

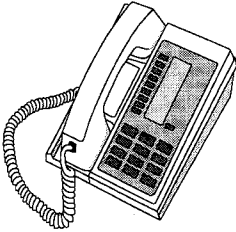
YEAR 1998

ANNUAL REPORT
OF

US West Communications

RECEIVED
JUL 06 1999
MONT. P. S. COMMISSION

TELEPHONE UTILITY



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

Check No. 125583
USWest Communications

- (4) "Trade secret" means information . . . that:
- (a) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and
 - (b) is the subject of efforts that are reasonable under circumstances to maintain its secrecy.

Although § 69-3-105(2) does not specifically mention issuing a protective order to protect a utility employee's right of privacy, which is protected under Section 10 of Article II of the Montana Constitution, it is clear that a protective order should issue, at the request of a utility, to protect such rights, *State v. Burns*, 253 Mont. 37, 830 P.2d 1318 (1992); *Montana Human Rights Division v. Billings*, 199 Mont. 434, 649 P.2d 1283 (1982).

Schedules 23 and 24(f) report detailed information about the U S WEST customer base, indicating customer counts (access lines) and characteristics (residential, commercial, single line, etc.), or its switching facilities. Prior to the enactment of the federal Telecommunications Act of 1996 (Act), U S WEST did not consider or treat such information as confidential business information because of its position as the monopoly provider of local exchange service. However, since the Act, that information has become confidential business information as its public disclosure would allow U S WEST competitors in the local exchange market to target their investment and offerings to the areas in Montana which the information in the schedules establishes as having high customer concentrations or growth rates. Although this information was publicly reported prior to the Act, customer growth and changes in concentration cannot be detected if it is not publicly reported in the future. U S WEST no longer reports this information in a public manner so that it can protect it as confidential trade secret information. The kind of information reported in Schedules 23 and 24(f) is not the kind of information which companies share in a competitive market environment. The Commission determined in Order 6080 entered in Docket N 98.6.148 that the information in these schedules should be protected.

Schedule 27 reports the salaries of the ten highest paid U S WEST employees in Montana. Those employees have a legitimate expectation that their salary information be kept private, an

expectation which this Commission has routinely met through the issuance of a protective order. The Commission determined in Order 6080a entered in Docket N 98.6.148 that this information should be protected.

U S WEST requests the issuance of a protective order in the manner and form annexed to this motion as **Appendix A**.

Respectfully submitted July 6, 1999.

U S WEST COMMUNICATIONS, INC.

By John Alke
John Alke
40 West Lawrence, Suite A
P. O. Box 1166
Helena, MT 59624-1166

ATTORNEYS FOR U S WEST COMMUNICATIONS, INC.

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

In the Matter of the 1998 Annual Report of)	UTILITY DIVISION
)	
U S WEST Communications, Inc.)	PROTECTIVE ORDER
)	

On July 2, 1999, U S WEST Communications, Inc. (U S WEST) filed its Motion for Protective Order with the Montana Public Service Commission (Commission).

The Commission considers it appropriate to issue a Protective Order to provide a procedure for balancing the public's right to know against U S WEST's right to non-disclosure of proprietary and confidential information, and information about its employees in which they have legitimate expectation of privacy. This Order affords interested parties an opportunity to challenge the proprietary or confidential designation. In issuing this Order, the Commission is not deciding or expressing any opinion as to whether the subject information is or is not proprietary or confidential information under Montana law.

Based upon the foregoing, the following Protective Order shall be in effect with respect to information contained in the U S WEST Annual Report of 1998.

1. **Confidential Information.** The information set forth in Schedules 23 and 24(f) of the U S WEST Annual Report for 1998 will be kept confidential and not publicly disclosed because of the claim of U S WEST that it contains proprietary data entitled to protection as a trade secret. The information set forth in Schedule 27 of the Annual Report for 1998 will be kept confidential and not publicly disclosed because of the legitimate expectation of U S WEST employees that their salary information be kept private.

APPENDIX A

2. **Terms of Disclosure.** The information contained in Schedules 23, 24(f), and 27 will not be disclosed to the public in any fashion, directly or indirectly. It will be kept confidential by the Commission, and disclosed to no one, except as may be provided by further order of the Commission, and upon adequate notice to U S WEST. The **Montana Consumer Counsel (MCC)** may apply to the Commission for permission to review the information, provided an adequate non-disclosure agreement is provided by that office to U S WEST.

3. **Challenge to Confidentiality.** This Order shall not be construed as a final ruling on the confidentiality of the information contained in Schedules 23, 24(f) and 27. An interested person or entity with proper standing, or the Commission on its own motion, may challenge the U S WEST claim of confidentiality at any time. Any such petition or motion must be served upon U S WEST, and it may file a response or objection within fourteen days thereafter. U S WEST may also request a hearing or oral argument before the Commission.

4. **Seal.** While in custody of the PSC and MCC, materials subject to this Order shall be marked, "CONFIDENTIAL -- SUBJECT TO PROTECTIVE ORDER" and due to their private nature they shall not be considered as records in the possession or retained by the PSC or MCC within the meaning of the open meetings or public records statutes.

