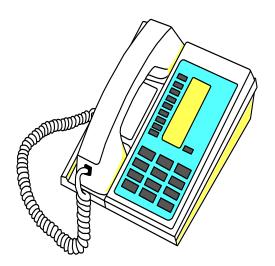
YEAR ENDING 2006

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

PAGE 1

Year: 2006

General Information

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 007 - P. O. Box 1716 Helena, Montana 59624 5. Person Responsible for This Report: **Cheryl Gillespie** 5a. Telephone Number: (406)441-7144 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 | | Name of Director | Fees Paid | | | |
| No. | | and Address (City, State) | During Year | | | |
| | | (a) | (b) | | | |
| 1 | Richard C. Notebaert | Denver, Colorado | None | | | |
| 2 | Oren G. Shaffer | Denver, Colorado | None | | | |
| 3 | | | | | | |
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| 13 | Chairman of the Board: Richard C. Note | ebaert | | | | |
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Officers

| Year: | 2006 |
|-------|------|
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| | | | Year: 2006 |
|------|---|------------------------------------|-----------------------------------|
| Line | Title | Department Over Which | Name and Address of Person |
| No. | of Officer | Jurisdiction is Exercised | Holding Office at Year End |
| | (a) | (b) | (C) |
| 1 | Chairman, Chief Executive Officer & President | | Richard C. Notebaert, Denver, CO |
| 2 | Vice Chairman & Chief Financial Officer | | Oren G. Shaffer, Denver, CO |
| 3 | Executive Vice President | Operations | Barry K. Allen, Denver, CO |
| 4 | Executive Vice President | Consumer Markets | Paula Kruger, Denver, CO |
| 5 | Senior Vice President | Finance and Treasurer | Janet K. Cooper, Denver, CO |
| 6 | Senior Vice President | Sales Support Operations | Robert L. Jones, Denver, CO |
| 7 | Senior Vice President | Finance and Controller | John W. Richardson, Denver, CO |
| 8 | Senior Vice President | Network Operations and Engineering | Robert D. Tregemba, Denver, CO |
| 9 | Senior Vice President | Policy | R. Steven Davis, Denver, CO |
| 10 | Vice President & Secretary | | Stephen E. Brilz, Denver, CO |
| 11 | Vice President | Finance and Assistant Treasurer | Rahn K. Porter, Denver, CO |
| 12 | Assistant Secretary | | Christian A. Pedersen, Denver, CO |
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SCHEDULE 3 Page 1 of 2

Total Company Balance Sheet

| (Th | οι | usand | s of Dollars) | | Year: 2006 |
|------|----------|-------|---|--------------|--------------|
| Line | | Acct. | | This | Last |
| No. | | No. | Description | Year | Year |
| | | (a) | (b) | (c) | (d) |
| 1 | | | CURRENT ASSETS: | | |
| 2 | | 1120 | Cash and Equivalents | 308,908 | 171,027 |
| 3 | | 1180 | Telecommunications Accounts Receivable - Net | 999,219 | 943,005 |
| 4 | | 1190 | Other Accounts Receivable - Net | 167,505 | 165,028 |
| 5 | | 1200 | Notes Receivable - Net | 0 | 0 |
| 6 | | 1210 | Interest and Dividends Receivable | 14,846 | 36,378 |
| 7 | | 1220 | Materials and Supplies | 51,671 | 60,165 |
| 8 | * | 1280 | Prepayments | 23,372 | 18,569 |
| 9 | ^ | 1290 | Prepaid Rents | 4,200 | 4,824 |
| 10 | ^ | 1300 | Prepaid Taxes | 8,995 | 9,023 |
| 11 | ^ | 1310 | Prepaid Insurance | 0 | 0 |
| 12 | ^ | 1320 | Prepaid Directory Expenses | 0 | 0 |
| 13 | ^ | 1330 | Other Prepayments | 10,177 | 4,722 |
| 14 | | 1350 | Other Current Assets | 6,078 | 7,773 |
| 15 | | | Total Current Assets | 1,571,599 | 1,401,945 |
| 16 | | | NONCURRENT ASSETS: | | |
| 17 | | 1401 | Investments in Affiliated Companies | 20,161 | 19,136 |
| 18 | | 1402 | Investments in Nonaffiliated Companies | 137 | (143) |
| 19 | | 1406 | Nonregulated Investments | 0 | 0 |
| 20 | | 1407 | Unamortized Debt Issuance Expense | 143,309 | 152,839 |
| 21 | | 1408 | Sinking Funds | 0 | 0 |
| 22 | | 1410 | Other Noncurrent Assets | 983,913 | 1,057,835 |
| 23 | | 1438 | Deferred Maintenance and Retirements | | |
| 24 | | 1439 | Deferred Charges | 620,709 | 739,857 |
| 25 | | 1500 | Other Jurisdictional Assets - Net | (276,541) | 92,067 |
| 26 | | | Total Noncurrent Assets | 1,491,688 | 2,061,592 |
| 27 | | | PROPERTY, PLANT, & EQUIPMENT: | | |
| 28 | | 2001 | Telecommunications Plant in Service | 44,095,883 | 44,234,974 |
| 29 | | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 30 | | 2003 | Plant Under Construction - Short Term | 130,087 | 228,892 |
| 31 | | 2004 | Plant Under Construction - Long Term | 0 | 0 |
| 32 | | 2005 | Telecommunications Plant Adjustment | | |
| 33 | | 2006 | Nonoperating Plant | 6,090 | 7,475 |
| 34 | | 2007 | Goodwill | 0 | 0 |
| 35 | | 3100 | Accumulated Depreciation | (30,018,197) | (29,324,218) |
| 36 | | 3200 | Accumulated Depreciation - Held for Future Use | 0 | 0 |
| 37 | | 3300 | Accumulated Depreciation - Nonoperating | (161) | (161) |
| 38 | | 3400 | Accumulated Amortization (Includes 3500 and 3600) | (876,669) | (1,052,587) |
| 39 | | | Net Property, Plant, & Equipment | 13,337,033 | 14,094,376 |
| 40 | | | TOTAL ASSETS | 16,400,320 | 17,557,912 |
| _ | <u> </u> | | of account marked with a * | .,, | |

^ Subaccount of account marked with a *.

SCHEDULE 3 Page 2 of 2

Total Company Balance Sheet

| (Tho | ousand | s of Dollars) | | Year: 2006 |
|------|--------|--|-------------|-------------|
| Line | Acct. | | This | Last |
| No. | No. | Description | Year | Year |
| | (a) | (b) | (c) | (d) |
| 41 | | CURRENT LIABILITIES: | | |
| 42 | 4010 | Accounts Payable | 1,034,209 | 986,693 |
| 43 | 4020 | Notes Payable | 0 | 0 |
| 44 | 4030 | Advance Billing and Payments | 283,587 | 292,214 |
| 45 | 4040 | Customer Deposits | 12,226 | 11,465 |
| 46 | 4050 | Current Maturities - Long Term Debt | 70,209 | 0 |
| 47 | 4060 | Current Maturities - Capital Leases | 697 | 623 |
| 48 | 4070 | Income Taxes - Accrued | 105,875 | (5,257) |
| 49 | 4080 | Other Taxes - Accrued | 192,954 | 209,072 |
| 50 | 4100 | Net Current Deferred Operating Income Taxes | 0 | 43,620 |
| 51 | 4110 | Net Current Deferred Nonoperating Income Taxes | 0 | 2,673 |
| 52 | 4120 | Other Accrued Liabilities | 629,298 | 221,515 |
| 53 | 4130 | Other Current Liabilities | 25,701 | 28,981 |
| 54 | | Total Current Liabilities | 2,354,755 | 1,791,599 |
| 55 | | LONG-TERM DEBT: | | |
| 56 | 4210 | Funded Debt | 7,727,186 | 7,786,933 |
| 57 | 4220 | Premium on Long-Term Debt | 0 | 0 |
| 58 | 4230 | Discount on Long-Term Debt | (125,935) | (129,199) |
| 59 | 4240 | Reacquired Debt | 0 | 0 |
| 60 | 4250 | Obligations Under Capital Leases | 7,325 | 4,516 |
| 61 | 4260 | Advances From Affiliated Companies | 0 | 0 |
| 62 | 4270 | Other Long-Term Debt | 0 | 0 |
| 63 | | Total Long-Term Debt | 7,608,576 | 7,662,250 |
| 64 | | OTHER LIABILITIES AND DEFERRED CREDITS: | | |
| 65 | 4310 | Other Long-Term Liabilities | 2,342,818 | 2,618,656 |
| 66 | 4320 | Unamort. Oper. Invest. Tax Credits - Net | 87,045 | 103,923 |
| 67 | 4330 | Unamort. Nonoper. Invest. Tax Credits - Net | 0 | 0 |
| 68 | 4340 | Net Noncurrent Deferred Oper. Income Taxes | 1,608,462 | 2,786,391 |
| 69 | 4350 | Net Noncurrent Deferred Nonoper. Income Taxes | 13,304 | 13,670 |
| 70 | 4360 | Other Deferred Credits | 872,674 | 504,344 |
| 71 | 4370 | Other Jurisdictional Liab. and Def. Credits | (110,471) | (73,270) |
| 72 | | Total Other Liabilities and Deferred Credits | 4,813,831 | 5,953,715 |
| 73 | | STOCKHOLDERS' EQUITY: | | |
| 74 | 4510 | Capital Stock | 10,585,333 | 10,454,238 |
| 75 | 4520 | Additional Paid-In Capital | 64,328 | 64,328 |
| 76 | 4530 | Treasury Stock | | |
| 77 | 4540 | Other Capital | | |
| 78 | 4550 | Retained Earnings | (9,026,504) | (8,368,218) |
| 79 | | Total Stockholders' Equity | 1,623,157 | 2,150,348 |
| 80 | | TOTAL LIAB. AND STOCKHOLDERS' EQUITY | 16,400,320 | 17,557,912 |
| | | | -, -, -=== | PAGE 4 |

SCHEDULE 4

Total Company Income Statement

| (Tho | ou | sands | s of Dollars) | | Year: 2006 |
|------|----|-------|---|-----------|------------|
| Line | | Acct. | | This | Last |
| No. | | No. | Description | Year | Year |
| | | (a) | (b) | (C) | (d) |
| 1 | Г | | REVENUES: | | |
| 2 | | 5000 | Basic Local Service Revenues | 4,059,347 | 4,244,171 |
| 3 | | 5080 | Network Access Revenues | 4,068,209 | 3,962,076 |
| 4 | * | 5100 | Long Distance Message Revenue | 40,238 | 53,064 |
| 5 | ۸ | 5110 | Unidirectional Long Distance Revenue (Note 1) | 40,236 | 53,078 |
| 6 | ۸ | 5120 | Long Distance Private Network Revenue | 2 | (14) |
| 7 | ۸ | 5160 | Other Long Distance Revenue | 0 | Ó |
| 8 | ۸ | 5169 | Other Long Distance Revenue Settlements | | |
| 9 | * | 5200 | Miscellaneous Revenue | 1,680,159 | 1,741,028 |
| 10 | ۸ | 5230 | Directory Revenue | 64,897 | 74,931 |
| 11 | ۸ | 5240 | Rent Revenue | 575,761 | 616,909 |
| 12 | ۸ | 5250 | Corporate Operations Revenue | 37,092 | 34,073 |
| 13 | ۸ | 5260 | Miscellaneous Revenue | 224,070 | 259,394 |
| 14 | ۸ | 5270 | Carrier Billing and Collection Revenue | 194,086 | 267,365 |
| 15 | ۸ | 5280 | Nonregulated Revenue | 584,252 | 488,356 |
| 16 | | 5300 | Uncollectible Revenue | 65,190 | 74,586 |
| 17 | | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 9,782,763 | 9,925,753 |
| 18 | | | OPERATING EXPENSES: | | |
| 19 | | 6110 | Network Support Expense | 10,911 | 13,310 |
| 20 | | 6120 | General Support Expense | 466,214 | 527,254 |
| 21 | | 6210 | Central Office Switching Expense | 126,299 | 169,223 |
| 22 | | 6220 | Operator Systems Expense | 94 | 133 |
| 23 | | 6230 | Central Office Transmission Expense | 170,180 | 166,550 |
| 24 | | 6310 | Information Origination/Termination Expense | 142,267 | 151,205 |
| 25 | | 6410 | Cable and Wire Facilities Expense | 826,903 | 821,602 |
| 26 | | 6431 | Aerial Wire Expense | 3,835 | 3,910 |
| 27 | | 6441 | Conduit Systems Expense | 12,268 | 8,962 |
| 28 | | 6510 | Other Property, Plant & Equipment Expense | 1,464 | 23,198 |
| 29 | | 6530 | Network Operations Expense | 605,292 | 573,084 |
| 30 | | 6540 | Access Expense | 235,678 | 250,987 |
| 31 | | 6560 | Depreciation and Amortization Expense | 1,865,178 | 3,190,134 |
| 32 | | 6610 | Marketing | 598,420 | 611,850 |
| 33 | | 6620 | Services | 708,591 | 740,771 |
| 34 | | 6710 | Executive and Planning | 41,919 | 41,038 |
| 35 | | 6720 | General and Administrative | 885,461 | 853,160 |
| 36 | | 6790 | Provision for Uncollectible Notes Receivable | | |
| 37 | | | Total Operating Expenses (Sum L.19 to L.36) | 6,684,871 | 8,133,499 |
| 38 | | 7100 | Other Operating Income and Expense | (36,178) | (495) |
| 39 | | 7200 | Operating Taxes | 821,473 | 657,813 |
| 40 | | | Net Operating Income (L.17-L.37-L.38-L.39) | 2,312,597 | 1,134,936 |
| 41 | | 7300 | Nonoperating Income and Expense | 609 | 15,708 |
| 42 | | 7400 | Nonoperating Taxes | 9,569 | 5,385 |
| 43 | | 7500 | Interest and Related Items | 641,636 | 630,973 |
| 44 | | 7600 | Extraordinary Items | 0 | 0 |
| 45 | | 7910 | Effects of Juris. Ratemaking Diff Net | (321,970) | (20,667) |
| 46 | | 7990 | Nonregulated Net Income | | |
| 47 | | | NET INCOME (L.40-L.41-L.42-L.43-L.44-L.45-L.46) | 1,340,031 | 493,619 |

^ Subaccount of the account marked with a *.

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

SCHEDULE 5

Year: 2006

Montana Total State Income Statement

| (Thou | usands o | of Dollars) |
|-------|----------|-------------|
| Line | Acct. | |

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This Last No. No. Description Year Year (a) (b) (c) (d) **REVENUES: Basic Local Service Revenues** 109,475 117,023 2 5000 5080 Network Access Revenues 114,448 116,607 5100 Long Distance Message Revenue 889 1,421 891 1,423 ۸ 5110 Unidirectional Long Distance Revenue (Note 1) ۸ 5120 Long Distance Private Network Revenue (2) (2) ۸ 5160 Other Long Distance Revenue 0 0 ۸ 5169 Other Long Distance Revenue Settlements 0 0 5200 **Miscellaneous Revenue** 23,400 23,257 ٨ **Directory Revenue** 5230 1,709 10 1,745 ۸ 3,789 3,598 5240 Rent Revenue 12 ۸ 5250 **Corporate Operations Revenue** 444 644 ۸ 2,356 3,055 13 5260 **Miscellaneous Revenue** 14 ۸ 5270 Carrier Billing and Collection Revenue 4,316 5.660 15 ^ 5280 Nonregulated Revenue 10,786 8,555 16 5300 Uncollectible Revenue 1,177 1,913 Total Revenues (L.2+L.3+L.4+L.9-L.16) 247,035 256,395 17 18 **OPERATING EXPENSES:** 6110 Network Support Expense 232 240 19 20 6120 General Support Expense 8,101 9,844 Central Office Switching Expense 21 6210 2,917 3,978 22 6220 **Operator Systems Expense** 0 0 23 6230 Central Office Transmission Expense 3,246 2,925 24 6310 Information Origination/Termination Expense 2.206 2,295 25 6410 Cable and Wire Facilities Expense 14,364 14,624 26 6431 Aerial Wire Expense 77 75 27 6441 Conduit Systems Expense 39 19 28 29 601 6510 Other Property, Plant & Equipment Expense 29 6530 Network Operations Expense 10,461 11,128 30 6540 Access Expense 3,915 6,049 32,973 31 6560 **Depreciation and Amortization Expense** 73,885 32 6610 Marketing 13,142 13,636 16,668 33 6620 Services 16,861 34 6710 Executive and Planning 980 931 35 General and Administrative 17,346 19,239 6720 36 6790 Provision for Uncollectible Notes Receivable 37 Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) 126,579 176,236 38 Other Operating Income and Expense (Includes USF and Link Up America) 7100 9 (0)39 7200 **Operating Taxes** 50,528 27,565 40 Net Operating Income (L.17-L.37-L.38-L.39) 69,919 52,594

PAGE 6

^ Subaccount of the account marked with a *.

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

SCHEDULE 6

Montana Intrastate Income Statement

| Tho | usands | of Dollars) | | Year: 2006 |
|-----|--------|---|----------|------------|
| ne | Acct. | | This | Last |
| 0. | No. | Description | Year | Year |
| | (a) | (b) | (c) | (d) |
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 109,475 | 117,023 |
| 3 | 5080 | Network Access Revenues | 20,716 | 23,552 |
| 1 * | 5100 | Long Distance Message Revenue | 888 | 1,421 |
| 5 ^ | 5110 | Unidirectional Long Distance Revenue (Note 1) | 890 | 1,423 |
| ş ^ | 5120 | Long Distance Private Network Revenue | (2) | (2 |
| 7 ^ | 5160 | Other Long Distance Revenue | 0 | 0 |
| 3 ^ | 5169 | Other Long Distance Revenue Settlements | | |
|) * | 5200 | Miscellaneous Revenue | 7,823 | 7,418 |
| 0 ^ | 5230 | Directory Revenue | 1,709 | 1,745 |
| 1 ^ | 5240 | Rent Revenue | 2,660 | 2,553 |
| 2 ^ | 5250 | Corporate Operations Revenue | 322 | 467 |
| 3 ^ | | Miscellaneous Revenue | 1,868 | 2,362 |
| 4 ^ | | Carrier Billing and Collection Revenue | 1,265 | 291 |
| 5 ^ | | Nonregulated Revenue | (0) | (0 |
| 6 | 5300 | Uncollectible Revenue | 1,168 | 744 |
| 7 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 137,733 | 148,670 |
| 8 | | OPERATING EXPENSES: | | · |
| 9 | 6110 | Network Support Expense | 156 | 162 |
| 0 | 6120 | General Support Expense | 5,212 | 6,419 |
| 1 | 6210 | Central Office Switching Expense | 1,840 | 2,512 |
| 2 | 6220 | Operator Systems Expense | 0 | 0 |
| 3 | 6230 | Central Office Transmission Expense | 2,062 | 1,864 |
| 4 | 6310 | Information Origination/Termination Expense | 229 | 278 |
| 5 | 6410 | Cable and Wire Facilities Expense | 9,886 | 10,065 |
| 6 | 6431 | Aerial Wire Expense | 53 | 52 |
| 7 | 6441 | Conduit Systems Expense | 27 | 13 |
| 8 | 6510 | Other Property, Plant & Equipment Expense | 19 | 393 |
| 9 | 6530 | Network Operations Expense | 6,321 | 6,641 |
| 0 | 6540 | Access Expense | 228 | 1,423 |
| 1 | 6560 | Depreciation and Amortization Expense | 22,154 | 47,827 |
| 2 | 6610 | Marketing | 6,876 | 8,503 |
| 3 | 6620 | Services | 11,640 | 12,058 |
| 4 | 6710 | Executive and Planning | 657 | 632 |
| 5 | 6720 | General and Administrative | 11,044 | 12,698 |
| 6 | 6790 | Provision for Uncollectible Notes Receivable | , | , |
| 7 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 78,324 | 111,475 |
| 8 | 7100 | Other Operating Income and Expense (Includes USF and Link Up America) | (16,165) | (16,364 |
| 9 | 7200 | Operating Taxes | 32,227 | 18,555 |
| 0 | 1 | Net Operating Income (L.17-L.37-L.38-L.39) | 43,347 | 35,004 |

^ Subaccount of the account marked with a *.

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

SCHEDULE 7

Montana Intrastate Regulated Income Statement

| (Th | nou | Isands | of Dollars) | | Year: 2006 |
|------|-----|--------|---|----------|------------|
| Line | • | Acct. | | This | Last |
| No. | | No. | Description | Year | Year |
| | | (a) | (b) | (c) | (d) |
| 1 | | | REVENUES: | | |
| 2 | | 5000 | Basic Local Service Revenues | 108,065 | 115,285 |
| 3 | | 5080 | Network Access Revenues | 16,052 | 18,383 |
| 4 | * | 5100 | Long Distance Message Revenue | 890 | 1,421 |
| 5 | ^ | 5110 | Unidirectional Long Distance Revenue (Note 1) | 890 | 1,423 |
| 6 | ^ | 5120 | Long Distance Private Network Revenue | 0 | (2) |
| 7 | ^ | 5160 | Other Long Distance Revenue | 0 | 0 |
| 8 | ^ | 5169 | Other Long Distance Revenue Settlements | 0 | 0 |
| 9 | * | 5200 | Miscellaneous Revenue | 6,556 | 7,104 |
| 10 | ^ | 5230 | Directory Revenue | 1,709 | 1,745 |
| 11 | ^ | 5240 | Rent Revenue | 2,732 | 2,636 |
| 12 | ^ | 5250 | Corporate Operations Revenue | 283 | 399 |
| 13 | ^ | 5260 | Miscellaneous Revenue | 1,832 | 2,324 |
| 14 | ^ | 5270 | Carrier Billing and Collection Revenue | 1 | (0) |
| 15 | ^ | 5280 | Nonregulated Revenue | (0) | (0) |
| 16 | | 5300 | Uncollectible Revenue | 1,121 | 714 |
| 17 | | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 130,441 | 141,479 |
| 18 | | | OPERATING EXPENSES: | | |
| 19 | | 6110 | Network Support Expense | 150 | 156 |
| 20 | | 6120 | General Support Expense | 4,802 | 6,132 |
| 21 | | 6210 | Central Office Switching Expense | 1,800 | 2,232 |
| 22 | | 6220 | Operator Systems Expense | 0 | 0 |
| 23 | | 6230 | Central Office Transmission Expense | 1,789 | 1,629 |
| 24 | | 6310 | Information Origination/Termination Expense | 222 | 271 |
| 25 | | 6410 | Cable and Wire Facilities Expense | 9,607 | 9,782 |
| 26 | | 6431 | Aerial Wire Expense | 53 | 52 |
| 27 | | 6441 | Conduit Systems Expense | 27 | 13 |
| 28 | | 6510 | Other Property, Plant & Equipment Expense | 18 | 381 |
| 29 | | 6530 | Network Operations Expense | 6,044 | 6,330 |
| 30 | | 6540 | Access Expense | 228 | 1,423 |
| 31 | | 6560 | Depreciation and Amortization Expense | 40,182 | 40,337 |
| 32 | | 6610 | Marketing | 6,778 | 8,362 |
| 33 | | 6620 | Services | 10,528 | 11,909 |
| 34 | | 6710 | Executive and Planning | 628 | 605 |
| 35 | | 6720 | General and Administrative | 10,187 | 11,988 |
| 36 | | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 |
| 37 | | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 92,963 | 101,536 |
| 38 | | 7100 | Other Operating Income and Expense (Includes USF and Link Up America) | (16,165) | (16,364) |
| 39 | | 7200 | Operating Taxes | 32,124 | 20,300 |
| 40 | | | Net Operating Income (L.17-L.37-L.38-L.39) | 21,518 | 36,007 |

^ Subaccount of the account marked with a *.

