services	BILLING & COLLECTIONS	PCP	830,050		12,901
2		PCP		830,050		12,901
3	Qwest Broadband Services	NETWORK SERVICES	PUB	877,196		-
4		PUB		877,196		-
5		TOTAL		109,706,153	N/A	195,306
6						
7	Qwest Business Resources	ADMINISTRATIVE	FDC	288,770		853
8	Qwest Business Resources	FINANCE	FDC	368,807		7,808
9	Qwest Business Resources	FLEET SERVICES	FDC	12,003		-
10	Qwest Business Resources	GENERAL SERVICES	FDC	304,707		6,451
11	Qwest Business Resources	HUMAN RESOURCES	FDC	323,694		6,854
12	Qwest Business Resources	INFORMATION TECH SERVICES	FDC	1,743,767		36,916
13	Qwest Business Resources	MISCELLANEOUS	FDC	387		8
14	Qwest Business Resources	PUBLIC RELATIONS	FDC	13,476		285
15	Qwest Business Resources	REAL PROPERTY SERVICES	FDC	615,132		-
16	Qwest Business Resources	SECURITY	FDC	6,227		132
17		FDC		3,676,969		59,306
18	Qwest Business Resources	GENERAL SERVICES	FMV	422		9
19	Qwest Business Resources	LEASES	FMV	307,976		6,520
20	Qwest Business Resources	PUBLIC RELATIONS	FMV	87,828		1,859
21	Qwest Business Resources	RISK MANAGEMENT	FMV	26,195		555
22	Qwest Business Resources	SECURITY	FMV	3,694		78
23		FMV		426,115		9,021
24	Qwest Business Resources	NETWORK SERVICES	PCP	(12,574)		-
25		PCP		(12,574)		-
26		TOTAL		4,090,511	N/A	68,327
27						
28	Qwest Communications Corporation	ACCURAL	FDC	56,728		848
29	Qwest Communications Corporation	HUMAN RESOURCES	FDC	196,300		4,156

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Communications Corporation	NETWORK SERVICES	FDC	287,155		6,079
2	Qwest Communications Corporation	SHARED SPACE	FDC	944,512		-
3	Qwest Communications Corporation	VOICE OVER IP	FDC	51,986		1,131
4		<b>FDC</b>		<b>1,536,682</b>		<b>12,213</b>
5		<b>TOTAL</b>		<b>1,536,682</b>	<b>N/A</b>	<b>12,213</b>
6						
7	Qwest Communications Services	ADMINISTRATIVE	FDC	599,241		351
8	Qwest Communications Services	FINANCE	FDC	526,940		11,155
9	Qwest Communications Services	FLEET SERVICES	FDC	5,220		-
10	Qwest Communications Services	GENERAL SERVICES	FDC	1,983,309		43,098
11	Qwest Communications Services	HUMAN RESOURCES	FDC	518,744		10,988
12	Qwest Communications Services	INFORMATION TECH SERVICES	FDC	886,537		18,768
13	Qwest Communications Services	MISCELLANEOUS	FDC	145		3
14	Qwest Communications Services	PUBLIC RELATIONS	FDC	13,347		283
15	Qwest Communications Services	REAL PROPERTY SERVICES	FDC	10,982		-
16	Qwest Communications Services	SHARED SPACE	FDC	2,401,792		(443)
17		<b>FDC</b>		<b>6,946,257</b>		<b>84,203</b>
18	Qwest Communications Services	HUMAN RESOURCES	FMV	(11,482)		(243)
19	Qwest Communications Services	INFORMATION TECH SERVICES	FMV	148,357		3,141
20	Qwest Communications Services	NETWORK SERVICES	FMV	2,875,685		37,085
21	Qwest Communications Services	PUBLIC RELATIONS	FMV	93,642		1,982
22	Qwest Communications Services	RISK MANAGEMENT	FMV	65,261		1,382
23	Qwest Communications Services	SECURITY	FMV	10,061		213
24	Qwest Communications Services	SHARED SPACE	FMV	2,115,390		42,550
25		<b>FMV</b>		<b>5,296,914</b>		<b>86,110</b>
26		<b>TOTAL</b>		<b>12,243,170</b>	<b>N/A</b>	<b>170,313</b>
27						
28	Qwest Dex	ADMINISTRATIVE	FDC	22,923		-
29	Qwest Dex	BILLING & COLLECTIONS	FDC	1,382,255		(8,315)