5. The PSC and its counsel staff, and the MCC and its counsel and staff, shall be bound by the terms of this Order.

6. **Segregation of Files.** All proprietary information filed with the Commission will be sealed by the Commission, segregated in the files of the Commission, and withheld from inspection by any person not bound by the terms of this Order, unless such proprietary information is released from the restrictions of this Order either through agreement of the parties, an order of the Commission or an order of a Court having jurisdiction. All written proprietary information coming into the possession of the MCC under this Order may be retained by him in

APPENDIX A

his office files, but shall be withheld from inspection by others, except for his staff and his counsel, unless released by agreement or order of the Commission.

7. **Amendment or Modification.** The Commission retains jurisdiction of this matter and may alter or amend these provisions, upon motion by an appropriate party or entity and reasonable notice.

DONE AND DATED this _____ day of _____, 1999, by a 5-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice-Chair

BOB ANDERSON, Commissioner

BOB ROWE, Commissioner

GARY FELAND, Commissioner

YEAR 1998

ANNUAL REPORT
OF

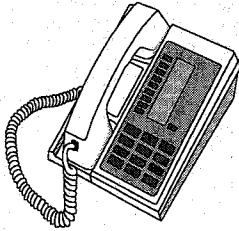
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Check No. 128593
US West Communications

Telephone Annual Report

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General Information

Year: 1998

1. Legal Name of Respondent:
U S WEST Communications, Inc.

2. Name Under Which Respondent Does Business:
U S WEST Communications, Inc.

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 Northwestern Bell to form U S WEST Communications, Inc.

4. Address to send Correspondence Concerning Report:
441 North Park Avenue, Room 101
Helena, Montana 59624

5. Person Responsible for This Report:
Gary Duncan

5a. Telephone Number: (406)-441-7288

Control Over Respondent

1. If direct control over the respondent was held by another entity at the end of year provide the following:

1a. Name and address of the controlling organization or person: U S WEST, Inc.
1801 California Street
Denver, Colorado 80202

1b. Means by which control was held: Through ownership of voting securities

1c. Percent Ownership: 100%

Board of Directors

Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Solomon D. Trujillo Denver, Colorado	None
2	Janet K. Cooper Denver, Colorado	None
3	Allan R. Spies Denver, Colorado	None
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6		
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14		
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17		
18	Chairman of the Board for U S WEST Inc.: Richard D. McCormick	
19		
20		

Officers

Year: 1998

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	President	President & Chief Executive Officer	Solomon D. Trujillo, Denver, CO
2	Regional Vice President		Wayne G. Allcott, Phoenix, AZ
3	Vice President		David Anastasi, Seattle, WA
4	Executive Vice President	Retail Markets	Betsy J. Bernard, Denver, CO
5	Vice President		Bryan F. Cook, Littleton, CO
6	Vice President	Treasurer	Janet K. Cooper, Denver, CO
7	Vice President	Chief Technology Officer	John M. Czak, Denver, CO
8	Vice President		Dana P. Dunne, Denver, CO
9	Vice President		Michael Fernandez, Denver, CO
10	Vice President		Rex Fisher, Omaha, NE
11	Assistant Treasurer		Sean P. Foley, Denver, CO
12	Assistant Treasurer		J. Roger Fox, Denver, CO
13	Assistant Secretary		Debra S. Gallegos, Denver, CO
14	Vice President		Frank H. Halzenbuehler, Denver, CO
15	Assistant Secretary		Glenda M. Hjar, Denver, CO
16	Vice President		Lawrence D. Huss, Portland, OR
17	Assistant Secretary		Cynthia Johnson, Englewood, CO
18	President	Wholesale Carrier	John A. Kelley, Jr., Denver, CO
19	Vice President	Chief Information Officer	David R. Laube, Denver, CO
20	President	U S WEST Wireless LLC	Peter Mannetti, Denver, CO
21	Vice President		C. Scott McClellan, Seattle, WA
22	Assistant Secretary		Thomas O. McGimpsey, Denver, CO
23	Vice President	Marketing	Randy D. Meissner, Phoenix, AZ
24	Vice President	Controller	Oscar X. Munoz, Denver, CO
25	Vice President		Richard B. O'Keefe, Bellevue, WA
26	Vice President & Assistant Secretary	Law & Human Resources	Antonia D. Ozeroff, Denver, CO
27	Vice President		Susan B. Parks, Denver, CO
28	Vice President & Secretary	Legal General Counsel	Mark D. Roellig, Denver, CO
29	Regional Vice President		James D. Smiley, Minneapolis, MN
30	Vice President		James A. Smith, Englewood, CO
31	Vice President		M. June Smith, Denver, CO
32	Regional Vice President		Ted D. Smith, Salt Lake City, UT
33	Vice President & Chief Financial Officer		Allan R. Spies, Denver, CO
34	Vice President	Public Policy	Edward T. Tobin III, Denver, CO
35	Vice President	Capacity Provisioning	Robert D. Tregemba, Denver, CO
36	Vice President		Teresa Wahlert, Des Moines, IA
37	Regional Vice President		Barbara L. Wilson, Boise ID
38	Executive Vice President	Operations & Technology	Gregory M. Winn, Denver, CO
39	President	Enterprise Networking Services	Joseph R. Zell, Denver, CO
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48			