Average Rate Base - Total State (Thousands of Dollars)

| (Tho | (Thousands of Dollars) | | | Year: 2006 |
|------|------------------------|---|---------|------------|
| Line | Acct. | | This | Last |
| No. | No. | Description | Year | Year |
| | (a) | (b) | (c) | (d) |
| 1 | 2001 | Telecommunications Plant in Service | 978,904 | 964,819 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 773,691 | 732,690 |
| 3 | 2002 | Property Held for Future Telecommunications Use | | |
| 4 | 3200 | Accumulated Depreciation - 2002 | | |
| 5 | 1220 | Materials and Supplies | 779 | 600 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 10,264 | 31,899 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | | |
| 8 | | Cash Working Capital (if allowed by Commission) | | |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 195,728 | 200,830 |

Average Rate Base - Intrastate

| Line | Acct. | | This | This |
|------|-------|---|---------|---------|
| No. | No. | Description | Year | Year |
| | (a) | (b) | (C) | (c) |
| 1 | 2001 | Telecommunications Plant in Service | 650,226 | 641,163 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 510,537 | 483,335 |
| 3 | 2002 | Property Held for Future Telecommunications Use | | |
| 4 | 3200 | Accumulated Depreciation - 2002 | | |
| 5 | 1220 | Materials and Supplies | 530 | 406 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 6,910 | 21,400 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | | |
| 8 | | Cash Working Capital (if allowed by Commission) | | |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 133,309 | 136,835 |

Average Rate Base - Regulated Intrastate

| Line | Acct. | | This | This |
|------|-------|---|---------|---------|
| No. | No. | Description | Year | Year |
| | (a) | (b) | (C) | (c) |
| 1 | 2001 | Telecommunications Plant in Service | 618,566 | 611,151 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 442,015 | 410,333 |
| 3 | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 4 | 3200 | Accumulated Depreciation - 2002 | 0 | 0 |
| 5 | 1220 | Materials and Supplies | 513 | 393 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 18,982 | 34,109 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | | |
| 8 | | Cash Working Capital (if allowed by Commission) | | |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 158,082 | 167,103 |
| | | | | PAGE 9 |

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

SCHEDULE 8

SCHEDULE 9

Statement of Cash Flows

| Line | Item Description | This Year | Last Year |
|------|---|-------------|-------------|
| No. | (a) | (b) | (c) |
| 1 | Increase/(decrease) in Cash & Cash Equivalents | | |
| 2 | Cash Flows from Operating Activities: | | |
| 3 | Net Income | 1,340,031 | 493,618 |
| 4 | Reconciliation Adjustments: | | |
| 5 | Depreciation & Amortization | 1,865,178 | 3,190,134 |
| 6 | Provision for Accounts Receivable Losses | 65,190 | 74,586 |
| 7 | Deferred Income Taxes - Net | (394,538) | (461,292) |
| 8 | Unamortized Investment Tax Credits (ITCs) - Net | (17,511) | (21,844) |
| 9 | Allowance for Funds Used During Construction (AFUDC) | (8,246) | (7,294) |
| 10 | Change in Operating Receivables - Net | (102,349) | 804 |
| 11 | Change in Materials, Supplies & Inventories - Net | 8,494 | 17,029 |
| 12 | Change in Operating Payables & Accrued Liabilities - Net | (127,390) | (4,682) |
| 13 | Change in Other Assets & Deferred Charges - Net | 561,341 | 37,285 |
| 14 | Change in Other Liabilities & Deferred Credits - Net | 4,632 | (316,895) |
| 15 | Other | (100,923) | 388,557 |
| 16 | Total Adjustments | 1,753,878 | 2,896,388 |
| 17 | Net Cash Provided by/(Used in) Operating Activities | 3,093,909 | 3,390,006 |
| 18 | Cash Inflows/Outflows From Investing Activities: | | |
| 19 | Construction/Acquisition of Property, Plant & Equipment (net of | | |
| 20 | AFUDC & Capital Lease Related Acquisitions) | (1,143,892) | (1,196,999) |
| 21 | Proceeds from Disposals of Property, Plant & Equipment | 148,597 | (12,108) |
| 22 | Investments In & Advances to Affiliates | 0 | 0 |
| 23 | Proceeds from Repayment of Advances | 0 | 0 |
| 24 | Other Investing Activities | 0 | 0 |
| 25 | Net Cash Provided by/(Used in) Investing Activities | (995,295) | (1,209,107) |
| 26 | Cash Flows from Financing Activities: | | |
| 27 | Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo. | 0 | 0 |
| 28 | Advances from Affiliates | 0 | 0 |
| 29 | Repayment of Advances from Affiliates | 0 | 0 |
| 30 | Proceeds from Issuances of Long-Term Debt | 600,149 | 1,150,000 |
| 31 | Repayment of Long-Term Debt | (589,700) | (1,178,726) |
| 32 | Payment of Capital Lease Obligations | (511) | (1,863) |
| 33 | Proceeds from Issuing Common Stock/Parent Co. Equity Investment | 0 | 0 |
| 34 | Repurchase of Treasury Shares | 0 | 0 |
| 35 | Dividends Paid | (1,926,000) | (2,535,920) |
| 36 | Other Financing Activities | (44,671) | (18,137) |
| 37 | Net Cash Provided by Financing Activities | (1,960,733) | (2,584,646) |
| 38 | Effect of Exchange Rate Changes on Cash | 0 | 0 |
| 39 | Net Increase/(Decrease) in Cash & Cash Equivalents | 137,881 | (403,747) |
| 40 | Cash & Cash Equivalents at Beginning of Period | 171,026 | 574,773 |
| 41 | Cash & Cash Equivalents at End of Period | 308,907 | 171,026 |
| | | | PAGE 10 |

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

(Thousands of Dollars)

| (Tho | ousands of Dollars) | | | | | | • | | | | Year: 2006 |
|------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Account 1160 | Account 1180 | Account 1181 | Account 1190 | Account 1191 | Account 1200 | Account 1201 | Account 1210 | Account 1401 | Account 1402 |
| | | | Telecom. | Accts. Rec. | Other | Accounts | | Notes | Interest and | Investments | Investments |
| Line | Name of | Temporary | Accounts | Telecom. | Accounts | Receivable | Notes | Receivable | Dividends | in Affil. | in Nonaffil. |
| No. | Affiliate or Company | Investments | Receivable | Allowance | Receivable | Allow-Other | Receivable | Allowance | Receivable | Companies | Companies |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
| 1 | QWEST Wireless, LLC | | | | 7,264 | | | | | W / | |
| 2 | Malheur Home Telephone Company | | | | 331 | | | | | 10,421 | |
| 3 | El Paso County Telephone | | | | 0 | | | | | 9,740 | |
| 4 | QWEST Communications Corporation | | | | 52,830 | | | | | | |
| 5 | QWEST Communication Services, Inc | | | | 0 | | | | | | |
| 6 | QWEST DEX | | | | 0 | | | | | | |
| 7 | QWEST Advanced Technologies, Inc | | | | 0 | 0 | | | | | |
| 8 | QWEST Business Resources, Inc | | | | 361 | | | | | | |
| 9 | QWEST Federal Services, Inc | | | | 0 | | | | | | |
| 10 | QWEST Interprise | | | | 10,447 | | | | | | |
| 11 | QWEST Broadband Services | | | | 6,354 | | | | | | |
| 12 | QWEST Long Distance | | | | 31,764 | | | | | | |
| | QWEST Service Corporation | | | | 5,669 | | | | | | |
| | QWEST Information Technologies, Inc. | | | | 2,516 | | | | | | |
| | Western Reinsurance | | | | 29 | | | | | | |
| | QCII | | | | 21,803 | | | | | | |
| 17 | CYBER | | | | 0 | | | | | | |
| | QWEST Comm(Malheur & Wireless) | | | | 0 | | | | | | |
| 19 | QWEST Government Services | | | | 166 | | | | | | |
| 20 | QWEST Transoceanic | | | | 27 | | | | | | |
| 21 | QWEST N Partnership | | | | 10 | | | | | | |
| 22 | | | | | - | | | | | | |
| 23 | | | | | | | | | | | |
| 24 | | | | | | | | | | | |
| 25 | | | | | | | | | | | |
| 26 | All other investments | | | | 4,715 | | | | | | |
| 27 | Non-affiliates | 41,800 | 1,045,956 | (46,737) | 29,117 | (5,898) | 0 | 0 | 14,846 | | 137 |
| 28 | | , | ,, | (-, - , | - , | (-,, | | | , | | |
| 29 | Totals | 41,800 | 1,045,956 | (46,737) | 173,403 | (5,898) | 0 | 0 | 14,846 | 20,161 | 137 |
| | • | | • | | | | | | • | • | PAGE 11 |

Company Name: states Corporation - Montana

SCHEDULE 11

Net Plant in Service - Detail

(Thousands of Dollars)

Year: 2006

| No. Account (a) Description (b) Balance (c) Additions (d) Retirements (e) Transfers (f) Balance (g) Depreciation (h) Balance (h) 1 2 110 Land and Support Assets 75,177 1,004 4,580 0 71,601 36,954 2 A 2111 Land 1,890 0 10 1,880 0 3 A 2112 Motor Vehicles 8,380 305 617 8,068 6,385 4 A 2113 Aircraft 0 0 122 117 6 2114 Garage Work Equipment 245 0 0 122 1171 7 A 2112 Buildings 51,029 464 362 51,133 25,789 8 A 2124 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 11 A 2124 General Purpose Computers 7,296 (186) 3,590 0 0 12 2211 Digital Electronic Switchi | d of Year | _ | Year End | End of Year | | | | Beginning | | | | |
|---|-----------|----------|--------------|--------------|-----------|-------------|-----------|-----------|--------------------------------|--------|---|------|
| Image: Constraint of the second sec | et Plant | | Accumulated | Account 2001 | Sales & | | | of Year | | | | Line |
| 1 * 2110 Land and Support Assets 75,177 1,004 4,580 0 71,601 36,954 2 ^ 2111 Motor Vehicles 8,380 305 617 8,068 6,385 4 2113 Aircraft 0 0 0 0 0 0 0 0 5 2114 Special Purpose Vehicles 122 0 0 122 117 6 2115 Garage Work Equipment 2,354 414 0 5,778 999 8 2121 Buildings 51,029 466 362 51,133 25,789 9 2122 Furniture 16 0 0 16 (55) 10 22123 Office Equipment 835 5 0 840 546 11 2214 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2213 | Balance | | Depreciation | Balance | Transfers | Retirements | Additions | Balance | Description | ccount | | No. |
| 2 ^ 2111 Land 1.890 0 10 1.880 0 3 ^ 2112 Motor Vehicles 8,380 305 617 8,068 6,385 4 2113 Aircraft 0 0 0 122 117 6 2114 Special Purpose Vehicles 122 0 0 122 117 6 2115 Garage Work Equipment 2456 0 0 122 117 7 2116 Other Work Equipment 5,364 414 0 5,778 999 8 2121 Buildings 51,029 466 362 51,133 25,789 9 4 2122 Girniture 16 0 | (i) | | (h) | | (f) | | (d) | | | (a) | | |
| 3 ^{A} 2112 Motor Vehicles 8,380 305 617 8,068 6,385 4 2113 Aircraft 0 0 0 0 0 0 6 2114 Special Purpose Vehicles 122 0 0 122 117 6 2115 Garage Work Equipment 245 0 0 245 171 7 2116 Other Work Equipment 5,364 414 0 5,778 999 8 2121 Buildings 51,029 466 362 51,133 25,789 9 2122 Furniture 16 0 0 16 (55) 14 2124 General Purpose Computers 7,296 (168) 3,500 3,519 3,002 12 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electronic Switching 0 0 0 0 <td< td=""><td>34,647</td><td></td><td>36,954</td><td>71,601</td><td>0</td><td>4,580</td><td>1,004</td><td>75,177</td><td>Land and Support Assets</td><td>2110</td><td>*</td><td>1</td></td<> | 34,647 | | 36,954 | 71,601 | 0 | 4,580 | 1,004 | 75,177 | Land and Support Assets | 2110 | * | 1 |
| 4 ^{A} 2113 Aircraft 0 0 0 0 0 5 ^{A} 2114 Special Purpose Vehicles 122 0 0 122 117 6 2116 Garage Work Equipment 245 0 0 245 171 7 ^{A} 2116 Other Work Equipment 5,364 414 0 5,778 999 8 ^{2122} Furniture 16 0 0 16 (55) 10 ^{2122} Furniture 16 0 0 16 (55) 11 ^{2122} General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2211 Analog Electronic Switching 172,073 1,122 0.723 173,918 131,167 14 2225 Operator Systems 19,7433 6,251 1,334 202,349 177,103 15 2220 Operator Systems 19,7433 6,251 <t< td=""><td>1,880</td><td></td><td>0</td><td>1,880</td><td></td><td>10</td><td>0</td><td>1,890</td><td>Land</td><td>2111</td><td>^</td><td>2</td></t<> | 1,880 | | 0 | 1,880 | | 10 | 0 | 1,890 | Land | 2111 | ^ | 2 |
| 5 ^ 2114 Special Purpose Vehicles 122 0 0 122 117 6 ^ 2115 Garage Work Equipment 245 0 0 245 171 7 7 16 Other Work Equipment 5,364 414 0 5,778 9999 8 ^ 2121 Buildings 51,029 466 362 51,133 25,789 9 ^ 2122 Furniture 16 0 0 16 (55) 10 ^ 2123 Office Equipment 835 5 0 840 546 11 ^ 2124 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2211 Digital Electronic Switching 0 0 0 0 0 13 2212 Digital Electronic Switching 0 | 1,683 | | 6,385 | 8,068 | | 617 | 305 | 8,380 | Motor Vehicles | 2112 | ^ | 3 |
| 6 ^ 2115 Garage Work Equipment 245 171 7 ^ 2116 Other Work Equipment 5,364 414 0 5,778 999 8 ^ 2121 Buildings 51,029 466 362 51,133 25,789 9 ^ 2122 Furniture 16 0 0 16 (55) 10 ^ 2124 General Purpose Computers 7,286 (186) 3,590 3,519 3,002 12 2211 Analog Electronic Switching 0 0 0 0 0 13 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electro-Mechanical Switching 0 0 0 0 0 15 2220 Operator Systems 0 0 0 0 0 0 17 2323 Radio Systems 11934 1,911 645 13,200 10,120 18 * 2311 Information Orig & Term Equip </td <td>0</td> <td></td> <td>0</td> <td>0</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td></td> <td>2113</td> <td>^</td> <td>4</td> | 0 | | 0 | 0 | | 0 | 0 | 0 | | 2113 | ^ | 4 |
| $ \begin{array}{c c c c c c c c c c c c c c c c c c c $ | 5 | | 117 | 122 | | 0 | 0 | 122 | | 2114 | ^ | 5 |
| 8 ^ 2121 Buildings 51,029 466 362 51,133 25,789 9 ^ 2122 Furniture 16 0 0 16 (55) 11 ^ 2123 Office Equipment 835 5 0 840 546 11 ^ 2124 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2211 Analog Electronic Switching 172,073 1,122 (723) 173,918 131,157 13 2212 Digital Electronic Switching 0 0 0 0 0 13 2220 Operator Systems 0 0 0 0 0 16 2231 Radio Systems 119,43 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 24 2321 Customer Premises Wiring 0 0 0 0 0 0 0 0 | 74 | | 171 | 245 | | 0 | 0 | 245 | Garage Work Equipment | 2115 | ^ | 6 |
| 9 ^ 2122 Furniture 16 0 0 16 (55) 10 ^ 2123 Office Equipment 835 5 0 840 546 11 ^ 2124 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2211 Analog Electronic Switching 0 0 0 0 0 13 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electronic Switching 0 0 0 0 0 16 2231 Radio Systems 11,934 1,911 645 13,200 10,120 16 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Untormer Pernises Wiring 0 0 0 0 2 ^ 2351 Public Telephone Term. Equip 5,967 | 4,779 | c | 999 | 5,778 | | - | 414 | 5,364 | Other Work Equipment | 2116 | ^ | 7 |
| $ \begin{array}{c c c c c c c c c c c c c c c c c c c $ | 25,343 | | 25,789 | 51,133 | | 362 | 466 | 51,029 | Buildings | 2121 | ^ | 8 |
| 11 ^ 2124 General Purpose Computers 7,296 (186) 3,590 3,519 3,002 12 2211 Analog Electronic Switching 0 0 0 0 0 13 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electron-Mechanical Switching 0 0 0 0 0 15 2220 Operator Systems 0 0 0 0 0 16 2231 Radio Systems 1197,43 6,251 1,334 202,349 177,103 17 2232 Circuit Equipment 197,43 6,251 1,334 202,349 177,103 18 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 0 0 20 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 0 | 71 |) | (55) | 16 | | 0 | 0 | 16 | | 2122 | ^ | 9 |
| 12 2211 Analog Electronic Switching 0 0 0 0 0 13 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electron-Mechanical Switching 0 0 0 0 15 2220 Operator Systems 0 0 0 0 0 16 2231 Radio Systems 119,34 1,911 645 13,200 10,120 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2321 Customer Premises Wiring 0 0 0 0 0 0 24 2351 Public Telephone Term. Equip. 0 <td>295</td> <td></td> <td>546</td> <td></td> <td></td> <td>•</td> <td>-</td> <td></td> <td>Office Equipment</td> <td>2123</td> <td>^</td> <td>10</td> | 295 | | 546 | | | • | - | | Office Equipment | 2123 | ^ | 10 |
| 13 2212 Digital Electronic Switching 172,073 1,122 (723) 173,918 131,157 14 2215 Electro-Mechanical Switching 0 0 0 0 0 15 2220 Operator Systems 0 0 0 0 0 15 2220 Operator Systems 11,934 1,911 645 13,200 10,120 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 1773 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 0 20 2321 Customer Premises Wiring 0 | 518 | | 3,002 | 3,519 | | 3,590 | (186) | 7,296 | General Purpose Computers | 2124 | ^ | 11 |
| 14 2215 Electro-Mechanical Switching 0 0 0 0 15 2220 Operator Systems 0 0 0 0 16 2231 Radio Systems 11,934 1,911 645 13,200 10,120 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 1773 (70) 0 6,210 3,619 19 ^ 2321 Customer Premises Wiring 0 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 < | 0 | | | 0 | | • | 0 | Ŭ | Analog Electronic Switching | 2211 | | 12 |
| 15 2220 Operator Systems 0 0 0 0 0 16 2231 Radio Systems 11,934 1,911 645 13,200 10,120 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 0 23 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3,619 2,411 Poles 7,185 96 94 7,187 12,291 12,291 2,422 Underground Cable 36,515 <t< td=""><td>42,761</td><td></td><td>131,157</td><td>173,918</td><td></td><td>(723)</td><td>1,122</td><td>172,073</td><td></td><td></td><td></td><td>13</td></t<> | 42,761 | | 131,157 | 173,918 | | (723) | 1,122 | 172,073 | | | | 13 |
| 16 2231 Radio Systems 11,934 1,911 645 13,200 10,120 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 0 21 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 44,6590 170 36,925 < | 0 | | | 0 | | 0 | 0 | 0 | Electro-Mechanical Switching | 2215 | | 14 |
| 17 2232 Circuit Equipment 197,433 6,251 1,334 202,349 177,103 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 0 23 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 353,881 10,781 3,274 | 0 | | | v | | 0 | 0 | 0 | Operator Systems | 2220 | | 15 |
| 18 * 2310 Information Orig & Term Equip 5,967 173 (70) 0 6,210 3,619 19 ^ 2311 Station Apparatus 0 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 353,881 10,781 | 3,079 | | | 13,200 | | | | 11,934 | Radio Systems | 2231 | | 16 |
| 19 ^ 2311 Station Apparatus 0 0 0 0 20 ^ 2321 Customer Premises Wiring 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 32 0 0 32 29 30 ^ 242 | 25,247 | | 177,103 | 202,349 | | | | 197,433 | Circuit Equipment | 2232 | | 17 |
| 20 ^ 2321 Customer Premises Wiring 0 0 0 0 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 444,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 444,371 28 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 0 0 0 0 30 ^ | 2,591 | | 3,619 | 6,210 | 0 | (70) | 173 | 5,967 | Information Orig & Term Equip | | * | 18 |
| 21 ^ 2341 Large Private Branch Exchanges 0 0 0 0 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,7 | 0 | | | 0 | | 0 | 0 | 0 | Station Apparatus | 2311 | ^ | 19 |
| 22 ^ 2351 Public Telephone Term. Equip. 0 0 0 0 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 0 1 31 ^ 2426 Intrabuilding Network Cable 8,450 151 <td>0</td> <td></td> <td></td> <td>0</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td></td> <td></td> <td>^</td> <td></td> | 0 | | | 0 | | 0 | 0 | 0 | | | ^ | |
| 23 ^ 2362 Other Terminal Equipment 5,967 173 (70) 6,210 3,619 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 0 0 1 31 ^ 2426 Intrabuilding Network Cable 8,450 151 155 8,586 6,770 32 2431 Aerial Wire 1,219 12 | 0 | | | 0 | | 0 | 0 | 0 | Large Private Branch Exchanges | - | ^ | |
| 24 2411 Poles 7,185 96 94 7,187 12,291 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 <td>0</td> <td></td> <td></td> <td>v</td> <td></td> <td>•</td> <td>•</td> <td>0</td> <td></td> <td></td> <td>^</td> <td></td> | 0 | | | v | | • | • | 0 | | | ^ | |
| 25 * 2420 Cable and Wire Facilities 444,069 11,873 3,564 0 452,376 374,137 26 ^ 2421 Aerial Cable 36,590 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 36 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 0 16 31 ^ 2426 Intrabuilding Network Cable 8,450 151 155 58,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 2,591 | , | 3,619 | | | | | | Other Terminal Equipment | 2362 | ^ | 23 |
| 26 ^ 2421 Aerial Cable 36,920 504 170 36,925 44,246 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | (5,104 | | 12,291 | 7,187 | | - | | | | 2411 | | 24 |
| 27 ^ 2422 Underground Cable 45,115 437 106 45,446 44,371 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 78,240 | | 374,137 | 452,376 | 0 | | | 444,069 | Cable and Wire Facilities | 2420 | * | 25 |
| 28 ^ 2423 Buried Cable 353,881 10,781 3,274 361,388 278,721 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | (7,321 | | 44,246 | | | | | | Aerial Cable | 2421 | ^ | 26 |
| 29 ^ 2424 Submarine Cable 32 0 0 32 29 30 ^ 2425 Deep Sea Cable 0 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 1,075 | | 44,371 | 45,446 | | | 437 | | Underground Cable | 2422 | ^ | 27 |
| 30 ^ 2425 Deep Sea Cable 0 0 0 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 82,667 | | 278,721 | 361,388 | | 3,274 | 10,781 | 353,881 | Buried Cable | 2423 | ^ | 28 |
| 31 ^ 2426 Intrabuilding Network Cable 8,450 151 15 8,586 6,770 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 3 | c | 29 | 32 | | 0 | 0 | 32 | Submarine Cable | 2424 | ^ | 29 |
| 32 2431 Aerial Wire 1,219 12 0 1,231 1,168 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 0 | | | 0 | | 0 | 0 | 0 | Deep Sea Cable | - | ^ | 30 |
| 33 2441 Conduit Systems 22,358 224 27 22,555 10,913 | 1,816 | | 6,770 | 8,586 | | 15 | 151 | | Intrabuilding Network Cable | 2426 | ^ | 31 |
| | 62 | | 1,168 | 1,231 | | | 12 | 1,219 | Aerial Wire | 2431 | | |
| 34 0 937 414 22 664 9 452 0 950 627 757 461 | 11,642 | · | 10,913 | | | | 224 | 22,358 | Conduit Systems | 2441 | | 33 |
| | 193,166 | | 757,461 | 950,627 | 0 | 9,452 | 22,664 | 937,414 | 0 | | | 34 |

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

(Thousands of Dollars)

| <u></u> | Jusanus of Donars | | | | | | Tear. 2000 |
|----------|---|--------------|-------------------|------------------|-------------|-----------------------|----------------|
| | | Date | Book Cost of | | Retirements | Transfers and | Book Cost of |
| Line | | Included in | Property at | Additions During | During | Adjustments | Property |
| No. | Location and Description of Property | Account 2002 | Beginning of Year | the Year | the Year | Charges and (Credits) | at End of Year |
| | (a) | (b) | (C) | (d) | (e) | (f) | (g) |
| 1 | Qwest Corporation - Montana had no | | | | | | |
| 2 | \tilde{P} lant Held for Future Use in 2006. | | | | | | |
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| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | Totals (Sum L.1 to L.29) | | 0 | 0 | 0 | 0 | |