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Dex	FINANCE	FDC	600,271		12,708
2	Qwest Dex	GENERAL SERVICES	FDC	41,006		868
3	Qwest Dex	HUMAN RESOURCES	FDC	398,565		8,444
4	Qwest Dex	INFORMATION TECH SERVICES	FDC	66,489		1,408
5	Qwest Dex	MISCELLANEOUS	FDC	632		13
6	Qwest Dex	PUBLIC RELATIONS	FDC	4,555		96
7	Qwest Dex	SECURITY	FDC	28,957		613
8		<b>FDC</b>		<b>2,545,654</b>		<b>15,835</b>
9	Qwest Dex	BILLING & COLLECTIONS	FMV	4,445,583		165,058
10	Qwest Dex	EXPANDED USE	FMV	352,259		10,003
11	Qwest Dex	FINANCE	FMV	211		4
12	Qwest Dex	INFORMATION TECH SERVICES	FMV	237,923		5,037
13	Qwest Dex	LEASES	FMV	(359)		-
14	Qwest Dex	PUBLIC RELATIONS	FMV	62,147		1,316
15	Qwest Dex	RISK MANAGEMENT	FMV	250,738		5,308
16	Qwest Dex	SECURITY	FMV	37,132		786
17	Qwest Dex	SHARED SPACE	FMV	62,441		-
18		<b>FMV</b>		<b>5,448,075</b>		<b>187,512</b>
19	Qwest Dex	BILLING & COLLECTIONS	PCP	703,490		13,247
20	Qwest Dex	EXPANDED USE	PCP	39,700		1,072
21	Qwest Dex	OTHER PUBLISHER-ODA	PCP	556,137		4,668
22		<b>PCP</b>		<b>1,299,327</b>		<b>18,987</b>
23		<b>TOTAL</b>		<b>9,293,056</b>	<b>N/A</b>	<b>222,334</b>
24						
25	Qwest Federal Services	ADMINISTRATIVE	FDC	28,194		-
26	Qwest Federal Services	FINANCE	FDC	96,302		2,039
27	Qwest Federal Services	FLEET SERVICES	FDC	18,965		257
28	Qwest Federal Services	GENERAL SERVICES	FDC	283,374		6,150
29	Qwest Federal Services	HUMAN RESOURCES	FDC	90,986		1,926

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Federal Services	INFORMATION TECH SERVICES	FDC	124,495		2,636
2	Qwest Federal Services	PUBLIC RELATIONS	FDC	2,145		45
3	Qwest Federal Services	SHARED SPACE	FDC	7,497		(72)
4		<b>FDC</b>		<b>651,958</b>		<b>12,981</b>
5	Qwest Federal Services	FLEET SERVICES	FMV	375		-
6	Qwest Federal Services	INFORMATION TECH SERVICES	FMV	40,201		851
7	Qwest Federal Services	PUBLIC RELATIONS	FMV	3,900		83
8	Qwest Federal Services	RISK MANAGEMENT	FMV	11,098		235
9	Qwest Federal Services	SECURITY	FMV	1,765		37
10	Qwest Federal Services	SHARED SPACE	FMV	7,896		-
11		<b>FMV</b>		<b>65,236</b>		<b>1,206</b>
12		<b>TOTAL</b>		<b>717,194</b>	<b>N/A</b>	<b>14,187</b>
13						
14	Qwest Services Corporation	ADMINISTRATIVE	FDC	294,237		(396)
15	Qwest Services Corporation	FINANCE	FDC	344,602		7,295
16	Qwest Services Corporation	FLEET SERVICES	FDC	(32,690)		(679)
17	Qwest Services Corporation	GENERAL SERVICES	FDC	271,591		5,750
18	Qwest Services Corporation	HUMAN RESOURCES	FDC	257,515		5,453
19	Qwest Services Corporation	INFORMATION TECH SERVICES	FDC	1,248,254		26,426
20	Qwest Services Corporation	MISCELLANEOUS	FDC	15,558		332
21	Qwest Services Corporation	PUBLIC RELATIONS	FDC	36,894		781
22	Qwest Services Corporation	SECURITY	FDC	795		17
23	Qwest Services Corporation	SHARED SPACE	FDC	5,171,855		-
24		<b>FDC</b>		<b>7,608,611</b>		<b>44,978</b>
25	Qwest Services Corporation	GENERAL SERVICES	FMV	3,380		72
26	Qwest Services Corporation	INFORMATION TECH SERVICES	FMV	125,510		2,657
27	Qwest Services Corporation	PUBLIC RELATIONS	FMV	660,515		13,983
28	Qwest Services Corporation	RISK MANAGEMENT	FMV	49,113		1,040
29	Qwest Services Corporation	SECURITY	FMV	5,094		108

