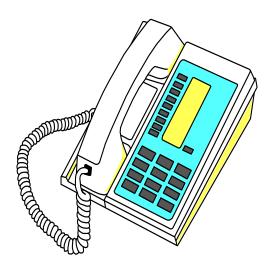
# YEAR ENDING 2006

# 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						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	Chairman of the Board: Richard C. Note	ebaert				
14						
15						

# 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
1			
			PAGE 2

**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

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^ Subaccount of the account marked with a \*.

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

#### **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					<b>W</b> /	
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	<b>_</b>	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.						
3							
4							
5							
6							
7							
8							
9							
10 11							
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20 21							
22							
23							
24							
25							
26							
27							
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%
5										
6										
7										
8										
9 10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
21 22										
22										
24										
25										
26										
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												
4												
5												
6												
7												
8												
9												
10												
11 12												
12												
14												
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19												
20												
21												
22												
23												
24												
25 26												
26 27												
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									
3									
4									
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21									
22									
23									
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							
11							
12							
13							
14 15							
15							
16							
17							
19							
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20							
22							
23							
24							
25							
26							
27							
28							
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 \*.

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PAGE 19

### **Company Name: Qwest Corporation - Montana**

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# **Total State Expense Matrix**

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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
<b>T</b>	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	<b>BS)</b> 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

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#### 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

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#### **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
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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

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# **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							
<ul><li>7 COE projects over \$500,000</li><li>8</li></ul>	0						
9							
10							
11							
12							
13							
14 15							
16							
17							
18							
19							
20							
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							
31							
32							
33							
34							
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%
<b></b>		· · · · ·		,	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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2							
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1							
9							
1							
10							
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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12				
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26 27				
27				
29				
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31				
32				
33				
34				
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			
9			
10			
11			
12			
13			

# Affiliate Transactions - Products & Services Provided to Utility

Year: 2006

						Year: 2006
			Method to	Charges	% Total	Charges to
Line	Affiliate Name	Products & Services	<b>Determine Price</b>	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	<b>Determine Price</b>	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	<b>Determine Price</b>	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 <b>1,462,617</b>		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 <b>81,358</b> <b>81,358</b>		1,721 1,721 1,721
28 29 30	OnFiber	FINANCE NETWORK SERVICE PCP	PCP	9,215 105,644 <b>114,858</b>		196 2,026 <b>2,222</b>

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Schedule 34

# 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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#### Schedule 34

# 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							

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#### Schedule 34

# Affiliate Transactions - Products & Services Provided by Utility

Year: 2006

			Method to	Charges	% Total	Payments by
Line	Affiliate Name	Products & Services	<b>Determine Price</b>	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