Year: 2006

Cost of Long Term Debt

| <u> </u> | | | | 00310 | Long | | | | | | | |
|----------|---------------------------|----------|----------|-----------|------------|-----------|-----------|-------------|----------|----------|--------------|-------|
| (Thc | ousands of Dollars) | | - | | | | | | | | | 200 |
| | | | | | | | | Outstanding | | | Amortization | Total |
| Line | | Issue | Maturity | Principal | Gross | Net | Net | Per Balance | Yield to | Annual | of Premium | Cost |
| No. | Description | Date | Date | Amount | Proceeds | Proceeds | Per \$100 | Sheet | Maturity | Net Cost | or Discount | (%) |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) |
| 1 | QWEST CORPORATION | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | 7.500% 30 Year Debenture | 06/15/93 | 06/15/23 | 484,000 | N/A | 484,134 | 100.03 | 481,657 | 7.50% | 36,300 | 145 | 7.5 |
| 5 | 7.250% 30 Year Debenture | 09/15/95 | 09/15/25 | 250,000 | N/A | 249,575 | 99.83 | 248,212 | 7.25% | 18,125 | 85 | 7.3 |
| 6 | 7.200% 31 Year Debenture | 11/10/95 | 11/10/26 | 250,000 | N/A | 247,188 | 98.88 | 246,150 | 7.20% | 18,000 | 127 | 7.3 |
| 7 | 8.875% 40 Year Debenture | 06/01/91 | 06/01/31 | 250,000 | N/A | 242,812 | 97.12 | 242,038 | 8.88% | 22,188 | 132 | 9.2 |
| 8 | 6.875% 40 Year Debenture | 09/15/93 | 09/15/33 | 1,000,000 | N/A | 976,000 | 97.60 | 914,556 | 6.88% | 68,750 | 1,150 | 7.6 |
| 9 | 7.250% 40 Year Debenture | 10/15/95 | 10/15/35 | 250,000 | N/A | 246,438 | 98.58 | 245,063 | 7.25% | 18,125 | 91 | 7.4 |
| 10 | 7.125% 50 Year Debenture | 11/15/93 | 11/15/43 | 250,000 | N/A | 250,350 | 100.14 | 248,430 | 7.13% | 17,813 | 50 | 7.1 |
| 11 | 5.625% 10 Year Note | 11/15/98 | 11/15/08 | 320,000 | N/A | 318,867 | 99.65 | 319,302 | 5.63% | 18,000 | 357 | 5.7 |
| 12 | 8.875% 10 Year Note | 03/12/02 | 03/15/12 | 1,500,000 | N/A | 1,440,436 | 96.03 | 1,462,132 | 8.88% | 133,125 | 5,598 | 9.4 |
| 13 | 6.95% 7 Year Note | 06/09/03 | 06/09/10 | 500,000 | N/A | 481,548 | 96.31 | 489,623 | 6.95% | 34,750 | 2,625 | 7.6 |
| 14 | 7.875% 7 Year Term Loan | 08/19/04 | 09/01/11 | 575,000 | N/A | 558,756 | 97.17 | 563,754 | 7.88% | 45,281 | 2,135 | 8.4 |
| 15 | 7.875% 7 Year Term Loan | 11/23/04 | 09/01/11 | 250,000 | N/A | 270,141 | 108.06 | 259,434 | 7.88% | 19,688 | (2,425) | 6.6 |
| 16 | 8 Year Floating Rate Note | 06/17/05 | 06/15/13 | 750,000 | N/A | 738,750 | 98.50 | 740,915 | 8.64% | 64,800 | 1,407 | 8.9 |
| 17 | 7.625% 10 Year Note | 06/17/05 | 06/15/15 | 400,000 | N/A | 394,000 | 98.50 | 394,922 | 7.63% | 30,500 | 600 | 7.8 |
| 18 | 7.50% 8 Year Note | 08/08/06 | 10/01/14 | 600,000 | N/A | 592,500 | 98.75 | 591,914 | 7.50% | 45,000 | 1,043 | 7.7 |
| 19 | | | | | | | | | | | - | |
| 20 | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | |
| 22 | EASTERN REGION | | | | | | | | | | | |
| 23 | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | |
| 25 | Refinanced Debenture | 02/15/77 | 02/15/17 | | N/A | | | (5,040) | | | 498 | -9.8 |
| 26 | 7.750% 40 Year Debenture | 05/01/90 | 05/01/30 | 42,883 | N/A | 33,910 | 79.08 | 34,686 | 7.75% | 3,323 | 93 | 9.8 |
| 27 | CENTRAL REGION | | | , | | , | | - , | | 0,010 | | |
| 28 | | | | | | | | | | | | |
| 29 | CENTRAL REGION | | | | | | | | | | | |
| 30 | | | | | | | | | | | | |
| 31 | 6.000% 40 Year Debenture | 08/01/67 | 08/01/07 | 70,200 | N/A | 69,814 | 99.45 | 70,194 | 6.00% | 4,212 | 11 | 6.0 |
| 32 | Refinanced Debenture | 11/01/76 | 11/01/16 | 10,200 | N/A | 00,011 | 00110 | (3,056) | 010070 | ., | 311 | -10.1 |
| 33 | Refinanced Debenture | 09/15/77 | 09/15/17 | | N/A | | | (4,597) | | | 429 | -9.3 |
| 34 | Refinanced Debenture | 06/01/83 | 06/01/23 | | N/A | | | (14,758) | | | 899 | -6.0 |
| 35 | Refinanced Debenture | 02/01/85 | 02/01/25 | | N/A | | | (14,711) | | | 813 | -5.5 |
| 36 | Refinanced Debenture | 02/01/77 | 02/01/23 | | N/A | | | (5,806) | | | 575 | -9.9 |
| 30 37 | Refinanced Debenture | 02/01/77 | 02/01/17 | | N/A N/A | | | (12,874) | | | 1,276 | -9.9 |
| 37 38 | 7.375% 40 Year Debenture | 05/01/90 | 05/01/30 | 55,150 | N/A N/A | 41,535 | 75.31 | 42,732 | 7.38% | 4,067 | 1,276 | -9.8 |
| 30 39 | | 03/01/30 | 00/01/00 | 55,150 | 11/7 | 41,000 | 10.01 | 42,732 | 1.00% | 4,007 | 140 | 9.0 |
| 39 40 | | | | | | | | | | | | |
| | Subtotal Page 1 of 2 | | | 7,797,233 | | 7,636,754 | | 7,534,872 | | 602,046 | 18,165 | |
| 41 | Subiolal Page 1 of 2 | | | 1,191,233 | | 1,030,154 | | 7,534,872 | | 002,046 | 18,165 | |

SCHEDULE 13

Cost of Long Term Debt

| (Tho | ousands of Dollars) | | | | 0 | | | | | | | 2006 |
|------|---------------------|-------|----------|-----------|----------|----------|-----------|-------------|----------|----------|--------------|-------|
| | | | | | | | | Outstanding | | | Amortization | Total |
| Line | | Issue | Maturity | Principal | Gross | Net | Net | Per Balance | Yield to | Annual | of Premium | Cost |
| No. | Description | Date | Date | Amount | Proceeds | Proceeds | Per \$100 | Sheet | Maturity | Net Cost | or Discount | (%) |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) |

| 1 | WESTERN REGION | | | | | | | | | |
|----------|----------------------|----------|----------|-----------|-----|-----------|-----------|--------|----------|----------|
| 2 3 | | | | | | | | | | |
| | | | | | | | | | | |
| 4 | | 05/01/80 | 05/01/20 | | N/A | | (5,885) | | 441 | -7.50% |
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| 27 | | | | | | | | | | |
| 28 | Subtotal Page 2 of 2 | | | 0 | | 0 | (5,885) | | 0 441 | |
| 29 | | | | | | | | | | |
| 30 | Grand Total | | | 7,797,233 | | 7,636,754 | 7,528,987 | 602,04 | 6 18,606 | PAGE 14A |

NOTES:

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

The schedule includes funded debt, current maturities long term debt, and other long term debt.

PAGE 14A

SCHEDULE 14

Year: 2006

Cost of Preferred Stock

(Thousands of Dollars)

| <u></u> | | | | | | | | | | | | |
|----------|--------------------------|----------|----------|------------|-----------|----------|-----|-----------|-----|-------------|-----|----------|
| | | | Method | Call | | Gross | Net | Net | | | | |
| Line | | Date of | of | Redemption | Par Value | Proceeds | | | | | | Embedded |
| No. | Description | Issuance | Offering | Price | Of Issue | | | Per \$100 | | Outstanding | | Cost |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) |
| | QWEST CORPORATION | | | | | | | | | | | |
| 2 | HAS NO PREFERRED STOCK | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
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| 27 28 | | | | | | | | | | | | |
| 20 29 | | | | | | | | | | | | |
| 30 | Totals (Sum L.1 to L.29) | | | 0 | | 0 | 0 | | | 0 | 0 | 0 |
| 50 | | | | v | | Ŭ | Ŭ | | | Ŭ | Ŭ | |

(Thousands of Dollars)

Analysis of Common Stock

| (| disands of Donars | | | | | | | | 2000 |
|-------|------------------------------|-------------|-------------|-------------|-------------|-----------|------|------|----------|
| | | Avg. Number | | | | | | rket | Price/ |
| Line | | of Shares | Value | Earnings | Dividends | Retention | | ice | Earnings |
| No. | | Outstanding | (per share) | (per share) | (per share) | Ratio | High | Low | Ratio |
| | (a) | (b) | (C) | (d) | (e) | (f) | (g) | (h) | (i) |
| 1 | Year Ended December 31, 2006 | 1 | 1,623,157 | 1,340,031 | 2,000,000 | N/M | N/A | N/A | N/A |
| 2 | | | | | | | | | |
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| Based | - | | | | | | | | |

Notes:

PAGE 16

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. Based on 2006 ARMIS data.

N/M=Not Meaningful

2006

Capital Stock and Funded Debt Reacquired or Retired During the Year

(Thousands of Dollars)

| | | Call or | Number | | Reacquisition | Gain | Retirement |
|----------|---------------------------------|------------|--------|-----------|---------------|--------|---------------|
| Line | | Retirement | of | Principal | or Retirement | or | or |
| No. | Description of Security | Date | Shares | Amount | Cost | (Loss) | Reacquisition |
| | (a) | (b) | (C) | (d) | (e) | (f) | (g) |
| 1 | FUNDED DEBT | | | | | | |
| 2 | | | | | | | |
| | Qwest Corporation | | | | | | |
| 4 | 04 YR Floating Rate Term Loan | | | | | | |
| 5 | Due 06-09-07 | 8/8/2006 | | 500,000 | | | Reacquition |
| 6 | | | | | | | |
| | Northwestern Bell Telephone Con | npany | | | | | |
| 8 | 39 YR 6.25% Debenture | | | | | | |
| | Due 01-01-07 | 9/21/2006 | | 89,700 | | | Reacquition |
| 10 | | | | | | | |
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| 29 | | | | | | | |
| 30 | Totals (Sum L.1 to L.29) | | 0 | 589,700 | 0 | 0 | 0 |

SCHEDULE 17 Page 1 of 2

Total Company Expense Matrix

| Line | Acct. | | Salaries | | | Other | | |
|--------|---------|---|-------------|-------------|-------------|-------------|------------|---------------|
| No. | No. | Description | and Wages | Benefits | Rents | Expenses | Clearances | Total |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 1 * | 6110 | Network Support Expense | 1,042,226 | 314,308 | (145,912) | 9,700,816 | 0 | 10,911,438 |
| 2 ^ | 6112 | Motor Vehicle Expense | 606,969 | 210,799 | (930,613) | 9,753,706 | 0 | 9,640,861 |
| 3 ^ | 6113 | Aircraft Expense | 453,689 | 106,862 | 3,961 | (545,037) | 0 | 19,475 |
| 4 ^ | 6114 | Special Purpose Vehicles Expense | 2,357 | 1,011 | 0 | 23,909 | 0 | 27,277 |
| 5 ^ | 6115 | Garage Work Equipment Expense | 7,983 | 3,262 | 433 | 261,152 | 0 | 272,830 |
| 6 ^ | 6116 | Other Work Equipment Expense | (28,772) | (7,626) | 780,307 | 207,086 | 0 | 950,995 |
| 7 * | 6120 | General Support Expense | 25,146,782 | 9,522,959 | 98,984,286 | 332,560,194 | 0 | 466,214,221 |
| 8 ^ | 6121 | Land and Building Expense | 6,603,974 | 2,726,279 | 93,731,321 | 94,845,798 | 0 | 197,907,372 |
| 9 ^ | 6122 | Furniture and Artworks Expense | 85,000 | 26,762 | 284,670 | 6,573,330 | 0 | 6,969,762 |
| 10 ^ | 6123 | Office Equipment Expense | 3,991,823 | 1,658,185 | 2,960,013 | 6,988,308 | 0 | 15,598,329 |
| 11 ^ | 6124 | General Purpose Computers Expense | 14,465,985 | 5,111,733 | 2,008,282 | 224,152,758 | 0 | 245,738,758 |
| 12 * | 6210 | Central Office Switching Expense | 74,183,220 | 30,702,510 | 433,413 | 20,980,033 | 0 | 126,299,176 |
| 13 ^ | 6211 | Analog Electronic Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 ^ | 6212 | Digital Electronic Expense | 74,183,220 | 30,702,510 | 433,413 | 20,980,033 | 0 | 126,299,176 |
| 15 ^ | 6215 | Electro-Mechanical Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | 6220 | Operator Systems Expense | 841 | 355 | 0 | 92,694 | 0 | 93,890 |
| 17 * | 6230 | Central Office Transmission Expense | 100,858,316 | 41,686,701 | 469,723 | 27,165,077 | 0 | 170,179,817 |
| 18 ^ | 6231 | Radio Systems Expense | 1,469,627 | 603,362 | 6,000 | 1,943,275 | 0 | 4,022,264 |
| 19 ^ | 6232 | Circuit Equipment Expense | 99,388,689 | 41,083,339 | 463,723 | 25,221,802 | 0 | 166,157,553 |
| 20 * | 6310 | Information Origination/Termination Expense | 89,451,855 | 37,070,291 | 424,000 | 15,320,419 | 0 | 142,266,565 |
| 21 ^ | 6311 | Station Apparatus Expense | 14,842,963 | 6,156,504 | 87,984 | (1,213,849) | 0 | 19,873,602 |
| 22 ^ | 6341 | Large Private Branch Exchange Expense | 13,486,358 | 5,592,548 | 60,293 | 1,844,263 | 0 | 20,983,462 |
| 23 ^ | 6351 | Public Telephone Terminal Equipment Expense | 8,521 | 3,844 | 0 | 315,594 | 0 | 327,959 |
| 24 ^ | 6362 | Other Terminal Equipment Expense | 61,114,013 | 25,317,395 | 275,723 | 14,374,411 | 0 | 101,081,542 |
| 25 * | 6410 | Cable and Wire Facilities Expense | 434,089,984 | 155,838,343 | 33,463,980 | 203,511,794 | 0 | 826,904,101 |
| 26 ^ | 6411 | Poles Expense | 926,188 | 366,200 | 20,597,735 | 2,350,816 | 0 | 24,240,939 |
| 27 ^ | 6421 | Aerial Cable Expense | 79,126,265 | 32,678,586 | 1,290,345 | 17,837,189 | 0 | 130,932,385 |
| 28 ^ | 6422 | Underground Cable Expense | 28,000,353 | 11,352,315 | 1,937,422 | 7,434,552 | 0 | 48,724,642 |
| 29 ^ | 6423 | Buried Cable Expense | 315,324,814 | 107,045,977 | 9,527,344 | 157,942,976 | 0 | 589,841,111 |
| 30 ^ | 6424 | Submarine Cable Expense | 278 | 116 | 0 | 56 | 0 | 450 |
| 31 ^ | 6425 | Deep Sea Cable Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 ^ | 6426 | Intrabuilding Network Cable Expense | 10,276,657 | 4,239,261 | 72,989 | 2,472,446 | 0 | 17,061,353 |
| 33 ^ | 6431 | Aerial Wire Expense | 73,198 | 29,823 | 398 | 3,731,504 | 0 | 3,834,923 |
| 34 | | Subtotals | 724,410,993 | 275,009,402 | 133,591,744 | 597,588,772 | 0 | 1,730,600,911 |
| ^ Suba | account | of the account marked with a *. | | | | | | PAGE 18 |

Total Company Expense Matrix

| | _ | | | | | | | | Tear: 2006 |
|------|----|-------|--|---------------|-------------|-------------|---------------|------------|---------------|
| Line | | Acct. | | Salaries | | | Other | | |
| No. | | No. | Description | and Wages | Benefits | Rents | Expenses | Clearances | Total |
| | | (a) | (b) | (C) | (d) | (e) | (f) | (g) | (h) |
| 35 | ^ | 6441 | Conduit Systems Expense | 362,231 | 126,065 | 37,747 | 11,742,255 | 0 | 12,268,298 |
| 36 | | 6510 | Other Property Expenses | (204,379) | (103,810) | 0 | 1,771,913 | 0 | 1,463,724 |
| 37 | | 6530 | Network Operations Expense | 296,077,551 | 157,059,713 | 15,707 | 152,138,313 | 0 | 605,291,284 |
| 38 | | 6531 | Power Expense | 0 | 0 | 0 | 75,059,284 | 0 | 75,059,284 |
| 39 | | 6532 | Network Administration Expense | 10,119,044 | 3,138,389 | 0 | 394,086 | 0 | 13,651,519 |
| 40 | ^ | 6533 | Testing Expense | 100,565,520 | 41,699,079 | 0 | 5,457,180 | 0 | 147,721,779 |
| 41 | ^ | 6534 | Plant Operations Expense | 134,043,142 | 91,930,144 | 3,530 | 61,654,369 | 0 | 287,631,185 |
| 42 | ^ | 6535 | Engineering Expense | 51,349,845 | 20,292,101 | 12,177 | 9,573,394 | 0 | 81,227,517 |
| 43 | | 6540 | Access Expense | 0 | 0 | 0 | 235,677,856 | 0 | 235,677,856 |
| 44 | | 6561 | Depreciation - Telecomm. Plant in Service | 0 | 0 | 0 | 1,594,739,332 | 0 | 1,594,739,332 |
| 45 | | 6562 | Depreciation-Prop. for Future Telecom. Use | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | | 6563 | Amortization Expense - Tangible | 0 | 0 | 0 | 11,202,844 | 0 | 11,202,844 |
| 47 | | 6564 | Amortization Expense - Intangible | 0 | 0 | 0 | 259,235,998 | 0 | 259,235,998 |
| 48 | | 6565 | Amortization - Other | 0 | 0 | 0 | 0 | 0 | 0 |
| 49 | * | 6610 | Marketing | 22,473,580 | 8,547,605 | 0 | 567,398,079 | 0 | 598,419,264 |
| 50 | ^ | 6611 | Product Management | 1,794,279 | 547,600 | 0 | 80,988,727 | 0 | 83,330,606 |
| 51 | ^ | 6612 | Sales | 20,679,301 | 8,000,005 | 0 | 352,086,748 | 0 | 380,766,054 |
| 52 | ^ | 6613 | Product Advertising | 0 | 0 | 0 | 134,322,604 | 0 | 134,322,604 |
| 53 | | 6621 | Call Completion Services | 7,058,705 | 4,821,586 | 0 | 22,898,877 | 0 | 34,779,168 |
| 54 | | 6622 | Number Services | 26,265,775 | 18,813,816 | 677 | 2,033,419 | 0 | 47,113,687 |
| 55 | | 6623 | Customer Services | 288,519,697 | 175,974,002 | 23,430 | 162,180,893 | 0 | 626,698,022 |
| 56 | | 6711 | Executive | 292,556 | 530,758 | 3,200 | 41,092,843 | 0 | 41,919,357 |
| 57 | 11 | 6712 | Planning | 0 | 0 | 0 | 2,884,439 | 0 | 2,884,439 |
| 58 | | 6721 | Accounting and Finance | 13,767,157 | 6,628,781 | 3,840 | 61,406,362 | 0 | 81,806,140 |
| 59 | | 6722 | External Relations | 1,666,011 | 572,228 | 0 | 121,210,341 | 0 | 123,448,580 |
| 60 | | 6723 | Human Relations | 499,010 | 222,686 | 0 | 51,501,672 | 0 | 52,223,368 |
| 61 | | 6724 | Information Management | 4,347,838 | 1,559,077 | 1,554,285 | 291,919,576 | 0 | 299,380,776 |
| 62 | | 6725 | Legal | 0 | 0 | 0 | 74,000,860 | 0 | 74,000,860 |
| 63 | | 6726 | Procurement | 0 | 0 | 0 | 20,597,876 | 0 | 20,597,876 |
| 64 | | 6727 | Research and Development | 0 | 0 | 0 | 100,956 | 0 | 100,956 |
| 65 | | 6728 | Other General and Administrative | 7,841,712 | 375,355 | 3,621,479 | 219,179,535 | 0 | 231,018,081 |
| 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 | Π | | Totals | 1,393,378,437 | 650,137,264 | 138,852,109 | 4,502,503,011 | 0 | 6,684,870,821 |
| | _ | | of the account marked with a * | | | | | | |

^ Subaccount of the account marked with a *.