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Services Corporation	SHARED SPACE	FMV	886,908	N/A	-
2		FMV		1,730,520		17,859
3		TOTAL		9,339,131		62,838
4	Qwest Information Technologies	INFORMATION TECH SERVICES	FCP	8,537,113	N/A	180,731
5		FCP		8,537,113		180,731
6		ADMINISTRATIVE	FDC	156,066		3,304
7		FINANCE	FDC	1,251,340		26,491
8		FLEET SERVICES	FDC	2,222		47
9		GENERAL SERVICES	FDC	818,290		17,323
10		HUMAN RESOURCES	FDC	2,241,902		47,461
11		INFORMATION TECH SERVICES	FDC	5,682,893		120,307
12		MISCELLANEOUS	FDC	28,874		611
13		PUBLIC RELATIONS	FDC	28,769		609
14		SECURITY	FDC	10,899		231
15		SHARED SPACE	FDC	13,257,346		-
16		FDC	FMV	23,478,600		216,384
17		GENERAL SERVICES		21,177		448
18		PUBLIC RELATIONS	FMV	490,624		10,387
19		RISK MANAGEMENT	FMV	432,130		9,148
20		SECURITY	FMV	39,378		834
21		SHARED SPACE	FMV	18,328,107		-
22		FMV	N/A	19,311,415		20,817
23		TOTAL		51,327,129		417,931
24						
25						
26	Qwest Long Distance	ADMINISTRATIVE	FDC	26,676		(21)
27	Qwest Long Distance	FINANCE	FDC	19,375		410
28	Qwest Long Distance	GENERAL SERVICES	FDC	106,404		2,503
29	Qwest Long Distance	HUMAN RESOURCES	FDC	8,468		179

## Affiliate Transactions - Products &amp; Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Long Distance	INFORMATION TECH SERVICES	FDC	59,751		1,265
2		<b>FDC</b>		<b>220,674</b>		<b>4,336</b>
3	Qwest Long Distance	INFORMATION TECH SERVICES	FMV	14,526		308
4	Qwest Long Distance	LEASE	FMV	785,732		-
5	Qwest Long Distance	PUBLIC RELATIONS	FMV	11,234		238
6		<b>FMV</b>		<b>811,492</b>		<b>545</b>
7	Qwest Long Distance	BILLING & COLLECTIONS	PCP	409,335		6,615
8	Qwest Long Distance	GENERAL SERVICES	PCP	14,915		316
9		<b>PCP</b>		<b>424,250</b>		<b>6,931</b>
10		<b>TOTAL</b>		<b>1,456,416</b>	<b>N/A</b>	<b>11,812</b>
11						
12	Malheur Home Telephone	GENERAL SERVICES	MAL	1,616,584		31,819
13	Malheur Home Telephone	NETWORK SERVICES	MAL	34,273		479
14	Malheur Home Telephone	REAL PROPERTY SERVICES	MAL	779		-
15		<b>MAL</b>		<b>1,651,635</b>		<b>32,298</b>
16		<b>TOTAL</b>		<b>1,651,635</b>	<b>N/A</b>	<b>32,298</b>
17						
18	Qwest Wireless	ACCRUAL	FDC	2,408,531		-
19	Qwest Wireless	ADMINISTRATIVE	FDC	425,663		(45)
20	Qwest Wireless	BILLING & COLLECTIONS	FDC	3,705		-
21	Qwest Wireless	FINANCE	FDC	888,152		18,802
22	Qwest Wireless	FLEET SERVICES	FDC	7,267		(780)
23	Qwest Wireless	GENERAL SERVICES	FDC	1,672,588		4,440
24	Qwest Wireless	HUMAN RESOURCES	FDC	1,437,607		30,440
25	Qwest Wireless	INFORMATION TECH SERVICES	FDC	1,816,063		38,446
26	Qwest Wireless	MARKETING	FDC	9,371,383		203,819
27	Qwest Wireless	NETWORK SERVICES	FDC	4,142,510		1,363
28	Qwest Wireless	PUBLIC RELATIONS	FDC	8,282		176
29						