SCHEDULE 17 Page 2 of 2

PAGE 19

Company Name: Qwest Corporation - Montana

Page 1 of 2

Total State Expense Matrix

| × | 00 | ~~ |
|---------|-----|-----|
| Year: | -20 | Uh. |
| i cui . | | 00 |

| 2 ^ 6112 Motor Vehicle Expense 5,163 1,622 (447) 197,899 0 204, 3 ^ 6113 Aircraft Expense 0 0 0 2,538 (2,538) 0 1, 5 ^ 6114 Special Purpose Vehicles Expense 339 130 0 1,1105 0 11, 6 A 6116 Other Work Equipment Expense (179) 39 196 15,253 0 15, 7 * 6120 General Support Expense 488,467 78,19 720,787 1,650,687 0 2,838, 9 A 6122 Furniture and Artworks Expense 26,339 11,229 75,037 76,097 0 188, 11 A 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 A 6212 Digital Electronic Expense 0 0 0 0 0 0 <th>Line</th> <th>Acct.</th> <th></th> <th>Salaries</th> <th></th> <th></th> <th>Other</th> <th></th> <th></th> | Line | Acct. | | Salaries | | | Other | | |
|--|------|-------|-------------------------------|-------------|-----------|-----------|------------|------------|-----------------------|
| 1 * 6110 Network Support Expense 5.323 1.791 2.287 22.283 0 222 2 ^ 6112 Motor Vehicle Expense 5.163 1.622 (447) 197.899 0 2202 4 6113 Aircraft Expense 0 0 2.538 (2.538) 0 11 5 6115 Garage Work Equipment Expense 0 0 0 1.214 0 1,105 6 6116 Other Work Equipment Expense (179) 39 196 15.253 0 15.73 7 6120 General Support Expense (179) 39 196 15.253 0 15.03 8 6122 Furniture and Artworks Expense 220 61 3.380 15.037 0 188 10 6123 Office Equipment Expense 273.377 95.033 41.922 4.644.568 0 5.054 12 Central Office Switching Expense 1.773.818 733.182 <td< td=""><td>No.</td><td>No.</td><td>Description</td><td>and Wages</td><td>Benefits</td><td>Rents</td><td>Expenses</td><td>Clearances</td><td></td></td<> | No. | No. | Description | and Wages | Benefits | Rents | Expenses | Clearances | |
| 2 A 6112 Motor Vehicle Expense 5,163 1,622 (447) 197,899 0 204, 3 A 6114 Special Purpose Vehicles Expense 0 0 0 1,214 0 1, 6 6116 Garage Work Equipment Expense 339 130 0 11,105 0 11, 6 6116 Other Work Equipment Expense (179) 39 196 15,253 0 8,100 7 6120 General Support Expense 488,407 78,19 720,787 1,650,687 0 2,838 9 6122 Furniture and Artworks Expense 26,339 11,229 75,037 76,097 0 188 11 6121 Central Office Expense 1,773,818 733,182 43,513 366,717 0 2,917 14 6212 Digital Electronic Expense 0 0 0 0 0 0 0 0 0 0 0 2,917 16 <td></td> <td>(a)</td> <td>(-)</td> <td>(c)</td> <td>(d)</td> <td>(e)</td> <td></td> <td>(g)</td> <td></td> | | (a) | (-) | (c) | (d) | (e) | | (g) | |
| 3 6 6113 Aircraft Expense 0 0 2,538 (2,538) 0 4 ^ 6114 Special Purpose Vehicles Expense 0 0 0 1,214 0 1, 6 6115 Garage Work Equipment Expense 339 130 0 11,105 0 11, 6 A 6116 Other Work Equipment Expense (179) 39 196 15,253 0 15, 7 6120 General Support Expense 188,467 78,319 720,787 1,850,687 0 2,838, 9 6121 Land and Building Expense 26339 11,229 75,037 76,097 0 188, 10 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,658 0 5,054, 11 A 6211 Analog Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 6215 Beatro-Marical Expense </td <td>1 *</td> <td>6110</td> <td>Network Support Expense</td> <td></td> <td>1,791</td> <td>2,287</td> <td>222,933</td> <td>0</td> <td>232,334</td> | 1 * | 6110 | Network Support Expense | | 1,791 | 2,287 | 222,933 | 0 | 232,334 |
| 4 ^ 6 6114 Special Purpose Vehicles Expense 0 0 1,214 0 1,1 5 ^ 6 6115 Garage Work Equipment Expense 339 130 0 11,105 0 11,1 6 6116 Other Work Equipment Expense 488,403 184,702 841,126 6586,389 0 8,100, 8 ^ 6121 Land and Building Expense 2848,403 184,702 841,126 6586,389 0 8,8100, 9 ^ 6122 Furniture and Atworks Expense 220 61 3,380 15,037 0 18, 10 ^ 6123 Office Equipment Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6212 Digital Electronic Expense 0 0 0 0 0 0 0 0 0 0 0 < | | - | | 5,163 | 1,622 | (447) | | 0 | 204,237 |
| 5 n 6115 Garage Work Equipment Expense 339 130 0 11.105 0 11. 6 n 6116 Other Work Equipment Expense (179) 39 196 15.253 0 15. 7 6 6120 General Support Expense 188,403 184,702 841,126 6.586,389 0 8,100. 8 6121 Land and Building Expense 188,467 78,319 720,787 1.850,667 0 2,388. 10 6123 Office Equipment Expense 26,339 11.229 75,037 76,097 0 188. 11 6 6214 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054. 12 6 6214 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917. 14 6 6215 Electron-Mechanical Expense 0 0 0 0 0 0 0 0 0 | 3 ^ | 6113 | | 0 | 0 | 2,538 | | 0 | 0 |
| 6 ^{+} 6116 Other Work Equipment Expense 148,403 184,702 841,126 6,586,389 0 8,100 7 * 6120 General Support Expense 488,403 184,702 841,126 6,586,389 0 8,100 8 ^ 6121 Land and Building Expense 220 61 3,380 15,037 0 188, 9 ^ 6124 Furniture and Artworks Expense 26,339 11,229 75,037 76,097 0 188, 10 ^ 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,537 13 ^ 6210 Central Office Expense 1,773,818 733,182 43,513 366,717 0 2,917, 14 ^ 6212 Digital Electronic Expense 0 0 0 0 0 0 0 0 3,245, 14 6221 Digital Electronic Expense 1,903,720 786,618 < | 4 ^ | 6114 | | 0 | 0 | 0 | | 0 | 1,214 |
| 7 * 6120 General Support Expense 488,403 184,702 841,126 6,586,389 0 8,103 8 ^ 6121 Land and Building Expense 188,467 78,319 720,787 1,850,687 0 2,838 10 ^ 6123 Office Equipment Expense 220 61 3,380 15,037 0 188, 11 ^ 6123 Office Equipment Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 13 ^ 6211 Analog Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6212 Digital Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 16 6220 Operator Systems Expense 0 0 0 0 0 3,245, 17 * 6231 Radio Systems Expense 1,903,720 | 5 ^ | 6115 | Garage Work Equipment Expense | | 130 | 0 | 11,105 | 0 | 11,574 |
| 8 ^ 6121 Land and Building Expense 188,467 78,319 720,787 1,850,687 0 2,838, 9 ^ 6123 Office Equipment Expense 220 61 3,380 15,037 0 18, 10 ^ 6123 Office Equipment Expense 273,377 95,093 41,922 4,644,568 0 5,054, 11 ^ 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 13 ^ 6212 Digital Electronic Expense 0 0 0 0 0 0 0 0 0 3,245, 14 ^ 6230 Central Office Transmission Expense 1,903,720 786,618 2,250 553,210 0 3,245, 13 ^ 6230 Cintral Office Transmission Expense <td>6 ^</td> <td>6116</td> <td></td> <td>(179)</td> <td></td> <td>196</td> <td>15,253</td> <td>0</td> <td>15,309</td> | 6 ^ | 6116 | | (179) | | 196 | 15,253 | 0 | 15,309 |
| 9 ^ 6122 Furniture and Artworks Expense 220 61 3,380 15,037 0 18, 10 ^ 6123 Office Equipment Expense 26,339 11,229 75,037 76,097 0 188, 11 ^ 6123 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 14 ^ 6215 Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6215 Electronic Expense 0 0 0 0 0 0 0 0 0 3,245, 18 6231 Radio Systems Expense 1,903,720 786,618 2,197 543,766 0 3,201, 17 * 6232 Circuit Equipment Expense 1,348,654 558,710 1,902 <td>7 *</td> <td></td> <td></td> <td>488,403</td> <td>184,702</td> <td>841,126</td> <td>6,586,389</td> <td>0</td> <td>8,100,620</td> | 7 * | | | 488,403 | 184,702 | 841,126 | 6,586,389 | 0 | 8,100,620 |
| 10 ^ 6123 Office Equipment Expense 26,339 11,229 75,037 76,097 0 188, 11 ^ 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6211 Analog Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 13 ^ 6212 Digital Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 14 ^ 6212 Digital Electronic Expense 0 3,245, 14 A 6231 Radio Systems Expense 1,903,720 786,618 2,250 553,210 0 3,201, 2,323,766 0 3,201, 2,323,766 0 3,201, 2,323,766 0 3,201, 2,323,766 0 3,201, 2,453,1766 | 8 ^ | 6121 | | 188,467 | 78,319 | | 1,850,687 | 0 | 2,838,260 |
| 11 ^ 6124 General Purpose Computers Expense 273,377 95,093 41,922 4,644,568 0 5,054, 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 14 ^ 6212 Digital Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6215 Electro-Mechanical Expense 0 3,245, 16 6230 Central Office Transmission Expense 1,903,720 786,618 2,250 553,210 0 3,245, 18 ^ 6231 Radio Systems Expense 1,879,155 776,653 2,197 543,766 0 3,201, 21 ^ 6311 Istaion Apparatus Expense 1,24,229 52,351 179 (29,934) 0 1466, 22 | | | | | | | 15,037 | 0 | 18,698 |
| 12 * 6210 Central Office Switching Expense 1,773,818 733,182 43,513 366,717 0 2,917, 13 ^ 6211 Analog Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 14 ^ 6215 Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6215 Electro-Mechanical Expense 0 3,245, 3,362,17 3,362,17 3,362,17 3,3245,13 3,66,717 0 3,245,13 3,66,717 0 3,245,13 3,66,717 0 3,245,13 3,66,717 0 3,245,13 3,66,716 3,217,13 3,66,716 3,217,13 3,66,718 1,613,13 | - | | | 26,339 | | | | 0 | 188,702 |
| 13 ^ 6211 Analog Electronic Expense 0 0 14 ^ 6212 Digital Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6215 Electro-Mechanical Expense 0 3,245, 3,444 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44, 0 4,44,40 2,92,02 0 2,202,02 0 2,205,22,11 0 2,205,22,20 0 2,202,20 0 | | | | 273,377 | | | 4,644,568 | 0 | 5,054,960 |
| 14 ^ 6212 Digital Electronic Expense 1,773,818 733,182 43,513 366,717 0 2,917, 15 ^ 6215 Electro-Mechanical Expense 0 0 0 0 0 0 16 6220 Operator Systems Expense 0 3,245, 0 3,245, 0 3,245, 0 3,201 1,6131 513 1,010 0 1,144, 0 144,02 0 1,46,02 0 1,712,0 1,631 6311 Large Private Branch Exchange Expense 203,271 84,294 <td></td> <td></td> <td></td> <td>1,773,818</td> <td>733,182</td> <td>43,513</td> <td>366,717</td> <td>0</td> <td>2,917,230</td> | | | | 1,773,818 | 733,182 | 43,513 | 366,717 | 0 | 2,917,230 |
| 15 ^ 6215 Electro-Mechanical Expense 0 0 0 0 0 16 6220 Operator Systems Expense 0 0 0 0 0 0 17 * 6230 Central Office Transmission Expense 1,903,720 786,618 2,250 553,210 0 3,245, 18 ^ 6231 Radio Systems Expense 1,903,720 786,618 2,250 553,210 0 3,245, 19 ^ 6232 Circuit Equipment Expense 1,879,155 776,653 2,197 543,766 0 3,201, 20 * 6311 Information Origination/Termination Expense 1,345,854 558,710 1,902 299,220 0 2,205, 21 ^ 6311 Station Apparatus Expense 124,229 52,351 179 (29,934) 0 146, 22 ^ 6331 Public Telephone Terminal Equipment Expense 208,271 84,294 303 39,322 0 17,20, 23 ^ 6362 Other Terminal Equipment Expense 2,686< | | | | | | | | 0 | 0 |
| 16 6220 Operator Systems Expense 0 | | | | 1,773,818 | 733,182 | 43,513 | 366,717 | 0 | 2,917,230 |
| 17 * 6230 Central Office Transmission Expense 1,903,720 786,618 2,250 553,210 0 3,245, 18 ^ 6231 Radio Systems Expense 24,565 9,965 53 9,444 0 44, 19 ^ 6232 Circuit Equipment Expense 1,879,155 776,653 2,197 543,766 0 3,201, 20 * 6310 Information Origination/Termination Expense 1,345,854 558,710 1,902 299,220 0 2,205, 21 ^ 6311 Station Apparatus Expense 124,229 52,351 179 (29,934) 0 146, 22 ^ 6311 Large Private Branch Exchange Expense 203,271 84,294 303 39,322 0 327, 23 ^ 6351 Public Telephone Terminal Equipment Expense 286 111 0 11,036 0 11,720, 24 6362 Other Terminal Equipment Expense 7,048,834 2,352,475 1,582,072 3,80,475 0 1,43,63, 26 ^ | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 ^ 6231 Radio Systems Expense 24,565 9,965 53 9,444 0 44, 19 ^ 6232 Circuit Equipment Expense 1,879,155 776,653 2,197 543,766 0 3,201, 20 * 6310 Information Origination/Termination Expense 1,345,854 558,710 1,902 299,220 0 2,205, 21 ^ 6311 Station Apparatus Expense 124,229 52,351 179 (29,934) 0 146, 22 ^ 6341 Large Private Branch Exchange Expense 203,271 84,294 303 39,322 0 327, 23 ^ 6351 Public Telephone Terminal Equipment Expense 286 111 0 11,036 0 11,720, 24 ^ 6362 Other Terminal Equipment Expense 7,048,834 2,352,475 1,582,072 3,380,475 0 1,4363, 26 ^ 6411 Poles Expense 5,622 2,253 128,381 6,322 0 1,420, 27 ^ 6421 | - | | | 0 | • | - | • | 0 | 0 |
| 19 ^ 6232 Circuit Equipment Expense 1,879,155 776,653 2,197 543,766 0 3,201, 20 * 6310 Information Origination/Termination Expense 1,345,854 558,710 1,902 299,220 0 2,205, 21 ^ 6311 Station Apparatus Expense 124,229 52,351 179 (29,934) 0 146, 22 ^ 6341 Large Private Branch Exchange Expense 203,271 84,294 303 39,322 0 327, 23 ^ 6351 Public Telephone Terminal Equipment Expense 286 111 0 11,036 0 11,720, 24 ^ 6362 Other Terminal Equipment Expense 7,048,834 2,352,475 1,582,072 3,380,475 0 1,4363, 26 ^ 6411 Poles Expense 5,622 2,253 128,381 6,322 0 142, 27 ^ 6421 Aerial Cable Expense 1,232,900 510,068 257,488 367,905 0 2,368, 28 ^ <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0</td><td>3,245,798</td></td<> | | | | | | | | 0 | 3,245,798 |
| 20*6310Information Origination/Termination Expense1,345,854558,7101,902299,22002,205,21^6311Station Apparatus Expense124,22952,351179(29,934)0146,22^6341Large Private Branch Exchange Expense203,27184,29430339,3220327,23^6351Public Telephone Terminal Equipment Expense286111011,036011,24^6362Other Terminal Equipment Expense2,866111011,036011,720,25*6410Cable and Wire Facilities Expense7,048,8342,352,4751,582,0723,380,475014,363,26^6411Poles Expense5,6222,253128,3816,3220142,363,26^6421Aerial Cable Expense5,6222,253128,3816,3220142,363,27^6421Aerial Cable Expense1,232,900510,068257,488367,90502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense00000030^6424Submarine Cable Expense5,442,7321,691,105946,7302,786,865010,867,30^6425Deep Sea Cable Expense0 | - | | | | | | | 0 | 44,027 |
| 21^6311Station Apparatus Expense124,22952,351179(29,934)0146,22^6341Large Private Branch Exchange Expense203,27184,29430339,3220327,23^6351Public Telephone Terminal Equipment Expense286111011,036011,24^6362Other Terminal Equipment Expense1,018,068421,9541,420278,79601,720,25*6410Cable and Wire Facilities Expense7,048,8342,352,4751,582,0723,380,475014,363,26^6411Poles Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense1,232,900510,068257,488367,90502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense5,442,7321,691,105946,7302,786,865010,867,30^6424Submarine Cable Expense000000031^6425Deep Sea Cable Expense159,83265,77722045,0910270,33^6431Aerial Wire Expense1,583637 <t< td=""><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td>0</td><td>3,201,771</td></t<> | - | | | | | | | 0 | 3,201,771 |
| 22^6341Large Private Branch Exchange Expense203,27184,29430339,3220327,23^6351Public Telephone Terminal Equipment Expense286111011,036011,24^6362Other Terminal Equipment Expense1,018,068421,9541,420278,79601,720,25*6410Cable and Wire Facilities Expense7,048,8342,352,4751,582,0723,380,475014,363,26^6411Poles Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense206,16582,635249,25060,43502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense000000030^6424Submarine Cable Expense0000000031^6425Deep Sea Cable Expense159,83265,77722045,0910270,33^6431Aerial Wire Expense1,583637375,021077, | | | | , , | | | | 0 | 2,205,686 |
| 23 ^ 6351 Public Telephone Terminal Equipment Expense 286 111 0 11,036 0 11, 24 ^ 6362 Other Terminal Equipment Expense 1,018,068 421,954 1,420 278,796 0 1,720, 25 * 6410 Cable and Wire Facilities Expense 7,048,834 2,352,475 1,582,072 3,380,475 0 14,363, 26 ^ 6411 Poles Expense 5,622 2,253 128,381 6,322 0 142, 27 ^ 6421 Aerial Cable Expense 1,232,900 510,068 257,488 367,905 0 2,368, 28 ^ 6422 Underground Cable Expense 206,165 82,635 249,250 60,435 0 598, 29 ^ 6423 Buried Cable Expense 5,442,732 1,691,105 946,730 2,786,865 0 10,867, 30 ^ 6424 Submarine Cable Expense 0 0 0 0 0 0 0 0 0 0 76,423 3 | | | | · · · · · · | | | | 0 | 146,825 |
| 24^6362Other Terminal Equipment Expense1,018,068421,9541,420278,79601,720,25*6410Cable and Wire Facilities Expense7,048,8342,352,4751,582,0723,380,475014,363,26^6411Poles Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense1,232,900510,068257,488367,90502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense5,442,7321,691,105946,7302,786,865010,867,30^6424Submarine Cable Expense00000031^6425Deep Sea Cable Expense159,83265,77722045,0910270,33^6431Aerial Wire Expense1,583637375,021077, | | | | | 84,294 | 303 | | 0 | 327,190 |
| 25*6410Cable and Wire Facilities Expense7,048,8342,352,4751,582,0723,380,475014,363,26^6411Poles Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense1,232,900510,068257,488367,90502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense5,442,7321,691,105946,7302,786,865010,867,30^6424Submarine Cable Expense00000031^6425Deep Sea Cable Expense00000032^6426Intrabuilding Network Cable Expense159,83265,77722045,0910270,33^6431Aerial Wire Expense1,583637375,021077, | | | | 286 | | 0 | | 0 | 11,433 |
| 26^6411Poles Expense5,6222,253128,3816,3220142,27^6421Aerial Cable Expense1,232,900510,068257,488367,90502,368,28^6422Underground Cable Expense206,16582,635249,25060,4350598,29^6423Buried Cable Expense5,442,7321,691,105946,7302,786,865010,867,30^6424Submarine Cable Expense00000031^6425Deep Sea Cable Expense00000032^6426Intrabuilding Network Cable Expense159,83265,77722045,0910270,33^6431Aerial Wire Expense1,583637375,021077, | | | | 1,018,068 | 421,954 | | 278,796 | 0 | 1,720,238 |
| 27 ^ 6421 Aerial Cable Expense 1,232,900 510,068 257,488 367,905 0 2,368, 28 ^ 6422 Underground Cable Expense 206,165 82,635 249,250 60,435 0 598, 29 ^ 6423 Buried Cable Expense 5,442,732 1,691,105 946,730 2,786,865 0 10,867, 30 ^ 6424 Submarine Cable Expense 0 0 0 0 0 31 ^ 6425 Deep Sea Cable Expense 0 0 0 0 0 0 32 ^ 6426 Intrabuilding Network Cable Expense 159,832 65,777 220 45,091 0 270, 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | | | , , | | | | 0 | 14,363,856 |
| 28 ^ 6422 Underground Cable Expense 206,165 82,635 249,250 60,435 0 598, 29 ^ 6423 Buried Cable Expense 5,442,732 1,691,105 946,730 2,786,865 0 10,867, 30 ^ 6424 Submarine Cable Expense 0 0 0 0 0 0 31 ^ 6425 Deep Sea Cable Expense 0 270, 33 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, 72,0 45,091 0 77, 74,00 77, 74,00 77, 74,00 77, 74,00 77, 74,00 77, | | - | | · · · · · | | | | 0 | 142,578 |
| 29 ^ 6423 Buried Cable Expense 5,442,732 1,691,105 946,730 2,786,865 0 10,867, 30 ^ 6424 Submarine Cable Expense 0 0 0 0 0 31 ^ 6425 Deep Sea Cable Expense 0 0 0 0 0 32 ^ 6426 Intrabuilding Network Cable Expense 159,832 65,777 220 45,091 0 270, 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | - | | | | | | 0 | 2,368,361 |
| 30 ^ 6424 Submarine Cable Expense 0 0 0 0 0 31 ^ 6425 Deep Sea Cable Expense 0 0 0 0 0 0 32 ^ 6426 Intrabuilding Network Cable Expense 159,832 65,777 220 45,091 0 270, 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | - | | 206,165 | | 249,250 | 60,435 | 0 | 598,485 |
| 31 ^ 6425 Deep Sea Cable Expense 0 0 0 0 32 ^ 6426 Intrabuilding Network Cable Expense 159,832 65,777 220 45,091 0 270, 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | | | 5,442,732 | 1,691,105 | 946,730 | 2,786,865 | 0 | 10,867,432 |
| 32 ^ 6426 Intrabuilding Network Cable Expense 159,832 65,777 220 45,091 0 270, 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | - | | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 ^ 6431 Aerial Wire Expense 1,583 637 3 75,021 0 77, | | | | 0 | • | • | v | Ų Ų | 0 |
| | | | | | | | | | 270,920 |
| 34 Subtotals 12,565,952 4,617,478 2,473,150 11,370,108 0 31,026, | | 6431 | Aerial Wire Expense | 1,583 | | | | 0 | 77,244 |
| | 34 | | Subtotals | 12,565,952 | 4,617,478 | 2,473,150 | 11,370,108 | 0 | 31,026,688 PAGE 20 |

^ Subaccount of the account marked with a *.

Company Name: Qwest Corporation - Montana

Total State Expense Matrix

| v | | | ~~ | 0 |
|----------|-----|-----|----|---|
| T | ear | : 2 | UU | O |

| Line | Acct. | | Salaries | | | Other | | |
|------|-------|--|------------|------------|-----------|------------|------------|-------------|
| No. | No. | Description | and Wages | Benefits | Rents | Expenses | Clearances | Total |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| 35 ^ | 6441 | Conduit Systems Expense | 0 | 0 | 0 | 38,836 | 0 | 38,836 |
| 36 | 6510 | Other Property Expenses | (14,182) | (11,934) | 0 | 54,635 | 0 | 28,519 |
| 37 * | 6530 | Network Operations Expense | 4,404,952 | 2,149,864 | 126 | 3,906,125 | 0 | 10,461,067 |
| 38 ^ | 6531 | Power Expense | 0 | 0 | 0 | 1,548,629 | 0 | 1,548,629 |
| 39 ^ | 6532 | Network Administration Expense | 179,704 | 51,324 | 0 | 11,865 | 0 | 242,893 |
| 40 ^ | 6533 | Testing Expense | 1,726,103 | 715,108 | 0 | 93,506 | 0 | 2,534,717 |
| 41 ^ | 6534 | Plant Operations Expense | 1,787,149 | 1,162,541 | 126 | 1,825,665 | 0 | 4,775,481 |
| 42 ^ | 6535 | Engineering Expense | 711,996 | 220,891 | 0 | 426,460 | 0 | 1,359,347 |
| 43 | 6540 | Access Expense | 0 | 0 | 0 | 3,914,859 | 0 | 3,914,859 |
| 44 | 6561 | Depreciation - Telecomm. Plant in Service | 0 | 0 | 0 | 26,913,828 | 0 | 26,913,828 |
| 45 | 6562 | Depreciation-Prop. for Future Telecom. Use | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | 6563 | Amortization Expense - Tangible | 0 | 0 | 0 | 32,857 | 0 | 32,857 |
| 47 | 6564 | Amortization Expense - Intangible | 0 | 0 | 0 | 6,026,253 | 0 | 6,026,253 |
| 48 | 6565 | Amortization - Other | 0 | 0 | 0 | 0 | 0 | 0 |
| 49 * | 6610 | Marketing | 460,331 | 180,993 | 0 | 12,500,494 | 0 | 13,141,818 |
| 50 ^ | 6611 | Product Management | 39,655 | 12,100 | 0 | 1,820,341 | 0 | 1,872,096 |
| 51 ^ | 6612 | Sales | 420,676 | 168,893 | 0 | 7,661,967 | 0 | 8,251,536 |
| 52 ^ | 6613 | Product Advertising | 0 | 0 | 0 | 3,018,186 | 0 | 3,018,186 |
| 53 | 6621 | Call Completion Services | 658,422 | 431,443 | 0 | 569,845 | 0 | 1,659,710 |
| 54 | 6622 | Number Services | 713,822 | 513,371 | 148 | 49,235 | 0 | 1,276,576 |
| 55 | 6623 | Customer Services | 6,219,507 | 3,772,109 | 271 | 3,739,895 | 0 | 13,731,782 |
| 56 | 6711 | Executive | 38,597 | 11,394 | 68 | 869,119 | 0 | 919,178 |
| 57 | 6712 | Planning | 0 | 0 | 0 | 61,006 | 0 | 61,006 |
| 58 | 6721 | Accounting and Finance | 283,256 | 129,698 | 81 | 1,308,584 | 0 | 1,721,619 |
| 59 | 6722 | External Relations | 74,666 | 34,599 | 0 | 2,557,476 | 0 | 2,666,741 |
| 60 | 6723 | Human Relations | 10,554 | 4,710 | 0 | 1,089,699 | 0 | 1,104,963 |
| 61 | 6724 | Information Management | 91,957 | 32,975 | 30,557 | 6,106,262 | 0 | 6,261,751 |
| 62 | 6725 | Legal | 0 | 0 | 0 | 1,569,401 | 0 | 1,569,401 |
| 63 | 6726 | Procurement | 0 | 0 | 0 | 435,623 | 0 | 435,623 |
| 64 | 6727 | Research and Development | 0 | 0 | 0 | 2,135 | 0 | 2,135 |
| 65 | 6728 | Other General and Administrative | 165,485 | 7,624 | 22,749 | 3,388,201 | 0 | 3,584,059 |
| 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 | 25,673,319 | 11,874,324 | 2,527,150 | 86,504,476 | 0 | 126,579,269 |
| | | | | | | | <u>!</u> ! | PAGE 21 |

^ Subaccount of the account marked with a *.

Company Name: Qwest Corporation (\$ in Thousands)

Pension Costs

| I Defined Benefit Plan? Yes Defined Contribution Plan? No 3 Actuarial Cost Method? Projected Unit Credit IRS Code: 005 Is the Plan Over Funded? The Plan is fully funded. 5 Item Current Year Last Year % Change 6 Change in Benefit Obligation 7,747.805 7,792.338 -0.57% 7 Benefit obligation at beginning of year 9,893 100.247 -1.55% 9 Interest Cost 335.444 334.975 0.14% 10 Plan participants' contributions - - - 11 Amendments - - - 0.00% 13 Acquisition (177.018) 247.088 -171.64% 14 Benefits paid (684.487) (726.915) 5.84% 14 Benefits paid 19 7.320.456 7.747.805 - 17 Fair value of plan assets 1,043.475 842.341 23.88% 14 Benefits paid (684.487) (726.915) 5.84% 17 Fair value of plan assets | · | | | | 1001.2000 |
|--|----|--|----------------------|----------------------|-------------|
| 3 Actuarial Cost Method? Projected Unit Credit Annual Contribution by Employer: None IRS Code: 005 Is the Plan Over Funded? The Plan is fully funded. 5 Item Current Year Last Year % Change 6 Etem Current Year Last Year % Change 7 Benefit obligation at beginning of year 7,747,805 7,792,338 0.57% 9 Interest Cost 335,444 334,975 0.14% 9 Interest Cost 335,444 334,975 0.14% 10 Plan participants' contributions - - - 12 Actuarial Gain (177,018) 247,088 - - 0.00% 14 Benefits baid (684,487) (726,915) 5.84% 15 Benefits baid 19 72 -73.78% 16 Change in Plan Assets 1,043,475 842,341 23.88% 17 Fair value of plan assets 1,043,475 842,341 23.88% 12 Actuarial current on ban assets 1,044,475 642,341 23.88% | 1 | Plan Name Qwest Pension Plan | | | |
| 3 Actuarial Cost Method? Projected Unit Credit Annual Contribution by Employer: None IRS Code: 065 Is the Plan Over Funded? The Plan is fully funded. 5 Item Current Year Last Year % Change 6 Change in Benefit Obligation 7 Benefit obligation at beginning of year 7,747,805 7,792,338 0.57% 7 Benefit obligation at beginning of year 335,444 334,975 0.14% 9 Interrest Cost 335,444 334,975 0.14% 10 Plan participants' contributions - - - - 0.00% 11 Amendments - - - 0.00% - - 0.00% 12 Actuarial Gain (177,018) 247,088 - - - - 0.00% 14 Benefits braid (684,487) (726,915) 5.84% - | 2 | Defined Benefit Plan? Yes | Defined Contribution | Plan? No | |
| 4 Annual Contribution by Employer: None Is the Plan Over Funded? The Plan is fully funded. 5 Item Current Year Last Year % Change 6 Change in Benefit Obligation 7,747,805 7,792,338 -0.57% 8 Service cost 98,693 100,247 -1.55% 9 Interest Cost 335,444 334,975 0.14% 10 Plan participants' contributions - - - 11 Amendments - - - - 12 Actuarial Gain (177,018) 247,088 -171,64% 14 Benefit obligation at end of year 7,320,456 7,747,805 5,84% 144 Special termination benefits 19 72 -73,78% 15 Benefit coligation at end of year 7,320,456 7,747,805 -16 144 Special termination benefits 10,43,475 842,341 23,88% 16 Change in Plan Assets 1,043,475 842,341 23,88% 20 Acquisition | | | | | |
| 5 Number of the second se | | | | nded? The Plan is fi | Illy funded |
| Item Current Year Last Year % Change 6 Change 7,747,805 7,792,338 -0.57% 8 Service cost 98,693 100,247 -1.55% 9 Interest Cost 335,444 334,975 0.14% 10 Plan participants' contributions - - - 11 Amendments - - 0.00% 13 Acquisition - - 0.00% 14 Benefits paid (684,467) (726,915) 5.84% 15 Benefit obligation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 1,043,475 842,341 23.88% 17 Fair value of plan assets at beginning of year 8,086,314 7,970,819 1.45% 18 Adjustment to match trust - - - - 19 Actual return on plan assets 1,043,475 842,341 23.88% 24 Benefits paid 6844,4870 (726,915) | | | | | any fundou. |
| 6 Change in Benefit Obligation 7,747,805 7,792,338 -0.57% 8 Service cost 98,693 100,247 -1.55% 9 Interest Cost 335,444 334,975 0.14% 0 Plan participants' contributions - - - 11 Amendments - - - 0.00% 12 Actuarial Gain (177,018) 247,088 -171,64% 13 Acquisition - - 0.00% 14 Benefit Obligation at end of year 7,320,466 7,747,805 -552% 15 Benefit Doligation at end of year 7,320,466 7,747,805 -552% 16 Change in Plan Assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 12 Employer contribution - - - - 21 Employer contribution - - - - 24 Employer contribution - | | Item | Current Year | Last Year | % Change |
| 8 Service cost 98,693 100,247 1.155% 9 Interest Cost 335,444 330,247 0.14% 11 Amendments - - - 12 Actuarial Gain (177,018) 247,088 - 0.00% 14 Benefits paid (684,487) (726,915) 5.84% 14 Special termination benefits 19 72 -73.72% 15 Benefit obligation at end of year 7,320,455 7,747,805 -5.52% 16 Change in Plan Assets 1 - | 6 | | | | j- |
| 8 Service cost 98,693 100,247 1.155% 9 Interest Cost 335,444 330,247 0.14% 11 Amendments - - - 12 Actuarial Gain (177,018) 247,088 - 0.00% 14 Benefits paid (684,487) (726,915) 5.84% 14 Special termination benefits 19 72 -73.72% 15 Benefit obligation at end of year 7,320,455 7,747,805 -5.52% 16 Change in Plan Assets 1 - | | | 7,747,805 | 7,792,338 | -0.57% |
| 10 Plan participants' contributions - - 11 Amendments - - - 12 Actuarial Gain (177,018) 247,088 - - 13 Acquisition - - 0.00% 14 Benefits paid (684,487) (726,915) 5.84% 15 Benefit bilgation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 21 Employer contribution - - - - 22 Plan participants' contributions - - - - - 24 Benefits paid (684,487) (726,915) 5.84% - - - - - - - - - - - - - - | 8 | Service cost | 98,693 | 100,247 | -1.55% |
| 11 Aneudments - - 12 Actuarial Gain (177,018) 247,088 -171.64% 14 Benefits paid (684,487) (725,915) 5.84% 143 Special termination benefits 19 72 -73.78% 15 Benefit obligation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 1,043,475 842,341 23.88% 24 Benefits paid - - - - 12 Prain participants' contribution - - - - 24 Benefits paid (884,487) (726,915) 5.84% - 24 Darastes at end of year 8,445,302 8.086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 20 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 29 Prepaid (accrued) benefit | 9 | Interest Cost | 335,444 | 334,975 | 0.14% |
| 12 Actuarial Gain (177,018) 247,088 -171.64% 13 Acquisition - - 0.00% 14 Benefit big aid (684,487) (726,915) 5.84% 15 Benefit obligation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 7,320,456 7,747,805 -5.52% 17 Fair value of plan assets at beginning of year 8,066,314 7,970,819 1.45% 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 21 Employer contribution - | 10 | Plan participants' contributions | - | - | |
| 13 Acquisition 0.00% 14 Benefits paid (684,487) (726,915) 5.84% 15 Benefit obligation at end of year 7.320,456 7.747,805 -5.52% 16 Change in Plan Assets 7.320,456 7.747,805 -5.52% 16 Change in Plan Assets - - - - 17 Far value of plan assets at beginning of year 8,086,314 7.970,819 1.45% 7 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 21 Employer contributions - 70 100.00% 23 20 Transfer - - - - 24 Benefits paid (684,487) (726,915) 5.84% 24 Urrecognized net actuarial loss (138,132) 714,943 -119.32% 29 Inrecognized net actuarial loss (138,132) 714,943 -119.32% 20 Discount rate 6.00% </td <td>11</td> <td>Amendments</td> <td>-</td> <td>-</td> <td></td> | 11 | Amendments | - | - | |
| 14 Benefits paid (684,487) (726,915) 5.84% 14a Special termination benefits 19 72 -73.78% 15 Benefit obligation at end of year 7.320,456 7,747,805 -5.52% 16 Change in Plan Assets - - - 17 Fair value of plan assets at beginning of year 8,086,314 7,970,819 1.45% 18 Adjustiennet to match trust - - - - 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - <td>12</td> <td>Actuarial Gain</td> <td>(177,018)</td> <td>247,088</td> <td>-171.64%</td> | 12 | Actuarial Gain | (177,018) | 247,088 | -171.64% |
| 14a Special termination benefits 19 72 -73.78% 15 Benefit obligation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets - - - 18 Adjustment to match trust - - - - 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 21 Employer contribution -< | | | - | - | 0.00% |
| 15 Benefit obligation at end of year 7,320,456 7,747,805 -5.52% 16 Change in Plan Assets 8,086,314 7,970,819 1.45% 17 Fair value of plan assets at beginning of year 8,086,314 7,970,819 1.45% 19 Actual return on plan assets 1,043,475 842,341 23,88% 24 Employer contribution - - - 21 Plan participants' contributions - - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232,29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119,32% 28 Unrecognized net actuarial loss 949,567 1,012,804 -6,24% 30 Weighted-average Assumptions as of Year End 0 - - 31 Weighted-average Assumptions as of Year End 0.00% 5,60% | | | (684,487) | | |
| 16 Change in Plan Assets 8,086,314 7,970,819 1.45% 17 Fair value of plan assets at beginning of year 8,086,314 7,970,819 1.45% 18 Adjustment to match trust - - - - 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - - - 21 Employer contribution - - - - 22 Plan participants' contributions - - - - 23 420 Transfer - - - - - 24 Benefits paid (684,487) (726,915) 5.84% - - 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% - </td <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | |
| 17 Fair value of plan assets at beginning of year 8,086,314 7,970,819 1.45% 18 Adjustment to match trust - - - 19 Actual return on plan assets 1,043,475 842,341 23,88% 20 Acquisition - - - 21 Employer contribution - - - 23 420 Transfer - - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 25 Fair value of plan assets at end of year 1,124,846 338,509 232.29% 20 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized net actuarial loss (37,147) (40,648) 8.61% 31 Weighted-average Assumptions as of Year End 5 5 5 32 Expected return on plan assets 8.50% 8.50% 0.00% 34 Ret of compensation increase 4.65% 4.65% 0.00% <t< td=""><td></td><td></td><td>7,320,456</td><td>7,747,805</td><td>-5.52%</td></t<> | | | 7,320,456 | 7,747,805 | -5.52% |
| 18 Adjustment to match trust - - 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - - 21 Employer contribution - - - 22 Plan participants' contributions - - - 23 420 Transfer - - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized net actuarial loss (138,132) 714,943 -6.24% 30 - - - - - 31 Weighted-average Assumptions as of Year End - - - - 32 Discount rate 8.50% 8.50% 0.00% - - - - 34 Discount rate 8.50% 8.50% 0.00% - - - - - <t< td=""><td></td><td></td><td></td><td></td><td></td></t<> | | | | | |
| 19 Actual return on plan assets 1,043,475 842,341 23.88% 20 Acquisition - - 21 Employer contributions - - 22 Plan participants' contributions - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 223.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 20 Inrecognized prior service cost (37,147) (40,648) 8.81% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 Weighted-average Assumptions as of Year End 5.60% 7.14% 20 Discount rate 8.50% 8.50% 0.00% 33 Keighted-average Assumptions as of Year End 6.00% 5.60% 7.14% 34 Rate of compensation increase 4.65% 4.65% 0.00% 34 Rate of compensation increase 3.65% | | | 8,086,314 | 7,970,819 | 1.45% |
| 20 Acquisition - - 21 Employer contribution - - 22 Plan participants' contributions - - 23 420 Transfer - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 30 - - - - 31 Weighted-average Assumptions as of Year End - - - 32 Discount rate 8.50% 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% | | | - | - | |
| 21 Employer contribution - - 22 Plan participants' contributions - 70 100.00% 23 420 Transfer - - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 | | | 1,043,475 | 842,341 | 23.88% |
| 22 Plan participants' contributions - 70 100.00% 23 420 Transfer - - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 Weighted-average Assumptions as of Year End - - - 21 Discount rate 6.00% 5.60% 7.14% 31 Weighted-average Assumptions as of Year End - - - 32 Discount rate 6.00% 5.60% 7.14% 33 Faite of compensation increase 4.65% 4.65% 0.00% 34 Rate of compenst | | | - | - | |
| 23 420 Transfer - - 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 25 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 30 31 Weighted-average Assumptions as of Year End 0 30 32 Discount rate 6.00% 5.60% 7.14% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 G 0 0 0 0 0 0 36 Components of Net Periodic Benefit Costs 0 0 0 0.0247 -1.55% 36 Components of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 37 Service cost 98,693< | | | - | - | |
| 24 Benefits paid (684,487) (726,915) 5.84% 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119,4943 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 Veighted-average Assumptions as of Year End 0 0 0 31 Weighted-average Assumptions as of Year End 0 0 0 00% 32 Discount rate 6.00% 5.60% 7.14% 0.00% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 0.00% 0.66% 0.14% 35 Interest cost 98,693 100,247 -1.55% 0.14% 36 Components of Net Periodic Benefit Costs 0.35,011 (3,374) -3.76% | | | - | 70 | 100.00% |
| 25 Fair value of plan assets at end of year 8,445,302 8,086,314 4.44% 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (137,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 31 Weighted-average Assumptions as of Year End 6.00% 5.60% 7.14% 32 Discount rate 6.00% 5.60% 7.14% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 Components of Net Periodic Benefit Costs 5 5 5 36 Components of Net Periodic Benefit Costs 335,444 334,975 0.14% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 57.2 | - | | - | - | |
| 26 Funded Status 1,124,846 338,509 232.29% 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 31 Weighted-average Assumptions as of Year End 714,943 -119.32% 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 35 35 35 3100,247 -1.55% 36 Components of Net Periodic Benefit Costs 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<> | | | | | |
| 27 Unrecognized net actuarial loss (138,132) 714,943 -119.32% 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 31 Weighted-average Assumptions as of Year End 5 5 5 31 Weighted-average Assumptions as of Year End 5 5 7.14% 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 36 5 5 5 5 36 Components of Net Periodic Benefit Costs 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 50,292 18,575 170.75% 42 Net periodic benefit cos | | | | | |
| 28 Unrecognized prior service cost (37,147) (40,648) 8.61% 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 Weighted-average Assumptions as of Year End - - - 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 Components of Net Periodic Benefit Costs - - - 36 Components of Net Periodic Benefit Costs - - - 37 Service cost 98,693 100,247 -1.55% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77.374 53,109 45.69% <t< td=""><td></td><td></td><td></td><td></td><td></td></t<> | | | | | |
| 29 Prepaid (accrued) benefit cos 949,567 1,012,804 -6.24% 30 | | | | | |
| 30 Weighted-average Assumptions as of Year End 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 Service compensation increase 4.65% 4.65% 0.00% 35 Components of Net Periodic Benefit Costs 3 3 3 3 100,247 -1.55% 36 Components of Net Periodic Benefit Costs 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10.024 100.00% 44 Montana Intrastate Costs: 532 199 | | | | | |
| 31 Weighted-average Assumptions as of Year End 6.00% 5.60% 7.14% 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 6 6 0.00% 35 0.00% 36 Components of Net Periodic Benefit Costs 98,693 100,247 -1.55% 36 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montan Intrastate Costs: 532 199 167.53% | | | 949,567 | 1,012,804 | -0.24% |
| 32 Discount rate 6.00% 5.60% 7.14% 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 Components of Net Periodic Benefit Costs 98,693 100,247 -1.55% 37 Service cost 98,693 100,247 -1.55% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 46 Pension Costs 532 199 167.53% | | Weighted every Accumptions of Year End | | | |
| 33 Expected return on plan assets 8.50% 8.50% 0.00% 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 | | | 6.009/ | E 60% | 7 1 40/ |
| 34 Rate of compensation increase 4.65% 4.65% 0.00% 35 | | | | | |
| 35 36 Components of Net Periodic Benefit Costs 37 Service cost 98,693 100,247 -1.55% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - - - - 50 < | | | | | |
| 36 Components of Net Periodic Benefit Costs 98,693 100,247 -1.55% 37 Service cost 98,693 100,247 -1.55% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 49 Covered by the Plan - - - - | | | 4.0376 | 4.0376 | 0.0076 |
| 37 Service cost 98,693 100,247 -1.55% 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: 49 Covered by the Plan 50 26,556 28,544 -6.96% 50 Not Covered by the Plan - - - - - - - - </td <td></td> <td>Components of Net Periodic Benefit Costs</td> <td></td> <td></td> <td></td> | | Components of Net Periodic Benefit Costs | | | |
| 38 Interest cost 335,444 334,975 0.14% 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 46 Pension Costs 538 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: 49 20.243 83,112 -3.45% 50 Not Covered by the Plan - - - - 51 Active 26,556 28,544 -6.96% - - 52 Retired 38,926 39,871 -2.37% | | | 98 693 | 100 247 | -1 55% |
| 39 Expected return on plan assets (457,718) (466,382) 1.86% 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: 532 199 167.53% 46 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: 49 6 26,556 28,544 -6.96% 50 Not Covered by the Plan - - - - - 51 Active 26,556 28,544 -6.96% - - - - 52 Retired 38,926 39,871 -2.37% - -< | | | | | |
| 40 Amortization of prior service cost & net transistion obligat (3,501) (3,374) -3.76% 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: | | | | | |
| 41 Recognized net actuarial loss 77,374 53,109 45.69% 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: - - - 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - - - 49 Covered by the Plan 80,243 83,112 -3.45% 50 Not Covered by the Plan - - - 51 Active 26,556 28,544 -6.96% 52 Retired 38,926 39,871 -2.37% | 40 | Amortization of prior service cost & net transistion obligat | | | |
| 42 Net periodic benefit cos 50,292 18,575 170.75% 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: - - - 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - - - 49 Covered by the Plan 80,243 83,112 -3.45% 50 Not Covered by the Plan - - - 51 Active 26,556 28,544 -6.96% 52 Retired 38,926 39,871 -2.37% | | | | | |
| 43 Adjustment for affilated transfer (12,945) 10,024 100.00% 44 Montana Intrastate Costs: - <td< td=""><td></td><td></td><td></td><td></td><td></td></td<> | | | | | |
| 44 Montana Intrastate Costs: 532 199 167.53% 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: 49 Covered by the Plan 80,243 83,112 -3.45% 50 Not Covered by the Plan - - - - 51 Active 26,556 28,544 -6.96% - 52 Retired 38,926 39,871 -2.37% | | | | | |
| 45 Pension Costs 532 199 167.53% 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - - - - 49 Covered by the Plan 80,243 83,112 -3.45% - 50 Not Covered by the Plan - - - - 51 Active 26,556 28,544 -6.96% - 52 Retired 38,926 39,871 -2.37% | 44 | | | , | |
| 46 Pension Costs Capitalized 58 28 105.44% 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - - - - 49 Covered by the Plan 80,243 83,112 -3.45% - 50 Not Covered by the Plan - - - - 51 Active 26,556 28,544 -6.96% - 52 Retired 38,926 39,871 -2.37% | | | 532 | 199 | 167.53% |
| 47 Accumulated Pension Asset (Liability) at Year End 14,529 15,456 -6.00% 48 Number of Company Employees: - | | | | | |
| 48 Number of Company Employees: 80,243 83,112 -3.45% 49 Covered by the Plan - <td></td> <td></td> <td></td> <td></td> <td></td> | | | | | |
| 49 Covered by the Plan 80,243 83,112 -3.45% 50 Not Covered by the Plan - - - 51 Active 26,556 28,544 -6.96% 52 Retired 38,926 39,871 -2.37% | | | , | -, | |
| 50 Not Covered by the Plan - 51 Active 26,556 28,544 -6.96% 52 Retired 38,926 39,871 -2.37% | | | 80,243 | 83,112 | -3.45% |
| 51 Active 26,556 28,544 -6.96% 52 Retired 38,926 39,871 -2.37% | | | - | - | |
| 52 Retired 38,926 39,871 -2.37% | | - | 26,556 | 28,544 | -6.96% |
| 52 Deferred Vested Termineted | 52 | Retired | 38,926 | 39,871 | -2.37% |
| 55 Defended vested reminated 14,761 14,697 0.44% | 53 | Deferred Vested Terminated | 14,761 | 14,697 | 0.44% |

Schedule 20

| | Other Post Employment B | (| | ear 2006 |
|----------|--|--------------------------|-------------------|----------|
| 4 | Item | Current Year | Last Year | % Change |
| 1 2 | Regulatory Treatment: Commission authorized - most recent | | | |
| 3 | Docket number: 90.12.86 | | | |
| 4 | Order number: 5535g | | | |
| 5 | Amount recovered through rates | 518 | 1,700 | -69.549 |
| 6 | Weighted-average Assumptions as of Year End | 010 | 1,100 | 00.01 |
| 7 | Discount rate | 6.00% | 5.60% | 7.149 |
| 8 | Expected return on plan assets | 8.50% | 8.50% | 0.00 |
| 9 | Medical Cost Inflation Rate | 10% graded to 5% | 10% graded to 5% | |
| 10 | Actuarial Cost Method | Projected Unit Cr | Projected Unit Cr | |
| 11 | Rate of compensation increase | N/A | N/A | |
| | List each method used to fund OPEBs (ie: VEBA, 401) | h)) and if tax advantage | d: | |
| 13 | VEBA - Yes Transfer - No | | | |
| 14 | Cash - Yes | | | |
| 15 | Describe any Changes to the Benefit Plan: | | | |
| 16 17 | TOTAL COMPAN | IV | | |
| | Change in Benefit Obligation | | | 0.00 |
| | Benefit obligation at beginning of year | 4,753,340 | 5,076,295 | -6.36 |
| | Service cost | 12,539 | 16,838 | -25.53 |
| - | Interest Cost | 249,860 | 270,973 | -7.79 |
| | Plan participants' contributions | , | | |
| | | (664,500) | (59,359) | -1019.46 |
| | Actuarial Gain | (264,784) | (195,060) | -35.75 |
| | Acquisition | - | - | |
| | Benefits paid | (372,455) | (356,347) | -4.52 |
| | Benefit obligation at end of year | 3,714,000 | 4,753,340 | -21.87 |
| | Change in Plan Assets | | , , | |
| | - | 1,644,504 | 1,652,070 | -0.46 |
| | Actual return on plan assets | 263,126 | 191,093 | 37.70 |
| | Acquisition | - | - | 0.00 |
| | Employer contribution | 141,602 | 157,688 | -10.20 |
| 32a | Life trust reimbursement | - | - | 0.00 |
| 33 | Plan participants' contributions | | | 0.00 |
| 34 | Benefits paid | (372,455) | (356,347) | -4.52 |
| 35 | Fair value of plan assets at end of year | 1,676,777 | 1,644,504 | 1.96 |
| | Funded Status | (2,037,223) | (3,108,836) | 34.47 |
| 37 | Unrecognized net actuarial loss | 303,559 | 585,702 | -48.17 |
| 38 | Unrecognized prior service cost | (847,353) | (244,624) | -246.39 |
| | Prepaid (accrued) benefit cost | (2,581,017) | (2,767,758) | 6.75 |
| | Components of Net Periodic Benefit Costs | (0.000) | 10.000 | |
| | Service cost | 12,539 | 16,838 | -25.539 |
| 42 | Interest cost | 249,860 | 270,973 | -7.79 |
| 43 | Expected return on plan assets | (129,263) | (131,178) | 1.46 |
| | Amortization of prior service cost | (61,771) | (36,307) | -70.13 |
| 45 46 | Recognized net actuarial loss | 27,283 98,648 | 40,129 160,455 | -32.01 |
| | Net periodic benefit cost Adjustment for Accounting Changes | 143,787 | 100,455 | -38.52 |
| 47 | Accumulated Post Retirement Benefit Obligation | 143,707 | - | 100.00 |
| 48 | Amount Funded through VEBA | | 5,600 | -100.00 |
| 49 | Amount Funded through 401(h) | | 5,000 | 0.00 |
| 50 | Amount Funded through Other - Cash | 141,602 | 152,088 | -6.89 |
| 51 | TOTAL | 141,602 | 157,688 | -10.20 |
| 52 | Amount that was tax deductible - VEBA | - | 5,600 | -100.00 |
| 53 | Amount that was tax deductible - 401(h) | | 5,000 | 0.00 |
| 53 54 | Amount that was tax deductible - 401(ii) | 141,602 | 152,088 | -6.89 |
| 55 | TOTAL | 141,602 | 157,688 | -10.20 |
| | | ,562 | , | Page |

Company Name: Qwest Corporation (\$ in Thousands)

Schedule 20

Page 2 of 2

| | (\$ in Thousands) | | | Page 2 of 2 |
|----|--|----------------------|------------|-------------|
| | Other Post Employment Benefits (OPE | BS) Continued | Ye | ar: 2006 |
| | Item | Current Year | Last Year | % Change |
| 1 | Number of Company Employees: | Ganone roar | Last roar | 70 Onlange |
| 2 | Covered by the Plan | 70,409 | 70,476 | -0.10% |
| 3 | Not Covered by the Plan | 3,077 | 3,224 | -4.56% |
| | | | 26,593 | -4.50% |
| 4 | Active | 25,115 | | -0.06% |
| 5 | Retired | 43,857 | 43,883 | |
| 6 | Spouses/Dependants covered by the Plan | 24,340 | 25,672 | -5.19% |
| 7 | Montana | | | |
| 8 | Change in Benefit Obligation | | | |
| 9 | Benefit obligation at beginning of year | 59,274 | 62,930 | -5.81% |
| 10 | Service cost | 149 | 209 | -28.63% |
| 11 | Interest Cost | 2,932 | 3,351 | -12.52% |
| 12 | Plan participants' contributions | - | - | |
| 13 | Amendments | (7,614) | (701) | -986.16% |
| 14 | Actuarial Gain | (3,034) | (2,305) | -31.63% |
| 15 | Acquisition | - | - | |
| | Benefits paid | (4,268) | (4,210) | -1.38% |
| | Benefit obligation at end of year | 47,439 | 59,274 | -19.97% |
| | Change in Plan Assets | , | , | |
| | Fair value of plan assets at beginning of year | 36,918 | 37,002 | -0.23% |
| | Actual return on plan assets | 3,015 | 2,258 | 33.53% |
| | Acquisition | - | _, | |
| | Employer contribution | 1,906 | 1,868 | 2.03% |
| | Plan participants' contributions | - | - | |
| | Benefits paid | (4,268) | (4,210) | -1.38% |
| | Fair value of plan assets at end of year | 37,571 | 36,918 | 1.77% |
| | Funded Status | (9,868) | (23,057) | 57.20% |
| | Unrecognized net actuarial loss | 3,478 | 6,920 | -49.74% |
| | Unrecognized prior service cost | (9,710) | (2,654) | -265.86% |
| | Prepaid (accrued) benefit cost | (16,100) | (18,791) | 14.32% |
| | Components of Net Periodic Benefit Cccosts | (10,100) | (10,101) | 11.0270 |
| 31 | Service cost | 149 | 209 | -28.63% |
| 32 | Interest cost | 2,932 | 3,351 | -12.52% |
| | Expected return on plan assets | (4,506) | (4,239) | -6.31% |
| | Amortization of prior service cost | 1,633 | 1,907 | -14.38% |
| | Recognized net actuarial loss | 310 | 471 | -34.24% |
| | Net periodic benefit cost | 518 | 1,700 | -69.53% |
| | Adjustment for Accounting Changes | 1,648 | 1,700 | 100.00% |
| | Accumulated Post Retirement Benefit Obligation | 1,040 | - | 100.0076 |
| 38 | Amount Funded through VEBA | _ | _ | |
| 39 | Amount Funded through 401(h) | | _ | 0.00% |
| 40 | Amount Funded through 40 (iii) | 1,906 | 1,868 | 2.03% |
| 40 | TOTAL | 1,906 | 1,868 | 2.03% |
| 41 | Amount that was tax deductible - VEBA | 1,900 | 1,000 | 2.0370 |
| 42 | Amount that was tax deductible - VEDA | - | - | |
| 43 | | 1 006 | - 1,868 | 2.03% |
| | Amount that was tax deductible - Cash | 1,906 | • | |
| 45 | TOTAL | 1,906 | 1,868 | 2.03% |
| 46 | Montana Intrastate Costs: | 404 | 1 550 | 69.069/ |
| 47 | Benefit Cost Expensed | 481 | 1,550 | -68.96% |
| 48 | Benefit Cost Capitalized | 37 | 150 | -75.41% |
| 49 | Benefit Payments - Medical | 4,006 | 3,929 | 1.96% |
| 50 | Number of Montana Employees: | 0.55 | 404 | 44 470/ |
| 51 | Covered by the Plan | 355 | 401 | -11.47% |
| 52 | Not Covered by the Plan | N/A | N/A | 44 4704 |
| 53 | Active | 355 | 401 | -11.47% |
| 54 | Retired | N/A | N/A | |
| 55 | Spouses/Dependants covered by the Plan | N/A | N/A | |