Affiliate Transactions - Products & Services Provided by Utility

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

MT Utility

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Payments from Utility (d)	% Total Affil. Expense (e)	Payments from MT Utility (f)
1	Qwest Wireless	REAL PROPERTY SERVICES	FDC	3,919,790		234,810
2	Qwest Wireless	SECURITY	FDC	27,274		166
3	Qwest Wireless	SHARED SPACE	FDC	8,804,409		(48,920)
4		<b>FDC</b>		<b>34,933,223</b>		<b>482,717</b>
5	Qwest Wireless	FLEET SERVICES	FMV	460		-
6	Qwest Wireless	GENERAL SERVICES	FMV	1,637		3
7	Qwest Wireless	INFORMATION TECH SERVICES	FMV	228,095		4,829
8	Qwest Wireless	MARKETING	FMV	28,696		-
9	Qwest Wireless	PUBLIC RELATIONS	FMV	135,538		2,943
10	Qwest Wireless	RISK MANAGEMENT	FMV	106,421		2,253
11	Qwest Wireless	SECURITY	FMV	17,045		361
12	Qwest Wireless	SHARED SPACE	FMV	2,255,317		-
13		<b>FMV</b>		<b>2,773,209</b>		<b>10,389</b>
14	Qwest Wireless	BILLING & COLLECTIONS	PCP	63,616,405		32,665
15		<b>PCP</b>		<b>63,616,405</b>		<b>32,665</b>
16		<b>TOTAL</b>		<b>101,322,837</b>	<b>N/A</b>	<b>525,771</b>
17						
18		<b>GRAND TOTAL</b>		<b>335,378,615</b>		<b>2,214,676</b>
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.



## Montana Intrastate Regulated Earned Rate of Return

(Thousands of Dollars)

Year: 2000

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	536,242	523,104	2.51%
3	2002 Prop. Held for Future Telecommunications Use	0	0	
4	3100-3200 (Less) Accumulated Depreciation	314,314	251,951	24.75%
5	<b>NET Plant in Service</b>	<b>221,927</b>	<b>271,153</b>	<b>-18.15%</b>
6				
7	<u>Additions</u>			
8	1220 Materials & Supplies	515	422	21.92%
9	1280 Prepayments	0	0	
10	Other Additions	0	0	
11	<b>TOTAL Additions</b>	<b>515</b>	<b>422</b>	<b>21.92%</b>
12				
13	<u>Deductions</u>			
14	4100 Current Deferred Operating Income Taxes	3,320	(1,195)	377.81%
15	4320 Unamortized Operating Investment Tax Credits	3,216	3,667	-12.30%
16	4340 Noncurrent Deferred Operating Income Taxes	29,047	46,009	-36.87%
17	Customer Advances for Construction			
18	Other Deductions	0	0	
19	<b>TOTAL Deductions</b>	<b>35,583</b>	<b>48,481</b>	<b>-26.60%</b>
20	<b>TOTAL Rate Base</b>	<b>186,859</b>	<b>223,094</b>	<b>-16.24%</b>
21				
22	<b>Net Earnings</b>	<b>28,310</b>	<b>27,835</b>	<b>1.71%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>15.150%</b>	<b>12.477%</b>	<b>21.43%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>22.460%</b>	<b>16.742%</b>	<b>34.15%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
30	Earnings from Docket 93.7.25 - () reduces earnings			
31				
32	Advertising	95	95	0.00%
33	Contributions/Legal Advocacy	8	8	0.00%
34	Miscellaneous Dues	18	18	0.00%
35	Uncollectibles Accrual To Write Off	(131)	(131)	0.00%
36	Interest on Customer Deposits	(37)	(37)	0.00%
37	Total Net Income Adjustments	(47)	(47)	0.00%
38	Rate Base Adjustments			
39	Customer Deposits	453	453	0.00%
40	Land Development Agreements	283	283	0.00%
41	Total Rate Base Adjustments	736	736	0.00%
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>15.185%</b>	<b>12.497%</b>	<b>21.51%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>22.528%</b>	<b>16.780%</b>	<b>34.26%</b>

## Other Taxes Paid

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax **	3,082,398	758,250
2	Montana Public Service Commission Tax	454,727	444,112
3	Montana Consumer Counsel Tax	172,900	142,137
4	911 Emergency Telephone Fee	2,141,269	2,147,483
5	Montana Telecommunications Access Service (TDD)	426,445	428,525
6	Montana Corporate License Tax	2,717,813	2,089,000
7	Personal Property Tax	18,684,736	14,764,863
8	Real Property Tax	999,172	807,965
9	Montana Excise Tax **	N/A	5,494,525
10			
11			
12	Total	28,679,460	27,076,860

\*\* Effective 1/1/00 the telephone license was replaced by excise tax on telephone service.

## Universal Service Funds Received

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	139,913	0
14	Funds received from Federal Sources	1,633,020	1,510,726
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1,772,933	1,510,726