SCHEDULE 21

Payments for Services to Persons Other Than Employees

| (Th | ousands of Dollars) | ices to Persons Other Than En | | | Year: 2006 |
|----------------------|--|--|---------------------------------|-------------------------------|---------------------------|
| Line No. | Name of Recipient (a) | Nature of Service (b) | Total Company Cost (c) | Total State Cost (d) | Intrastate Cost (e) |
| 1 | ARVIZU ADVERTISING & PROMOTIONS INC | Advertising and Information Service | 5,129 | | |
| 2 | ASPEN MARKETING SERVICES | Advertising and Information Service | 23,823 | | |
| 3 4 | BEST BUY STORES LP FOOTE CONE & BELDING - NEW YORK | Advertising and Information Service Advertising and Information Service | 2,717 17,321 | | |
| 5 | GROUP O DIRECT INC | Advertising and Information Service | 1,518 | | |
| 6 | INITIATIVE MEDIA WORLDWIDE | Advertising and Information Service | 60,450 | | |
| 7 | LEHIGH DIRECT | Advertising and Information Service | 1,076 | | |
| 8 | MARKETINGLAB INC | Advertising and Information Service | 1,364 | | |
| 9 | MCCLAIN FINLON ADVERTISING INC | Advertising and Information Service | 24,513 | | |
| 10 | MCKINNEY-SILVER | Advertising and Information Service | 1,752 | | |
| 11 | MOORE WALLACE NORTH AMERICA INC | Advertising and Information Service | 4,637 | | |
| 12 12 13 14 | NEWSPAPER SERVICES OF AMERICA | Advertising and Information Service | 26,042 | | |
| 15 16 | TOTAL ADVERTISING AND INFORMATION SERVICES | | 170,342 | | |
| 17 18 | | | | | |
| 19 | ERNST & YOUNG | Audit and Accounting Service | 630 | | |
| 20 | | Addit and Accounting Octvice | 000 | | |
| 20 | | | | | |
| 22 23 24 | TOTAL AUDIT AND ACCOUNTING SERVICES | | 630 | | |
| 25 | | | | | |
| 26 | ACCENTURE LLP | Clerical and Office Service | 12,451 | | |
| 27 | ADVANCED OFFICE INTERIORS INC | Clerical and Office Service | 1,423 | | |
| 28 29 | SOURCE ONE MANAGEMENT INC | Clerical and Office Service | 5,715 | | |
| 30 31 32 | TOTAL CLERICAL AND OFFICE SERVICE | | 19,589 | | |
| 33 34 35 | INTRADO INC | Computer and Data Processing Service | 12,081 | | |
| 36 37 | TOTAL COMPUTER AND DATA PROCESSING SERVICE | S | 12,081 | | |
| 38 39 40 41 | | | | | |
| 42 | HITACHI CONSULTING CORPORATION | Consulting and Research Service | 1,419 | | |
| 43 | MORAN ARCHITECTS PC | Consulting and Research Service | 504 | | |
| 44 | SODEXHO MARRIOTT SERVICES | Consulting and Research Service | 808 | | |
| 45 46 | TELCORDIA TECHNOLOGIES | Consulting and Research Service | 48,582 | | |
| 47 48 49 50 | TOTAL CONSULTING AND RESEARCH SERVICES | | 51,313 | | |
| 51 | | Financial Convice | 4.440 | | |
| | ACCENT SERVICE COMPANY INCORPORATED ALLIED INTERSTATE INC | Financial Service Financial Service | 4,110 1,190 | | |
| | ER SOLUTIONS INC. | Financial Service Financial Service | 1,190 | | |
| | FOCUS RECEIVABLES MANAGEMENT LLC | Financial Service | 633 | | |
| | FSH COMMUNICATIONS | Financial Service | 20,608 | | |
| | MCI WORLDCOM COMMUNICATIONS INC | Financial Service | 1,162 | | |
| | WEST ASSET MANAGEMENT | Financial Service | 666 | | |
| 60 | | | | | |

61 TOTAL FINANCIAL SERVICES

30,300

SCHEDULE 21

Payments for Services to Persons Other Than Employees

| (Th | ousands of Dollars) | | | Year: 2006 |
|-------------|-------------------------------------|-----------------------------|---------------------------------|---|
| Line No. | Name of Recipient (a) | Nature of Service (b) | Total Company Cost (c) | Total State Intrastate Cost Cost (d) (e) |
| 62 | | | | |
| 63 64 | | | | |
| 64 65 | BROWNSTEIN HYATT & FARBER PC | Legal Service | 1,381 | |
| 66 | DORSEY & WHITNEY LLP | Legal Service | 1,173 | |
| 67 | HOGAN AND HARTSON | Legal Service | 812 | |
| 68 | MORRISON & FOERSTER LLP | Legal Service | 627 | |
| 69 | PERKINS COIE | Legal Service | 2,093 | |
| 70 | SHERMAN & HOWARD LLC | Legal Service | 533 | |
| 71 | STEESE & EVANS PC | Legal Service | 558 | |
| 72 | STOEL RIVES LLP | Legal Service | 2,071 | |
| 73 | | | | |
| 74 75 | TOTAL LEGAL SERVICES | | 9,248 | |
| 75 | TOTAL LEGAL SERVICES | | 9,240 | |
| 70 | | | | |
| 78 | | | | |
| 79 | GENERAL PHYSICS-PW TUTITION | Personnel Service | 5,521 | |
| 80 | | | | |
| 81 | TOTAL PERSONNEL SERVICES | | 5,521 | |
| 82 | | | | |
| 83 | | | | |
| 84 | | | | |
| 85 | | N// | | |
| 86 87 | CONTRIBUTIONS DIRECTORY SERVICES | N/A N/A | 11 | |
| 88 | DIRECTORT SERVICES | N/A | 0 | |
| 00 89 | | | | |
| 90 | GRAND TOTAL | | 299,035 | |
| 30 | SIGNU TOTAL | | 299,035 | |

Company Name: Qwest Corporation - Montana

SCHEDULE 22

| | Cascoli | soi Enio Sougo Butu | | | |
|-------|------------------------|---------------------|---------|------------|-----------|
| (Thou | usands of Minutes) | | | Y | ear: 2006 |
| Line | | This | % of | Last | % of |
| No. | Description | Year | Total | Year | Total |
| | (a) | (b) | (c) | (d) | (e) |
| 1 | Toll Usage: | | | | |
| 2 | Interstate, InterLATA | 1,777,823 | 15.82% | 1,777,823 | 15.82% |
| 3 | Interstate, IntraLATA | 376 | 0.00% | 376 | 0.00% |
| | | | | | |
| 4 | Total Interstate Usage | 1,778,199 | 15.83% | 1,778,199 | 15.83% |
| 5 | Intrastate, InterLATA | 514,430 | 4.58% | 514,430 | 4.58% |
| 6 | Intrastate, IntraLATA | 140,527 | 1.25% | 140,527 | 1.25% |
| _ | | 054.057 | 5.000/ | 054057 | 5.000/ |
| 7 | Total Intrastate Usage | 654,957 | 5.83% | 654,957 | 5.83% |
| 8 | Total Toll Usage | 2,433,155 | 21.66% | 2,433,155 | 21.66% |
| 9 | Centrex * | | | . , | |
| 10 | Local | 8,802,764 | 78.34% | 8,802,764 | 78.34% |
| 11 | Total Minutes | 11,235,919 | 100.00% | 11,235,919 | 100.00% |
| | | | | | PAGE 26 |

Subscriber Line Usage Data

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

Pursuant to CC Docket 80-286 and in compliance with FCC decision 01-162, Qwest Corporation froze the data in this table at the 2000 annual levels.

SCHEDULE 23

Central Office and Access Line Statistics

Year: 2006

| | | | | | | | Resident | Single | Multi- | Customer | Company | | % of | Total |
|------|-------------------|----------|----------|-----------|--------------|------------|-----------|------------|------------|----------|---------|-------|----------|---------|
| Line | | Type of | Resident | Resident | Resident | Lifeline | LMS | Line | Line | Owned | Owned | | Lines w/ | Access |
| No. | Wire Center | Office | 1-Party | 2-Party | >2-Party | Customers | Customers | Business | Business | Coin | Coin | Other | T. Tone | Lines |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) | (m) | (n) |
| 1 | AMSTERDAM | ELECTRIC | | | | | | | | | | | 100.0% | 901 |
| 2 | ANACONDA | ELECTRIC | | | | | | | | | | | 100.0% | 4,074 |
| 3 | BELGRADE | ELECTRIC | | | | | | | | | | | 100.0% | 6,913 |
| 4 | BILLINGS MAIN | ELECTRIC | | | | | | | | | | | 100.0% | 34,739 |
| 5 | BILLINGS WEST | ELECTRIC | | | | | | | | | | | 100.0% | 18,123 |
| 6 | BOULDER | ELECTRIC | | | | | | | | | | | 100.0% | 911 |
| 7 | BOZEMAN | ELECTRIC | | | | | | | | | | | 100.0% | 27,056 |
| 8 | BRIDGER | ELECTRIC | | | | | | | | | | | 100.0% | 705 |
| 9 | BUTTE | ELECTRIC | | | | | | | | | | | 100.0% | 9,867 |
| 10 | BUTTE SOUTH | ELECTRIC | | | | | | | | | | | 100.0% | 6,048 |
| 11 | CANYON FERRY | ELECTRIC | | WIRE CENT | ER DETAIL IS | S PROVIDED | UNDER SEP | ARATE COVE | ER AS PROP | RIETARY | | | 100.0% | 883 |
| 12 | CASCADE | ELECTRIC | | | | | | | | | | | 100.0% | 976 |
| 13 | CLANCY | ELECTRIC | | | | | | | | | | | 100.0% | 908 |
| 14 | CLYDE PARK | ELECTRIC | | | | | | | | | | | 100.0% | 612 |
| 15 | COLSTRIP | ELECTRIC | | | | | | | | | | | 100.0% | 1,099 |
| 16 | COLUMBUS | ELECTRIC | | | | | | | | | | | 100.0% | 1,917 |
| 17 | CONRAD | ELECTRIC | | | | | | | | | | | 100.0% | 969 |
| 18 | | ELECTRIC | | | | | | | | | | | 100.0% | 308 |
| 19 | CORVALLIS | ELECTRIC | | | | | | | | | | | 100.0% | 3,307 |
| 20 | CUT BANK | ELECTRIC | | | | | | | | | | | 100.0% | 2,244 |
| 21 | DARBY | ELECTRIC | | | | | | | | | | | 100.0% | 1,938 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 2,301 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 3,804 |
| 24 | DUTTON | ELECTRIC | | | | | | | | | | | 100.0% | 252 |
| | EAST GLACIER PARK | ELECTRIC | | | | | | | | | | | 100.0% | 387 |
| 26 | EAST HELENA | ELECTRIC | | | | | | | | | | | 100.0% | 3,495 |
| 27 | FAIRVIEW | ELECTRIC | | | | | | | | | | | 100.0% | 221 |
| 28 | FORSYTH | ELECTRIC | | | | | | | | | | | 100.0% | 540 |
| 29 | FRENCHTOWN | ELECTRIC | | | | | | | | | | | 100.0% | 1,930 |
| 30 | FROMBERG | ELECTRIC | | | | | | | | | | | 100.0% | 411 |
| 31 | Subtotal Page 1 | | | | | | | | | | | | | 137,839 |

SCHEDULE 23

Central Office and Access Line Statistics

Year: 2006

| | | | | | | | Resident | Single | Multi- | Customer | Company | | % of | Total |
|------|------------------|----------|----------|----------|------------|-------------|------------|-----------|------------|----------|---------|-------|----------|---------|
| Line | | Type of | Resident | Resident | Resident | Lifeline | LMS | Line | Line | Owned | Owned | | Lines w/ | Access |
| No. | Wire Center | Office | 1-Party | 2-Party | >2-Party | Customers | Customers | | Business | Coin | Coin | Other | T. Tone | Lines |
| | (a) | (b) | (C) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) | (m) | (n) |
| 1 | GALLATIN GATEWAY | ELECTRIC | | | | | | | | | | | 100.0% | 1,199 |
| 2 | GARDINER | ELECTRIC | | | | | | | | | | | 100.0% | 954 |
| 3 | | ELECTRIC | | | | | | | | | | | 100.0% | 1,104 |
| 4 | GREAT FALLS | ELECTRIC | | | | | | | | | | | 100.0% | 31,603 |
| 5 | | ELECTRIC | | | | | | | | | | | 100.0% | 7,494 |
| 6 | | ELECTRIC | | | | | | | | | | | 100.0% | 2,172 |
| 7 | HAVRE | ELECTRIC | | | | | | | | | | | 100.0% | 5,664 |
| 8 | | ELECTRIC | | | | | | | | | | | 100.0% | 23,442 |
| 9 | - | ELECTRIC | | | | | | | | | | | 100.0% | 2,692 |
| 10 | JOLIET | ELECTRIC | | | | | | | | | | | 100.0% | 1,090 |
| 11 | LAUREL | ELECTRIC | | WIRE CEN | TER DETAIL | IS PROVIDED | D UNDER SE | PARATE CO | /ER AS PRO | PRIETARY | | | 100.0% | 4,279 |
| 12 | LEWISTOWN | ELECTRIC | | | | | | | | | | | 100.0% | 3,376 |
| 13 | LIVINGSTON | ELECTRIC | | | | | | | | | | | 100.0% | 6,458 |
| 14 | LOLO | ELECTRIC | | | | | | | | | | | 100.0% | 3,686 |
| 15 | MANHATTAN | ELECTRIC | | | | | | | | | | | 100.0% | 1,169 |
| 16 | MILES CITY | ELECTRIC | | | | | | | | | | | 100.0% | 1,925 |
| 17 | MILLTOWN | ELECTRIC | | | | | | | | | | | 100.0% | 996 |
| 18 | MISSOULA MAIN | ELECTRIC | | | | | | | | | | | 100.0% | 34,187 |
| 19 | MISSOULA SOUTH | ELECTRIC | | | | | | | | | | | 100.0% | 4,156 |
| 20 | OPPORTUNITY | ELECTRIC | | | | | | | | | | | 100.0% | 419 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 789 |
| 22 | POWELL | ELECTRIC | | | | | | | | | | | 100.0% | 1 |
| - | | ELECTRIC | | | | | | | | | | | 100.0% | 945 |
| 24 | RED LODGE | ELECTRIC | | | | | | | | | | | 100.0% | 2,927 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 379 |
| 26 | SHELBY | ELECTRIC | | | | | | | | | | | 100.0% | 804 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 1,507 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 819 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 326 |
| 30 | STEVENSVILLE | ELECTRIC | | | | | | | | | | | 100.0% | 4,598 |
| 31 | Subtotal Page 2 | | | | | | | | | | | | | 151,160 |

PAGE 27A

SCHEDULE 23

Central Office and Access Line Statistics

Year: 2006

| | | | | | | | Resident | Single | Multi- | Customer | Company | | % of | Total |
|------|------------------|----------|----------|----------|------------|-------------|------------|------------|------------|----------|---------|--------|----------|---------|
| Line | | Type of | Resident | Resident | Resident | Lifeline | LMS | Line | Line | Owned | Owned | | Lines w/ | Access |
| No. | Wire Center | Office | 1-Party | 2-Party | >2-Party | | Customers | Business | Business | Coin | Coin | Other | T. Tone | Lines |
| | (a) | (b) | (C) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (I) | (m) | (n) |
| 1 | TERRY | ELECTRIC | | | | | | | | | | | 100.0% | 34 |
| 2 | THREE FORKS | ELECTRIC | | | | | | | | | | | 100.0% | 1,751 |
| 3 | TOWNSEND | ELECTRIC | | | | | | | | | | | 100.0% | 1,983 |
| 4 | ULM | ELECTRIC | | | | | | | | | | | 100.0% | 390 |
| 5 | | ELECTRIC | | | | | | | | | | | 100.0% | 1,040 |
| - | | ELECTRIC | | | | | | | | | | | 100.0% | 1,636 |
| 7 | WARM SPRINGS | ELECTRIC | | | | | | | | | | | 100.0% | 246 |
| 8 | WEST GLACIER | ELECTRIC | | WIRE CEN | TER DETAIL | IS PROVIDED | O UNDER SE | PARATE COV | ER AS PROF | PRIETARY | | | 100.0% | 554 |
| 9 | WEST YELLOWSTONE | ELECTRIC | | | | | | | | | | | 100.0% | 1,880 |
| 10 | WHITEHALL | ELECTRIC | | | | | | | | | | | 100.0% | 1,815 |
| | | ELECTRIC | | | | | | | | | | | 100.0% | 175 |
| 12 | WILSALL | ELECTRIC | | | | | | | | | | | 100.0% | 501 |
| 13 | WOLF CREEK | ELECTRIC | | | | | | | | | | | 100.0% | 377 |
| 14 | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | |
| 20 | Subtotal Page 3 | | | | | | | | | | | | | 12,382 |
| 21 | | | | | | | | | | | | | | |
| 22 | MONTANA | | 176,254 | 3 | 0 | 7,131 | 5,179 | 11,423 | 53,987 | 824 | 905 | 45,675 | | 301,381 |

PAGE 27B

Central Office and Switch Information

Year: 2006

| | | Office | | | | | |
|------|---------------|----------------------|---------|--------------|-----------|----------|----------|
| | | Configuration | | Switch | | Switch | |
| Line | | (Host, Remote, | Type of | | Switch | Line | Year |
| No. | Wire Center | Stand alone) | | Manufacturer | Model No. | Capacity | Deployed |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | AMSTERDAM | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 1,824 | 1993 |
| 2 | ANACONDA | Remote/Helena Host | Digital | ERSN | AXE/RSS | 5,504 | 1992 |
| 3 | BELGRADE | Stand Alone | Digital | LUCENT | 5ESS | 13,896 | 2001 |
| 4 | BILLINGS MAIN | Host | Digital | ERSN | AXE | 0 | 1991 |
| 5 | BILLINGS MAIN | Packet (Unreg) | Packet | NTI | DPN100 | 0 | 1993 |
| 6 | BILLINGS MAIN | Stand Alone | Digital | LUCENT | 5ESS | 62,757 | 1994 |
| 7 | BILLINGS MAIN | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 8 | BILLINGS WEST | Lines/Host | Digital | LUCENT | 5ESS | 28,712 | 1985 |
| 9 | BILLINGS WEST | Packet (Unreg) | Packet | NTI | DPN100 | 0 | 1988 |
| 10 | BOULDER | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,280 | 1992 |
| 11 | BOZEMAN | Stand Alone | Digital | LUCENT | 5ESS | 45,182 | 1984 |
| 12 | BOZEMAN | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 13 | BRIDGER | Remote/Billings Host | Digital | ERSN | AXE/RSS | 1,024 | 1993 |
| 14 | BUTTE MAIN | Stand Alone | Digital | LUCENT | 5ESS | 16,159 | 1990 |
| 15 | BUTTE SOUTH | Remote/Butte Host | Digital | LUCENT | 5ESS/ORM | 9,424 | 1995 |
| 16 | CANYON FERRY | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,278 | 1993 |
| 17 | CASCADE | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 1,632 | 1994 |
| 18 | CLANCY | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,536 | 1993 |
| 19 | CLYDE PARK | Remote/Livingston | Digital | ERSN | AXE/RSS | 896 | 1992 |
| 20 | COLSTRIP | Remote/Billings Host | Digital | LUCENT | 5ESS/RSM | 2,144 | 1997 |
| 21 | COLUMBUS | Remote/Billings Host | Digital | ERSN | AXE/RSS | 2,302 | 1992 |
| 22 | CONRAD | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 2,560 | 1994 |
| 23 | COOKE CITY | Remote/Livingston | Digital | ERSN | AXE/RSS | 640 | 1992 |
| 24 | CORVALLIS | Remote/Hamilton | Digital | ERSN | AXE/RSS | 3,712 | 1991 |
| 25 | CUT BANK | Remote/Shelby | Digital | ERSN | AXE/RSS | 2,688 | 1994 |
| 26 | DARBY | Remote/Hamilton | Digital | ERSN | AXE/RSS | 2,432 | 1991 |
| 27 | DEER LODGE | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,944 | 1990 |
| 28 | DILLON | Remote/Helena Host | Digital | ERSN | AXE/RSS | 4,735 | 1992 |
| 29 | DUTTON | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 512 | 1994 |
| 30 | EAST GLACIER | Remote/Shelby | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 31 | EAST HELENA | Remote/Helena Host | Digital | LUCENT | 5ESS/RSM | 6,872 | 1988 |
| 32 | FAIRVIEW | Remote/Glendive | Digital | ERSN | AXE/RSS | 1,024 | 1993 |
| 33 | FORSYTH | Remote/Miles City | Digital | ERSN | AXE/RSS | 2,048 | 1992 |
| 34 | FRENCHTOWN | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 3,264 | 1990 |
| 35 | FROMBERG | Remote/Billings Host | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 36 | | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 1,888 | 1993 |
| 37 | GARDINER | Remote/Livingston | Digital | ERSN | AXE/RSS | 1,536 | 1991 |
| | GLENDIVE | Stand Alone | Digital | ERSN | AXE | 4,992 | 1992 |
| 39 | GREAT FALLS | Lines/Host | Digital | LUCENT | 5ESS | 55,152 | 1987 |
| 40 | GREAT FALLS | Packet (Unreg) | Packet | NTI | DPN100 | 0 | 1993 |
| | HAMILTON | Stand Alone | Digital | ERSN | AXE | 9,216 | 1991 |
| 42 | HARDIN | Remote/Billings Host | Digital | ERSN | AXE/RSS | 2,816 | 1992 |
| 43 | HAVRE | Stand Alone | Digital | ERSN | AXE | 8,448 | 1991 |
| 44 | HELENA MAIN | Host | Digital | ERSN | AXE | 0 | 1990 |
| 45 | HELENA MAIN | Lines/Host | Digital | LUCENT | 5ESS | 35,032 | 1988 |
| | HELENA MAIN | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| - | | L | | | | | Page 28 |

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| Central Office and Sv | witch Information |
|-----------------------|-------------------|
|-----------------------|-------------------|

Year: 2006

| | | Office | | | | | |
|------|---------------------|----------------------|---------|--------------|-----------|-----------|----------|
| | | Configuration | | Switch | | Switch | |
| Line | | (Host, Remote, | Type of | | Switch | Line | Year |
| No. | Wire Center | Stand alone) | | Manufacturer | Model No. | Capacity | Deployed |
| 110. | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 47 | (¤) HELENA NORTH | Remote/Helena Host | Digital | LUCENT | 5ESS/RSM | (1) 5,280 | 1988 |
| 47 | JOLIET | Remote/Billings Host | Digital | ERSN | AXE/RSS | 1,408 | 1988 |
| 40 | LAUREL | Remote/Billings Host | Digital | ERSN | AXE/RSS | 5,504 | 1993 |
| 50 | LEWISTOWN | Stand Alone | Digital | ERSN | AXE/KGG | 7,040 | 1993 |
| 51 | LIVINGSTON | Stand Alone | Digital | ERSN | AXE | 8,320 | 1992 |
| 52 | LOLO | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 7,247 | 1993 |
| 53 | MANHATTAN | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 2,141 | 1993 |
| 54 | MILES CITY | Stand Alone | Digital | ERSN | AXE | 7,168 | 1992 |
| 55 | MILLTOWN | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 2,112 | 1993 |
| 56 | MISSOULA MAIN | | Digital | LUCENT | 5ESS | 60,120 | 1986 |
| 57 | MISSOULA MAIN | | Digital | ERSN | AXE/STP | 00,120 | 1992 |
| 58 | | Remote/Missoula Host | Digital | LUCENT | 5ESS/ORM | 8,704 | 1993 |
| 59 | OPPORTUNITY | Remote/Helena Host | Digital | ERSN | AXE/RSS | 766 | 1992 |
| 60 | PARK CITY | Remote/Billings Host | Digital | ERSN | AXE/RSS | 1,408 | 1992 |
| 61 | PRAY | Remote/Livingston | Digital | ERSN | AXE/RSS | 1,280 | 1990 |
| 62 | RED LODGE | Remote/Billings Host | Digital | ERSN | AXE/RSS | 3,712 | 1992 |
| 63 | ROBERTS | Remote/Billings Host | Digital | ERSN | AXE/RSS | 640 | 1993 |
| 64 | SAINT MARY | Remote/Shelby | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 65 | SHELBY | Stand Alone | Digital | ERSN | AXE | 2,432 | 1993 |
| 66 | SHEPHERD | Remote/Billings West | Digital | LUCENT | 5ESS/RSM | 2,936 | 1985 |
| 67 | SIDNEY | Remote/Glendive | Digital | ERSN | AXE/RSS | 4,608 | 1993 |
| 68 | STEVENSVILLE | Remote/Hamilton | Digital | ERSN | AXE/RSS | 6,143 | 1991 |
| 69 | TERRY | Remote/Miles City | Digital | ERSN | AXE/RSS | 512 | 1994 |
| 70 | THREE FORKS | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 3,013 | 1993 |
| 71 | TOWNSEND | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,560 | 1992 |
| 72 | ULM | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 1,024 | 1993 |
| 73 | VAUGHN | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 2,048 | 1993 |
| 74 | VICTOR | Remote/Hamilton | Digital | ERSN | AXE/RSS | 2,048 | 1991 |
| 75 | | Remote/Helena Host | Digital | ERSN | AXE/RSS | 383 | 1992 |
| 76 | | Remote/Shelby | Digital | ERSN | AXE/RSS | 768 | 1993 |
| 77 | | Remote/Livingston | Digital | ERSN | AXE/RSS | 2,816 | 1991 |
| 78 | WHITEHALL | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,432 | 1992 |
| 79 | WIBAUX | Remote/Glendive | Digital | ERSN | AXE/RSS | 639 | 1994 |
| 80 | WILSALL | Remote/Livingston | Digital | ERSN | AXE/RSS | 512 | 1992 |
| 81 | WOLF CREEK | Remote/Helena Host | Digital | ERSN | AXE/RSS | 512 | 1992 |
| | | | | | | | Page 28A |

Page 28A

SCHEDULE 25

| Construction Budget-Montana | | | | | | | |
|---|------------|--|--|--|--|--|--|
| (Thousands of Dollars) | Year: 2006 | | | | | | |
| Line Forecast 2007 | Year | | | | | | |
| No. Description | 2007 Frcst | | | | | | |
| (a) 1 Central Office Assets: | (b) | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 7 005 mainte aug (1500.000 | | | | | | | |
| 7 COE projects over \$500,0008 | 0 | | | | | | |
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| 21 22 | | | | | | | |
| 22 | | | | | | | |
| 24 Total Switching and Central Office Projects over \$500,000 | | | | | | | |
| 25 Miscellaneous Central Office Projects not over \$500,000 | 9,000 | | | | | | |
| 26 Total Central Office Budget (L.24+L.25) | 9,000 | | | | | | |
| 27 Other Projects over \$500,000: | 0 | | | | | | |
| 28 | | | | | | | |
| 29 30 | | | | | | | |
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| 33 | | | | | | | |
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| 35 | | | | | | | |
| 36 37 | | | | | | | |
| 37 38 Total Other Projects over \$500,000 | 0 | | | | | | |
| 39 Miscellaneous Projects not over \$500,000 | 12,948 | | | | | | |
| 40 Total Construction Budget (L.26+L.38+L.39)* | 21,948 | | | | | | |
| | PAGE 2 | | | | | | |

Construction Budget-Montana

SCHEDULE 25a

| | FCC | | | | |
|---------|------------|----------------------------------|-----------|-----------|----------|
| | Part 32 | | (\$ 000) | (\$ 000) | Percent |
| | Account No | Description | This Year | Last Year | Change |
| No. | (a) | (b) | (c) | (d) | (e) |
| 1 | 2110 | General Support Assets | 1,296 | 2,819 | -54.01% |
| 2 | 2210 | Central Office Assets | 975 | 1,565 | -37.69% |
| 3 | 2220 | Operator Systems | 0 | 0 | 0.00% |
| 4 | 2230 | Central Office Transmission | 8,805 | 7,727 | 13.95% |
| 5 | 2310 | Information/Termination Assets | 222 | 178 | 24.37% |
| 6 | 2410 | Cable and Wire Facilities Assets | 12,482 | 8,269 | 50.96% |
| 7 | 2680 | Amortizable Tangible Assets | 1 | 31 | -95.76% |
| 8 | 2690 | Intangibles | 552 | 4,001 | -86.19% |
| 9 | | Total Construction Expenditures | 24,335 | 24,590 | -1.04% |
| | | · · · · · | | , | Page 29a |

Montana Total State Construction Expenditures

Page 29a

SCHEDULE 26

| | Montana Employee Counts | | Year: 2006 |
|----------|--|-----------|------------|
| Line | | Beginning | End |
| No. | Category | of Year | of Year |
| | (a) | (b) | (c) |
| | Mass Markets-Consumer | 103 1 | 1 |
| | Business Markets Group Network Services | 217 | 1 210 |
| | Finance | 217 | 210 |
| 5 | Real Estate/Procurement/Fleet | 11 | 9 |
| | Public Policy | 1 | 1 |
| | Other Affiliates | 28 | 29 |
| 8 | Outer Annales | 20 | 2) |
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| 39 | | | |
| 40 | | | |
| 41 | | | |
| 42 | Totals (Sum of Lines 1 through 42) | 363 | 251 |
| 43 | Totals (Sum of Lines 1 through 42) | 363 | 251 |

Montana Employee Counts

SCHEDULE 27

| Compensation of Top 10 Montana Based Employees | |
|--|--|
|--|--|

| | componed | | | ilalia Dase | | | Year: 2006 |
|------|---------------------------------------|---------|----------|--------------|------------|--------------|--------------|
| | | _ | | | _ | Total | % Increase |
| | | Base | _ | Other | Total | Compensation | Total |
| Line | Name/Title | Salary | Bonuses | Compensation | | Last Year | Compensation |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | THIS INFORMATION IS PROPRIET | ARY AND | PROVIDED | JNDER SEPAR | RATE COVER | | |
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| | | | | | | | |
| 11 | Totals (Sum L.1 to L.10) | 0 | 0 | 0 | 0 | 0 | N/A |
| L | · · · · · · · · · · · · · · · · · · · | | Ű | , v | , v | Ű | PAGE 31 |

SCHEDULE 28

Compensation of Top 5 Corporate Employees - SEC Information

| | | | | | | | | | | Year: 2006 |
|-------------|---|-------------------|-------|------------------|----|-----------------------------|----|----------------------------|--|--|
| Line No. | Name/Title (a) | Bas Sala (b | ary | Bonuses (c) | Co | Other ompensation (d) | Co | Total mpensation (e) | Total ompensation Last Year (f) | % Increase Total Compensation (g) |
| | Richard C. Notebaert Chairman and Chief Executive Officer | \$ 1,10 | 0,000 | \$ 4,138,200 | \$ | 11,252,287 | \$ | 16,490,487 | \$ 9,505,191 | 73.5% |
| | Oren G. Shaffer Vice Chairman and Chief Financial Officer | \$82 | 4,000 | \$ 2,324,916 | \$ | 6,044,828 | \$ | 9,193,744 | \$ 5,293,360 | 73.7% |
| | Barry K. Allen Executive Vice President, Operations | \$ 69 | 0,000 | \$ 1,607,873 | \$ | 2,033,839 | \$ | 4,331,712 | \$ 1,928,898 | 124.6% |
| | Richard N. Baer Executive Vice President, General Counsel and Corporate Secretary | \$ 60 | 5,000 | \$ 1,422,506 | \$ | 751,869 | \$ | 2,779,375 | \$ 1,601,195 | 73.6% |
| | Paula Kruger Executive Vice President, Mass Markets Group | \$ 47 | 2,500 | \$ 594,821 | \$ | 741,118 | \$ | 1,808,439 | \$ 947,610 | 90.8% |
| 6 | Totals (Sum L.1 to L.5) | \$3,69 | 1,500 | \$ 10,088,316 | 9 | 520,823,941 | \$ | 34,603,757 | \$19,276,254 | |

Details of "other compensation" are publicly available in the Qwest Communications International, Inc. Definitive Proxy Statement, dated March 29, 2007, page 34, filed with the SEC and available from www.sec.gov

SCHEDULE 29

| | | Montana Composite Statistics | Year: 2006 |
|------|-----------|---|------------------|
| Line | Account | Description | Amount |
| No. | No. | (a) | (b) |
| 1 | | Plant (Intrastate Only) (000 Omitted) | |
| 2 | 2001 | Plant in Service | 650,226 |
| 3 | 2003-2004 | Construction Work in Progress | 1,756 |
| 4 | 2005 | Plant Acquisition Adjustments | 0 |
| 5 | 2002 | Plant Held for Future Use | 0 |
| 6 | 1220 | Materials & Supplies | 530 |
| 7 | | (Less): | |
| 8 | 3100-3400 | Depreciation & Amortization Reserves | 510,537 |
| 9 | 4360.2 | Contributions in Aid of Construction | (5) |
| 10 | | NET BOOK COSTS | 141,980 |
| 11 | | Revenues & Expenses (Intrastate Only) (000 Omitted) | |
| 12 | 5000-5300 | Operating Revenues | 138,901 |
| 13 | 6560 | Depreciation & Amortization Expenses | 22,154 |
| 14 | 0000 | Federal & State Income Taxes | 22,189 |
| 15 | | Other Taxes | 10,038 |
| 16 | | Other Operating Expenses | 41,174 |
| 17 | | TOTAL Operating Expenses | 95,554 |
| 18 | | Net Operating Income | 43,347 |
| 19 | | Other Income | 29 |
| 20 | | Other Deductions | 29,641 |
| 21 | | NET INCOME | 13,735 |
| 22 | | Access Lines in Service (Intrastate Only) | |
| 23 | | Residential Access Lines | 188,567 |
| 24 | | Business Access Lines | 101,462 |
| 25 | | PBX Access Lines | 9,623 |
| 26 | | Other Access Lines (Public) | 1,729 |
| 27 | | Total Number of Access Lines | 301,381 |
| 28 | | Average Number of Calls Per Access Line | |
| 29 | | Local Calls | 1,557 |
| 30 | | Toll Calls (Intra- or Interstate) | 409 |
| 31 | | Total Number of Calls Per Access Line | 1,966 |
| | | (L.29 + L.30) | |
| 32 | | Other Statistics (Intrastate Only) | |
| 33 | | Average Residential Monthly Bill | 16.97 |
| 34 | | Gross Plant Investment per Access Line | 2,165 PAGE 33 |

Montana Composite Statistics

| (Tho | usands | of Dollars) | | Year: 2006 |
|----------|----------|--|-------------------|------------------|
| Line | Acct | Description | Composite Rate | Total Expense |
| No. | No. | | % | \$000 |
| | (a) | (b) | (c) | (d) |
| 4 | | | 4.00/ | 240 |
| 1 2 | | 2112 MOTOR VEHICLES 2114 SPEC PURPOSE VEHICLES | 4.9% 5.8% | 240 |
| 2 3 | | 2114 SPEC PURPOSE VEHICLES 2115 GARAGE WORK EQUIPMENT | 5.8% 10.5% | 0 16 |
| 3 | | 2116 OTHER WORK EQUIP | 5.3% | 241 |
| 5 | | 2121 BUILDINGS | 3.4% | 1,302 |
| 6 | | 2122 FURNITURE | 20.8% | 4 |
| 7 | | 2123.1 OFFICE EQUIPMENT | 10.6% | 42 |
| 8 | | 2123.2 COMPANY COMM EQUIP | 8.3% | 16 |
| 9 | | 2124 GEN PURPOSE CMPTR | 0.2% | 121 |
| 10 | | 2212 DIGITAL SW EQUIP | 7.1% | 7,949 |
| 11 | | 2220 OPERATOR SYSTEMS | 0.0% | 0 |
| 12 | | 2231 RADIO SYSTEMS | 11.2% | 594 |
| 13 | | 2232 CIRCUIT DDS | 11.7% | 0 |
| 14 | | 2232 CIRCUIT DIGITAL | 11.2% | 9,407 |
| 15 | | 2232 CIRCUIT ANALOG | 24.0% | 0 |
| 16 | | 2362 OTHER TERM EQUIP | 13.1% | 43 |
| 17 | | 2411 POLE LINES | 10.1% | 382 |
| 18 | | 2421 AERIAL CABLE MET | 6.8% | 1,596 |
| 19 | | 2421 AERIAL CABLE NON MET | 11.6% | 22 |
| 20 | | 2422 UNDGRD CABLE MET | 6.3% | 1,367 |
| 21 | | 2422 UNDGRD CABLE NON MET | 6.6% | 477 |
| 22 | | 2423 BURIED CABLE MET | 4.6% | 9,614 |
| 23 | | 2423 BURIED CABLE NON MET | 6.2% | 1,586 |
| 24 | | 2424 SUB CABLE MET | 2.4% | 0 |
| 25 | | 2424 SUB CABLE NON MET | 0.0% | 0 |
| 26 | | 2426 INTRA BLDG CA MET | 4.1% | 218 |
| 27 | | 2426 INTRA BLDG CABLE NON MET | 7.8% | 19 |
| 28 | | 2431 AERIAL WIRE | 0.0% | 31 |
| 29 | | 2441 CONDUIT SYSTEMS | 2.1% | 354 |
| 30 | | | | 25.042 |
| 31 32 | | COMPOSITE TOTAL | | 35,642 |
| 32 33 | | | | |
| 33 34 | | | | |
| | Have the | se rates been approved by the Commission? x Yes No | | |
| 36 | | | | |
| 37 | | | | |
| 38 | If yes: | Docket Number Order Number | | |
| 39 | | 96.8.131 5937c | | |

Depreciation-Montana Intrastate Regulated

SCHEDULE 30a

| _ | | Amortization - Montana Intrastate R | egulated | Year: 2006 |
|-------------|---------------|--|------------------------|---------------------------|
| (Tho | busands | of Dollars) | | |
| Line No. | Acct No. | Description | Composite Rate % | Total Expense \$000 |
| | (a) | (b) | (C) | (d) |
| 1 | 2681 | Capital Leases | varies | 14 |
| 2 | 2682 | Leasehold Improvements | varies | 9 |
| 3 | 2690 | Intangibles | 20.0% | 4,517 |
| 4 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | Capital Leases and LHI's do not have a com | posite rate - the am | ortization |
| 10 | | varies by the terms of the Leases. | | |
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| 35 | | COMPOSITE TOTAL | | 4,541 |
| 36 37 s | se list the l | Montana Public Service Commission Docket C | Order No. approving | these amortization |
| 38 | | | | |
| 39 | | Docket Number Orde | er Number | |
| 40 | | | | PAGE 34a |

PAGE 34a

| | | • | | Year: 2006 |
|-------------|-----------------------------------|--------------------|--------------------|-------------------------|
| Line No. | Description (a) | % Cap. Str. (b) | % Cost Rate (c) | Weighted Cost (d) |
| | Commission Accepted - Most Recent | | | |
| 1 | Docket Number 88.12.55 | | | |
| 2 | Order Number 5398a | | | |
| 3 4 | Common Equity | 50.00% | 12.00% | 6.000% |
| 5 | Preferred Stock | 0.00% | 0.00% | 0.000% |
| 6 | Long Term Debt | 50.00% | 8.88% | 4.440% |
| 7 | Other | | 0.00% | 0.000% |
| 8 | Total | 100.00% | | 10.44% |
| 9 | | | | |
| 10 | Actual at Year End | | | |
| 11 | | 17.00% | 40.000/ | 2.0660 |
| 12 | Common Equity | 17.22% | 12.00% | 2.066% |
| 13 | Preferred Stock | 0.00% | 0.00% | 0.000% |
| 14 | Long Term Debt | 82.00% | 8.26% | 6.773% |
| 15 | Other | 0.78% | 6.04% | 0.047% |
| 16 | Total | 100.00% | | 8.89% |

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

SCHEDULE 32

Network Access - Charges and Revenues

(Thousands of Dollars)

| (Thou | sands of Dollars) | | Year: 2006 |
|-------------|--------------------------------|----------------------------------|---------------------------------------|
| Line No. | Description (a) | Access Charges Paid (b) | Access Revenues Received (c) |
| | (~) | (8) | (0) |
| 1 2 | Montana - Total State | 3,915 | 114,448 |
| 3 | Montana - Intrastate | 228 | 20,716 |
| 5 | Montana - Intrastate Regulated | 228 | 16,052 |
| 6 7 | | | |
| 8 | | | |
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| 12 | | | |
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Affiliate Transactions - Products & Services Provided to Utility

Year: 2006

| | | | | | | Year: 2006 |
|------|--------------------------------------|---------------------------|------------------------|-------------|-----------------|------------|
| | | | Method to | Charges | % Total | Charges to |
| Line | Affiliate Name | Products & Services | Determine Price | to Utility | Affil. Revenues | MT Utility |
| No. | (a) | (b) | (C) | (d) | (e) | (f) |
| | | | | | | |
| 1 | Qwest BroadBand Services, Inc. | CABLE SERVICES | PCP | 46,232 | | |
| 2 | | PCP | | 46,232 | | - |
| 3 | | TOTAL | | 46,232 | | - |
| 4 | Qwest Business Resources, Inc. | NETWORK SERVICES | FDC | 2,409,674 | | |
| 5 | | POST EMPLOYMENT BENEFITS | FDC | 1,259,345 | | 26,851 |
| 6 | | PROCUREMENT | FDC | 42,089,983 | | 882,012 |
| 7 | | SPACE & FURNITURE RENTAL | FDC | 390,217 | | |
| 8 | | FDC | | 46,149,219 | | 908,863 |
| 9 | | SPACE & FURNITURE RENTAL | FMV | 1,200,626 | | |
| 10 | | FMV | | 1,200,626 | | - |
| 11 | | TOTAL | | 47,349,845 | | 908,863 |
| 12 | Qwest Government Services, Inc. | CORP & SHARED SERVICES | FDC | 8,780,139 | | 184,726 |
| 13 | | FDC | | 8,780,139 | | 184,726 |
| 14 | | TOTAL | | 8,780,139 | | 184,726 |
| 15 | Qwest Interprise America, Inc. | NETWORK SERVICES | FDC | (817,303) | | (19,079) |
| 16 | | POST EMPLOYMENT BENEFITS | FDC | 238,338 | | 5,454 |
| 17 | | FDC | | (578,965) | | (13,626) |
| 18 | | ACCRUAL | PCP | (361,598) | | (7,623) |
| 19 | | EQUIPMENT/MATERIEL | PCP | 456,047 | | 723 |
| 20 | | INTERNAL COMMUNICATIONS | PCP | 10,659 | | 221 |
| 21 | | NETWORK SERVICES | PCP | 18,787 | | |
| 22 | | PCP | | 123,896 | | (6,678) |
| 23 | | TOTAL | | (455,069) | | (20,304) |
| 24 | Qwest Information Tech nologies, Inc | INFORMATION TECH SERVICES | FDC | 371,448,094 | | 7,884,604 |
| 25 | | FDC | | 371,448,094 | | 7,884,604 |
| 26 | | TOTAL | | 371,448,094 | | 7,884,604 |
| 27 | Qwest Communications Corporation | SPACE & FURNITURE RENTAL | FDC | 1,721,650 | | 2 |
| 28 | | FDC | | 1,721,650 | | 2 |
| 29 | | SPACE & FURNITURE RENTAL | FMV | 260,104 | | (2) (2) |
| 30 | | FMV | | 260,104 | | (2) |

Page 1 of 2

Affiliate Transactions - Products & Services Provided to Utility

Year: 2006

| No. (a) (b) (c) (d) (e) (f) Qwest Communications Corporation INTERNAL COMMUNICATIONS PCP 27,873,284 558,682 2 TOTAL 29,855,039 558,682 3 Qwest Services Corporation CORP & SHARED SERVICES FDC 29,847,175 634,375 4 CORP COMMUNICATIONS FINANCE 50,282,718 1,074,151 6 FINANCE 50,282,718 1,074,151 7 CGR COMMUNICATIONS 50,282,718 1,074,151 6 HUMAN RESOURCES 30,569,363 648,022 7 EGGAL SERVICES 31,636,118 671,768 8 MARGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 51,49,619 10 POST EMPLOYMENT BENEFITS 532,887 113,353 11 REGULATORY AND PUB POLICY 38,302,119 927,144 14 TREASURY 522,1936 111,335 15 TOTAL 557,652,235 12 | | | | | | | rear: 2006 |
|---|------|----------------------------------|---------------------------|------------------------|---------------|-----------------|------------|
| No. (a) (b) (c) (d) (e) (f) Qwest Communications Corporation INTERNAL COMMUNICATIONS PCP PCP 27,873,284 558,682 1 PCP 27,873,284 558,682 558,682 2 CORP & SHARED SERVICES FDC 29,855,039 558,682 3 Qwest Services Corporation CORP & SHARED SERVICES FDC 29,847,175 634,375 4 CORP COMMUNICATIONS 15,610,590 333,400 569,363 648,022 5 FINANCE 50,282,718 1,074,151 644,022 1664,022 1664,022 1664,022 1664,022 1648,022 1649,022 1636,118 671,768 1074,151 1074,151 1074,151 103,3400 107,415 1074,151 1074,151 10,32,987 11,353 114,61,024 1074,151 11,353 114,61,024 11,353 11,353 11,353 11,353 11,353 11,353 11,353 11,353 11,353 114,65,841 11,465,841 11,465,841 11,465,841 11,465,84 | | | | Method to | Charges | % Total | Charges to |
| Qwest Communications Corporation INTERNAL COMMUNICATIONS PCP PCP 27,873,284 558,682 1 2 27,873,284 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 558,682 568,682 568,682 568,682 563,334,082 558,682 563,334,082 563,334,082 563,334,082 563,334,082 563,334,082 563,334,082 563,682 50,282,718 1,074,151 6643,275 50,282,718 1,074,151 6648,022 1636,118 671,766 4840,022 1636,118 671,766 4805,256 51,636,140 805,256 51,49,619 90 | Line | Affiliate Name | Products & Services | Determine Price | to Utility | Affil. Revenues | MT Utility |
| PCP TOTAL Z,873,284 558,682 2 CORP & SHARED SERVICES FDC 29,847,175 663,375 4 CORP & SHARED SERVICES FDC 29,847,175 663,375 5 GORP COMMUNICATIONS 15,610,590 333,400 6 FINANCE 50,282,718 1,074,151 6 HUMAN RESOURCES 30,569,363 664,022 7 LEGAL SERVICES 31,636,118 671,768 9 MANAGEMENT SERVICES 37,686,140 805,256 9 POST EMPLOYMENT BENEFITS 532,987 11,333 10 POST EMPLOYMENT BENEFITS 532,987 11,333 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 14 TRESURY 52,219,36 111,335 15 TRUST (698,464) (14,811 16 PCP 1,377,806 31,521 17 EQUIPMENTIMATERIEL PCP 74,812 14,025 | No. | (a) | | (c) | | (e) | |
| 2 TOTAL 29,855,039 558,682 3 Qwest Services Corporation CORP & SHARED SERVICES FDC 29,847,175 634,375 4 CORP COMMUNICATIONS 15,610,590 333,400 533,400 5 FINANCE 50,282,718 1,074,151 644,022 6 HUMAN RESOURCES 30,659,363 648,022 7 LEGAL SERVICES 31,636,118 671,766 8 MARAGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 5,149,619 10 PODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 14 TREASURY 5,221,936 111,335 16 TOTAL 557,652,235 12,372,500 17 Gased Steps 1,48,441 14,625 19 FMV 1,37,806 <td< td=""><td></td><td>Qwest Communications Corporation</td><td>INTERNAL COMMUNICATIONS</td><td>PCP</td><td>27,873,284</td><td></td><td>558,682</td></td<> | | Qwest Communications Corporation | INTERNAL COMMUNICATIONS | PCP | 27,873,284 | | 558,682 |
| 3 Qwest Services Corporation CORP & SHARED SERVICES CORP COMMUNICATIONS FDC 29,847,175 634,375 4 CORP COMMUNICATIONS 15,610,590 333,400 333,400 5 FINANCE 50,282,718 1,074,151 644,022 6 HUMAN RESOURCES 30,569,363 648,022 644,022 7 LEGAL SERVICES 31,636,118 671,768 605,285 9 MARKETING AND SALES 229,815,825 5,149,613 10 POST EMPLOYMENT BENEFITS 532,987 11,355 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 14 TREASURY 5,22,355 12,372,500 17 FDC 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 10 EQUIPMENT MATERIEL PCP 744,812 140,255 12 EQUIPMENT MATERIEL PCP 744,812 140,255 | 1 | | PCP | | 27,873,284 | | 558,682 |
| 4 CORP COMMUNICATIONS 15,610,590 333,408 5 FINANCE 50,282,718 1,074,151 6 HUMAN RESOURCES 30,569,363 648,022 7 LEGAL SERVICES 31,636,118 671,768 8 MANAGEMENT SERVICES 37,686,140 805,225 9 MARKETING AND SALES 322,918,825 5,149,619 10 POST EMPLOYMENT BENEFITS 532,987 11,333 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,333 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 13,521 19 EQUIPMENT/MATERIEL PCP 744,812 140,255 21 EQUIPMENT/MATERIEL PCP 744,812 140,255 | 2 | | TOTAL | | 29,855,039 | | 558,682 |
| 5 FINANCE 50,282,718 1,074,151 6 HUMAN RESOURCES 30,669,363 648,022 7 LEGAL SERVICES 31,636,118 671,768 8 MANAGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 5,149,619 10 POST EMPLOYMENT BENEFITS 532,987 11,353 11 PRODUCT PLANNING 24,661,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5221,936 111,335 15 TRUST (698,464) (14,811 16 TRUST 13,377,806 31,521 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 20 EQUIPMENT/MATERIEL PCP 74,812 14,025 21 TOTAL 9,945,522 150,102 | 3 | Qwest Services Corporation | CORP & SHARED SERVICES | FDC | 29,847,175 | | 634,375 |
| 6 HUMAN RESOURCES 30,569,363 648,022 7 LEGAL SERVICES 31,636,118 671,768 8 MANAGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 5,149,619 10 POST EMPLOYMENT BENEFITS 532,987 11,333 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 11,335 15 TRUST (698,464) (14,811) 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 20 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 GRAND TOTAL 9,945,522 | 4 | | CORP COMMUNICATIONS | | 15,610,590 | | 333,408 |
| 7 LEGAL SERVICES 31,636,118 671,768 8 MANAGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 5,149,613 10 POST EMPLOYMENT BENEFITS 532,987 11,353 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 GRAND TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 25 GRAND TOTAL 1,024,622,036 | 5 | | | | 50,282,718 |] [| 1,074,151 |
| 8 MANAGEMENT SERVICES 37,686,140 805,256 9 MARKETING AND SALES 229,815,825 5,149,619 10 POST EMPLOYMENT BENEFITS 532,987 11,353 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,333 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 101 TOTAL 9,945,522 150,102 22 GRAND TOTAL 1,024,622,036 22,039,174 24 GRAND TOTAL 1,024,622,036 22,039,174 28 GRAND TOTAL 1,024,622,036 22,039,174 | 6 | | | | |] [| 648,022 |
| 9 MARKETING AND SALES 229,815,825 5,149,619 10 POST EMPLOYMENT BENEFITS 532,987 11,353 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,333 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 FMV 1,377,806 31,521 14,025 21 EQUIPMENT/MATERIEL PCP 744,812 14,025 22 PCP 7,822,904 104,556 24 GRAND TOTAL 9,945,522 150,102 26 GRAND TOTAL 1,024,622,036 22,039,174 28 GRAND TOTAL 1,024,622,036 22,039,174 | 7 | | LEGAL SERVICES | | 31,636,118 |] | 671,768 |
| 10 POST EMPLOYMENT BENEFITS 533,987 11,353 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,353 15 TRUST (698,464) (14,811 16 TRUST (698,464) (14,811 16 TOTAL 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 20 EQUIPMENT/MATERIEL PCP 7,822,904 104,556 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 GRAND TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 GRAND TOTAL 1,024,622,036 22,03 | 8 | | MANAGEMENT SERVICES | | 37,686,140 |] | 805,256 |
| 11 PRODUCT PLANNING 24,681,770 555,000 12 REGULATORY AND PUB POLICY 38,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 7/44,812 14,025 20 EQUIPMENT/MATERIEL PCP 7,822,904 104,556 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 25 GRAND TOTAL 1,024,622,036 22,039,174 | 9 | | MARKETING AND SALES | | 229,815,825 | | 5,149,619 |
| 12 REGULATORY AND PUB POLICY 33,802,119 927,184 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 20 INTERNAL COMMUNICATIONS 7,822,904 104,552 21 OTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 GRAND TOTAL 1,024,622,036 22,039,174 | 10 | | POST EMPLOYMENT BENEFITS | | 532,987 |] | 11,353 |
| 13 TECHNICAL SUPPORT 63,663,959 1,465,841 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 331,521 19 FMV 1,377,806 331,521 31,521 20 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 744,812 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 25 GRAND TOTAL 1,024,622,036 22,039,174 28 Second Total 1,024,622,036 22,039,174 | 11 | | PRODUCT PLANNING | | 24,681,770 | | 555,000 |
| 14 TREASURY 5,221,936 111,335 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 MARKETING AND SALES FMV 1,377,806 31,521 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 20 EQUIPMENT/MATERIEL PCP 7,44,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 9 GRAND TOTAL 1,024,622,036 22,039,174 | 12 | | REGULATORY AND PUB POLICY | | 38,802,119 |] | 927,184 |
| 15 TRUST (698,464) (14,811 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 20 EQUIPMENT/MATERIEL PCP 7,822,904 104,556 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 29 1 20,039,174 | | | | | |] [| 1,465,841 |
| 16 FDC 557,652,235 12,372,500 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 20 INTERNAL COMMUNICATIONS 7,822,904 104,556 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 744,812 14,025 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 9 GRAND TOTAL 1,024,622,036 22,039,174 | 14 | | | | 5,221,936 |] [| 111,335 |
| 17 TOTAL 557,652,235 12,372,500 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 20 INTERNAL COMMUNICATIONS 7,822,904 104,556 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 9 International contraction contractin contractin contraction contratin contraction contratin contractin | | | | | |] [| (14,811) |
| 18 Qwest Wireless, LLC MARKETING AND SALES FMV 1,377,806 31,521 19 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 28 29 International control 1,024,622,036 22,039,174 | | | | | 557,652,235 | | 12,372,500 |
| 19 FMV 1,377,806 31,521 20 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 26 GRAND TOTAL 1,024,622,036 22,039,174 28 29 1 1 1 | | | | | 557,652,235 | | 12,372,500 |
| 20 EQUIPMENT/MATERIEL PCP 744,812 14,025 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 FOR FOR 104,556 25 GRAND TOTAL FOR 22,039,174 26 GRAND TOTAL 1,024,622,036 22,039,174 28 29 Internal control | | Qwest Wireless, LLC | | FMV | | | 31,521 |
| 21 INTERNAL COMMUNICATIONS 7,822,904 104,556 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 GRAND TOTAL 1,024,622,036 22,039,174 26 GRAND TOTAL 1,024,622,036 22,039,174 28 29 1 1 1 | | | | | | | 31,521 |
| 22 PCP 8,567,716 118,581 23 TOTAL 9,945,522 150,102 24 | | | | PCP | | | 14,025 |
| 23 TOTAL 9,945,522 150,102 24 | | | | | | | 104,556 |
| 24 25 26 27 28 29 | | | PCP | | 8,567,716 | | 118,581 |
| 25 26 6 6 6 6 27 GRAND TOTAL 1,024,622,036 22,039,174 28 29 6 6 6 | | | TOTAL | | 9,945,522 | | 150,102 |
| 26 27 GRAND TOTAL 1,024,622,036 22,039,174 28 29 1 1 1 1 | | | | | | | |
| 27 GRAND TOTAL 1,024,622,036 22,039,174 28 29 6 | | | | | | | |
| 28 29 | | | | | | | |
| 29 | | | GRAND TOTAL | | 1,024,622,036 | | 22,039,174 |
| | | | | | | | |
| 30 | | | | | | | |
| | 30 | | | | | | |

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Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| | | | | | | Year: 2006 |
|------|--------------------------------|---------------------------|------------------------|------------|----------------|-------------|
| | | | Method to | Charges | % Total | Payments by |
| Line | Affiliate Name | Products & Services | Determine Price | by Utility | Affil. Expense | MT Utility |
| No. | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Qwest BroadBand Services, Inc. | LEASED ASSETS | FDC | 6,688,944 | | ., |
| 2 | | NETWORK SERVICES | | 12,627,234 | | 52,665 |
| 3 | | SPACE & FURNITURE RENTAL | | 244,248 | | |
| 4 | | FDC | | 19,560,427 | | 52,665 |
| 5 | | LEASED ASSETS | FMV | 15,779 | | |
| 6 | | SPACE & FURNITURE RENTAL | | 176,498 | | |
| 7 | | FMV | | 192,277 | | - |
| 8 | | BILLING & COLLECTIONS | PCP | 1,669,325 | | |
| 9 | | FINANCE | | 583,148 | | 12,334 |
| 10 | | HUMAN RESOURCES | | 107 | | 2 |
| 11 | | INFORMATION TECH SERVICES | | 6,151 | | 130 |
| 12 | | INTERNAL COMMUNICATIONS | | 1,131,234 | | 255 |
| 13 | | NETWORK SERVICES | | 5,516,775 | | 113,222 |
| 14 | | SPACE & FURNITURE RENTAL | | 30,830 | | |
| 15 | | PCP | | 8,937,570 | | 125,943 |
| 16 | | LEASED NETWORK FACILITIES | PUB | 9,941,514 | | |
| 17 | | NETWORK SERVICES | | 115,318 | | |
| 18 | | PUB | | 10,056,833 | | - |
| 19 | | TOTAL | | 38,747,107 | | 178,608 |
| 20 | Qwest Business Resources, Inc. | LEASED ASSETS | FDC | 10,848 | | 226 |
| 21 | | NETWORK SERVICES | | 8,395 | | |
| 22 | | SPACE & FURNITURE RENTAL | | 392,414 | | 470 |
| 23 | | FDC | | 411,656 | | 696 |
| 24 | | SPACE & FURNITURE RENTAL | FMV | 997,724 | | |
| 25 | | FMV | | 997,724 | | - |
| 26 | | FINANCE | | 107,227 | | 2,268 |
| 27 | | HUMAN RESOURCES | PCP | 2,797 | | 59 |
| 28 | | INFORMATION TECH SERVICES | | 55,131 | | 1,166 |
| 29 | | INTERNAL COMMUNICATIONS | | 480,111 | | 9,098 |
| 30 | | SPACE & FURNITURE RENTAL | | 1,183,220 | | |
| 31 | | PCP | | 1,828,485 | | 12,591 |

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Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| | | | - | Year: 2006 | | |
|------|--|---------------------------|-----------------|------------|----------------|-------------|
| | | | Method to | Charges | % Total | Payments by |
| Line | Affiliate Name | Products & Services | Determine Price | by Utility | Affil. Expense | MT Utility |
| No. | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Qwest Business Resources, Inc. | TOTAL | | 3,237,865 | | 13,287 |
| 2 | Qwest Communications International Limited | FINANCE | PCP | 22,773 | | 482 |
| 3 | | PCP | | 22,773 | | 482 |
| 4 | | TOTAL | | 22,773 | | 482 |
| 5 | Qwest Government Services, Inc. | NETWORK SERVICES | FDC | 28,291 | | 598 |
| 6 | | SPACE & FURNITURE RENTAL | | 55,880 | | |
| 7 | | FDC | | 84,171 | | 598 |
| 8 | | LEASED ASSETS | FMV | 1,474 | | |
| 9 | | SPACE & FURNITURE RENTAL | | 34,759 | | |
| 10 | | FMV | | 36,233 | | 0 |
| 11 | | FINANCE | PCP | 116,496 | | 2,464 |
| 12 | | HUMAN RESOURCES | | 3,174 | | 67 |
| 13 | | INFORMATION TECH SERVICES | | 86,342 | | 1,826 |
| 14 | | INTERNAL COMMUNICATIONS | | 513,201 | | 10,484 |
| 15 | | NETWORK SERVICES | | 234,810 | | 361 |
| 16 | | SPACE & FURNITURE RENTAL | | 382,263 | | |
| 17 | | PCP | | 1,336,286 | | 15,202 |
| 18 | | TOTAL | | 1,456,690 | | 15,800 |
| 19 | Qwest Interprise America, Inc. | ACCRUAL | FDC | 120,056 | | 2,524 |
| 20 | | LEASED ASSETS | | 14,844 | | |
| 21 | | NETWORK SERVICES | | 1,270,783 | | 4,552 |
| 22 | | SPACE & FURNITURE RENTAL | | 488,618 | | 9,670 |
| 23 | | FDC | | 1,894,302 | | 16,746 |
| 24 | | LEASED ASSETS | FMV | 9,569 | | |
| 25 | | NETWORK SERVICES | | 5,268,662 | | 23,901 |
| 26 | | SPACE & FURNITURE RENTAL | | 195,756 | | 7,156 |
| 27 | | FMV | | 5,473,987 | | 31,057 |
| 28 | | BILLING & COLLECTIONS | PCP | 6,044,963 | | 160,219 |
| 29 | | FINANCE | | 397,504 | | 8,407 |
| 30 | | HUMAN RESOURCES | | 1,159 | | 25 |
| 31 | | INFORMATION TECH SERVICES | | 19,685 | | 416 |

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Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| Line No. 1 2 3 4 | Affiliate Name (a) Qwest Interprise America, Inc. | Products & Services (b) INTERNAL COMMUNICATIONS NETWORK SERVICE SPACE & FURNITURE RENTAL PCP | Method to Determine Price (c) | Charges by Utility (d) 232,837 72,849 1,498,427 8,267,425 | % Total Affil. Expense (e) | Year: 2006 Payments by MT Utility (f) 3,469 278 5,997 178,812 |
|---------------------------------|---|--|-------------------------------------|---|----------------------------------|---|
| 4 5 | | TOTAL | | 15,635,714 | | 226,615 |
| 6 7 8 | Qwest Information Technologies, Inc. | INFORMATION TECH SERVICE LEASED ASSETS SPACE & FURNITURE RENTAL | FDC | 2,229,706 1,366 4,516,938 | | 47,158 |
| 9 10 11 12 | | FDC LEASED ASSETS SPACE & FURNITURE RENTAL FMV | FMV | 6,748,009 417 2,218,514 2,218,931 | | 47,158 |
| 13 14 15 16 17 | | FINANCE HUMAN RESOURCES INFORMATION TECH SERVICES INTERNAL COMMUNICATIONS SPACE & FURNITURE RENTAL | PCP | 405,498 18,821 267,214 3,131,118 15,121,756 | | 8,576 398 5,652 54,727 |
| 18 19 | | PCP TOTAL | | 18,944,407 27,911,346 | | 69,353 116,511 |
| 20 21 22 23 | Malheur Home Telephone Company | EQUIPMENT/MATERIEL MANAGEMENT SERVICES NETWORK SERVICE MAL | MAL | 8,212 1,341,468 112,936 1,462,617 | | 28,411 28,411 |
| 23 24 | | TOTAL | | 1,462,617 | | 28,411 |
| 25 26 27 | Qwest N. Limited Partnership | FINANCE PCP TOTAL | PCP | 81,358 81,358 81,358 | | 1,721 1,721 1,721 |
| 28 29 30 | OnFiber | FINANCE NETWORK SERVICE PCP | PCP | 9,215 105,644 114,858 | | 196 2,026 2,222 |

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Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| | | | | | | rear: 2006 |
|-------------|------------------------------------|----------------------------|-------------------------------------|------------------------------|----------------------------------|----------------------------------|
| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges by Utility (d) | % Total Affil. Expense (e) | Payments by MT Utility (f) |
| | | | | | | |
| 1 | OnFiber | NETWORK SERVICES | PUB | 24,881 | | |
| 2 3 | | PUB TOTAL | | 24,881 139,739 | | 0 2,222 |
| 4 | Qwest Communications Corporation | MARKETING AND SALES | FDC | 701,043 | | 15,759 |
| 5 | · | FDC | | 701,043 | | 15,759 |
| 6 | | ADMINISTRATIVE | PCP | 4,939,996 | | 111,051 |
| 7 | | BILLING & COLLECTIONS | | 639,758 | | 12,601 |
| 8 | | FINANCE | | 2,547,405 | | 53,878 |
| 9 | | HUMAN RESOURCES | | 11,525 | | 244 |
| 10 | | INFORMATION TECH SERVICES | | 292,194 | | 6,180 |
| 11 | | INTERNAL COMMUNICATIONS | | 1,703,924 | | 33,882 |
| 12 | | LEASED ASSETS | | 390,632 | | |
| 13 | | MANAGEMENT SERVICES | | 2,412 | | 55 |
| 14 | | MARKETING AND SALES | | 517,639 | | 11,637 |
| 15 | | NETWORK SERVICES | | 40,172,864 | | 221,862 |
| 16 | | SPACE & FURNITURE RENTAL | | 2,703,288 | | 3,906 |
| 17 | | WHOLESALE OPERATOR SERV | | 5,821,980 | | 130,878 |
| 18 | | WHOLESALE SERVICES | | 99,528 | | 765 |
| 19 | | PCP | | 59,843,144 | | 586,937 |
| 20 | | TOTAL | | 60,544,187 | | 602,696 |
| 21 | Qwest Investment Company | FINANCE | PCP | 51 | | 1 |
| 22 | | PCP | | 51 | | 1 |
| 23 | | TOTAL | | 51 | | 1 |
| 24 | Qwest Internet Solutions, Inc. | FINANCE | PCP | 29,948 | | 633 |
| 25 | | PCP | | 29,948 | | 633 |
| 26 | | TOTAL | | 29,948 | | 633 |
| 27 | Qwest International Services Corp. | FINANCE | PCP | 167 | | 4 |
| 28 | | HUMAN RESOURCES | | 7 | | 0 |
| 29 | | PCP | | 174 | | 4 |
| 30 | | TOTAL | | 174 | | 4 |

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Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| | | | | | | rear: 2006 | |
|-------------|----------------------------|----------------------------|-------------------------------------|------------------------------|----------------------------------|----------------------------------|--|
| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges by Utility (d) | % Total Affil. Expense (e) | Payments by MT Utility (f) | |
| | | | | ~ / | | | |
| 1 | Qwest LD Corp | BILLNG & COLLECTIONS | PCP | 116,263,538 | | 2,771,590 | |
| 2 | | FINANCE | | 140,999 | | 2,982 | |
| 3 | | NETWORK SERVICES | | 113,798 | | 2,608 | |
| 4 | | WHOLESALE SERVICES | | 18,511 | | 407 | |
| 5 | | PCP | | 116,536,845 | | 2,777,587 | |
| 6 | | TOTAL | | 116,536,845 | | 2,777,587 | |
| 7 | Qwest Services Corporation | ADMINISTRATIVE | FDC | 198,538 | | 903 | |
| 8 | | INFORMATION TECH SERVICES | | (65,300) | | (1,381) | |
| 9 | | LEASED ASSETS | | 42,216 | | | |
| 10 | | NETWORK SERVICES | | 45,784 | | | |
| 11 | | SPACE & FURNITURE RENTAL | | 9,870,946 | | 56,549 | |
| 12 | | FDC | | 10,092,184 | | 56,071 | |
| 13 | | LEASED ASSETS | FMV | 21,478 | | | |
| 14 | | SPACE & FURNITURE RENTAL | | 5,958,723 | | 19,363 | |
| 15 | | FMV | | 5,980,200 | | 19,363 | |
| 16 | | FINANCE | PCP | 841,590 | | 17,800 | |
| 17 | | HUMAN RESOURCES | | 49,323 | | 1,043 | |
| 18 | | INFORMATION TECH SERVICES | | 746,031 | | 15,779 | |
| 19 | | INTERNAL COMMUNICATIONS | | 8,081,556 | | 146,005 | |
| 20 | | NETWORK SERVICES | | 60,331 | | 184 | |
| 21 | | SPACE & FURNITURE RENTAL | | 23,406,878 | | | |
| 22 | | PCP | | 33,185,709 | | 180,810 | |
| 23 | | NETWORK SERVICES | PUB | 24,044 | | | |
| 24 | | PUB | | 24,044 | | 0 | |
| 25 | | TOTAL | | 49,282,137 | | 256,243 | |
| 26 | Qwest Transoceanic, Inc. | FINANCE | PCP | 183,690 | | 3,885 | |
| 27 | | NETWORK SERVICES | | 160,055 | | | |
| 28 | | PCP | | 343,745 | | 3,885 | |
| 29 | | TOTAL | | 343,745 | | 3,885 | |
| 30 | | | | | | | |

Page 5 of 6

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

| | | | Method to | Charges | % Total | Payments by |
|------|---------------------|---------------------------|------------------------|-------------|----------------|-------------|
| Line | Affiliate Name | Products & Services | Determine Price | by Utility | Affil. Expense | MT Utility |
| No. | (a) | (b) | (c) | (d) | (e) | (f) |
| | | | | | | |
| 1 | Qwest Wireless, LLC | LEASED ASSETS | FDC | 3,623 | | |
| 2 | | MANAGEMENT SERVICES | | 17,534 | | 371 |
| 3 | | NETWORK SERVICES | | 1,290 | | |
| 4 | | SPACE & FURNITURE RENTAL | | 50,515 | | |
| 5 | | FDC | | 72,962 | | 371 |
| 6 | | LEASED ASSETS | FMV | 4,406 | | |
| 7 | | SPACE & FURNITURE RENTAL | | 1,332,617 | | 10,525 |
| 8 | | FMV | | 1,337,022 | | 10,525 |
| 9 | | BILLING & COLLECTIONS | PCP | 16,165,793 | | 215,959 |
| 10 | | FINANCE | | 720,289 | | 15,234 |
| 11 | | HUMAN RESOURCES | | 4,083 | | 86 |
| 12 | | INFORMATION TECH SERVICES | | 70,407 | | 1,489 |
| 13 | | INTERNAL COMMUNICATIONS | | 982,133 | | 24,721 |
| 14 | | NETWORK SERVICES | | 1,676,998 | | 35,469 |
| 15 | | SPACE & FURNITURE RENTAL | | 523,093 | | |
| 16 | | PCP | | 20,142,795 | | 292,958 |
| 17 | | SPACE & FURNITURE RENTAL | PUB | 140,932 | | |
| 18 | | WHOLESALE OPERATOR SERV | | (257,458) | | (1,532) |
| 19 | | PUB | | (116,525) | | (1,532) |
| 20 | | TOTAL | | 21,436,255 | | 302,322 |
| 21 | Western RE | FINANCE | PCP | 90 | | 2 |
| 22 | | PCP | | 90 | | 2 |
| 23 | | TOTAL | | 90 | | 2 |
| 24 | | | | | | |
| 25 | | GRAND TOTAL | | 336,868,642 | | 4,527,031 |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |
| 30 | | | | | | |
| 31 | | | | | | |

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

| (Tho | usands of Dollars) | | Y | 'ear: 2006 |
|----------|--|---------|---------|------------|
| Line | Description | This | Last | Percent |
| No. | Rate Base | Year | Year | Change |
| | (a) | (b) | (c) | (d) |
| 1 | | | | |
| 2 | 2001 Plant in Service | 618,566 | 611,151 | 1.21% |
| 3 | 2002 Prop. Held for Future Telecommunications Use | 0 | 0 | |
| - | 3100-3200 (Less) Accumulated Depreciation | 442,015 | 410,333 | 7.72% |
| 5 | NET Plant in Service | 176,551 | 200,818 | -12.08% |
| 6 7 | Additions | | | |
| 8 | 1220 Materials & Supplies | 513 | 393 | 30.28% |
| 9 | 1280 Prepayments | 0,0 | 0000 | 00.207 |
| 10 | Other Additions | 0 | 0 | |
| 11 | TOTAL Additions | 513 | 393 | 30.28% |
| 12 | | | | |
| 13 | Deductions | | | |
| 14 | 4100 Current Deferred Operating Income Taxes | (574) | (566) | -1.31% |
| 15 | 4320 Unamortized Operating Investment Tax Credits | 817 | 1,155 | -29.27% |
| 16 | 4340 Noncurrent Deferred Operating Income Taxes | 18,982 | 34,109 | -44.35% |
| 17 | Customer Advances for Construction | | | |
| 18 | Other Deductions | 0 | 0 | |
| 19 | TOTAL Deductions | 19,225 | 34,697 | -44.59% |
| 20 | TOTAL Rate Base | 157,839 | 166,514 | -5.21% |
| 21 | | 04.540 | 00.007 | 10.040 |
| 22 23 | Net Earnings | 21,518 | 36,007 | -40.24% |
| 24 | Rate of Return on Average Rate Base | 13.63% | 21.62% | -36.95% |
| 25 | | 00.50% | 00.000/ | 10.010 |
| 26 27 | Rate of Return on Average Equity | 39.56% | 66.62% | -40.61% |
| | Major Normalizing Adjustments & Commission | | | |
| | Ratemaking adjustments to Utility Operations | | | |
| | Earnings from Docket 93.7.25 - () reduces earnings | | | |
| 31 | | | | |
| | Advertising | 95 | 95 | 0.00% |
| 33 | Contributions/Legal Advocacy | 8 | 8 | 0.00% |
| | Miscellaneous Dues | 18 | 18 | 0.00% |
| 35 | Uncollectibles Accrual To Write Off | (131) | (131) | 0.00% |
| | Interest on Customer Deposits | (37) | (37) | 0.00% |
| 37 | Total Net Income Adjustments | (47) | (47) | 0.00% |
| | Rate Base Adjustments | · · · · | | |
| | Customer Deposits | 453 | 453 | 0.00% |
| | Land Development Agreements | 283 | 283 | 0.00% |
| 41 | Total Rate Base Adjustments | 736 | 736 | 0.00% |
| 42 43 | Adjusted Rate of Return on Average Rate Base | 13.67% | 21.69% | -36.99% |
| 43 44 | Aujusieu Rale UI Relui UI Avelaye Rale Dase | 13.07% | ∠1.09% | -30.99% |
| 45 | Adjusted Rate of Return on Average Equity | 36.09% | 66.92% | -46.07% |
| | | | | PAGE 3 |

SCHEDULE 36

Other Taxes Paid

| | | | 1001.2000 |
|-------------|---|------------------|------------------|
| Line No. | Description (a) | Last Year (b) | This Year (c) |
| 1 | Montana Telephone Company License Tax ** | 0 | 0 |
| 2 | Montana Public Service Commission Tax | 335,669 | 283,491 |
| 3 | Montana Consumer Counsel Tax | 189,798 | 95,372 |
| 4 | 911 Emergency Telephone Fee | 1,812,178 | 1,685,039 |
| 5 | Montana Telecommunications Access Service (TDD) | 361,976 | 336,556 |
| 6 | Montana Corporate License Tax | 3,689,191 | 3,254,401 |
| 7 | Personal Property Tax | 6,943,876 | 11,384,254 |
| 8 | Real Property Tax | 365,698 | 649,841 |
| 9 | Montana Excise Tax ** | 5,188,294 | 4,853,802 |
| 10 | | | |
| 11 | | | |
| 12 | Total | 18,886,680 | 22,542,756 |

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

Company Name: Qwest Corporation

SCHEDULE 37

Universal Service Funds Received

Year: 2006 Description Last Year This Year Line No. (a) (b) (C) Funds received from Montana Sources 13 0 0 Funds received from Federal Sources 16,356,255 16,171,163 14 15 16 17 18 19 20 21 22 23 24 Total 16,356,255 16,171,163

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Year: 2006