(Thousands of Dollars)

Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	67,074	25,861
3	1180	Telecommunications Accounts Receivable - Net	1,436,870	1,460,755
4	1190	Other Accounts Receivable - Net	202,654	155,305
5	1200	Notes Receivable - Net	(5)	14
6	1210	Interest and Dividends Receivable	6,172	618
7	1220	Materials and Supplies	125,102	125,876
8	1280	Prepayments	18,266	28,566
9	A 1290	Prepaid Rents	0	0
10	A 1300	Prepaid Taxes	11,106	10,190
11	A 1310	Prepaid insurance	1,446	3,650
12	A 1320	Prepaid Directory Expenses	0	0
13	A 1330	Other Prepayments	5,714	14,746
14	1350	Other Current Assets	41,660	39,552
15		Total Current Assets	1,897,793	1,836,567
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	356,235	21,913
18	1402	Investments in Nonaffiliated Companies	4,687	4,702
19	1406	Nonregulated Investments	0	0
20	1407	Unamortized Debt Issuance Expense	140,573	146,435
21	1408	Sinking Funds	0	0
22	1410	Other Noncurrent Assets	534,030	652,766
23	1438	Deferred Maintenance and Retirements	0	0
24	1439	Deferred Charges	343,951	334,485
25	1500	Other Jurisdictional Assets - Net	817,034	616,471
26		Total Noncurrent Assets	1,996,510	1,776,772
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	33,625,291	32,328,376
29	2002	Property Held for Future Telecommunications Use	22	22
30	2003	Plant Under Construction - Short Term	533,873	436,279
31	2004	Plant Under Construction - Long Term	69,007	233,161
32	2005	Telecommunications Plant Adjustment	2,746	2,746
33	2006	Nonoperating Plant	35,352	26,263
34	2007	Goodwill	0	0
35	3100	Accumulated Depreciation	(16,914,839)	(15,278,802)
36	3200	Accumulated Depreciation - Held for Future Use	0	0
37	3300	Accumulated Depreciation - Nonoperating	(2,714)	(2,715)
38	3400	Accumulated Amortization (Includes 3500 and 3600)	(215,751)	(238,665)
39		Net Property, Plant, & Equipment	17,132,987	17,506,665
40		TOTAL ASSETS	21,027,290	21,120,004

^ Subaccount of account marked with a *.

Total Company Balance Sheet

Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	1,486,469	1,565,903
43	4020	Notes Payable	122,953	61,930
44	4030	Advance Billing and Payments	285,042	250,490
45	4040	Customer Deposits	42,370	41,400
46	4050	Current Maturities - Long Term Debt	225,625	335,410
47	4060	Current Maturities - Capital Leases	83,296	99,435
48	4070	Income Taxes - Accrued	108,949	27,637
49	4080	Other Taxes - Accrued	234,688	256,257
50	4100	Net Current Deferred Operating Income Taxes	(63,176)	(165,393)
51	4110	Net Current Deferred Nonoperating Income Taxes	148	(13,791)
52	4120	Other Accrued Liabilities	842,428	937,941
53	4130	Other Current Liabilities	62,458	53,458
54		Total Current Liabilities	3,411,250	3,450,677
55		LONG-TERM DEBT:		
56	4210	Funded Debt	5,062,693	4,968,318
57	4220	Premium on Long-Term Debt	1,795	2,749
58	4230	Discount on Long-Term Debt	(123,929)	(124,123)
59	4240	Reacquired Debt	0	0
60	4250	Obligations Under Capital Leases	89,686	79,667
61	4260	Advances From Affiliated Companies	0	0
62	4270	Other Long-Term Debt	90,327	90,395
63		Total Long-Term Debt	5,120,572	5,017,006
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities	1,258,351	1,003,400
66	4320	Unamort. Oper. Invest. Tax Credits - Net	257,072	277,543
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net	0	0
68	4340	Net Noncurrent Deferred Oper. Income Taxes	2,500,382	2,695,198
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	11,758	(342)
70	4360	Other Deferred Credits	688,677	691,979
71	4370	Other Jurisdictional Liab. and Def. Credits	137,154	131,951
72		Total Other Liabilities and Deferred Credits	4,853,394	4,799,729
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	8,053,575	7,990,539
75	4520	Additional Paid-In Capital	0	0
76	4530	Treasury Stock	0	0
77	4540	Other Capital	0	0
78	4550	Retained Earnings	(411,501)	(137,947)
79		Total Stockholders' Equity	7,642,074	7,852,592
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	21,027,290	21,120,004

(Thousands of Dollars)		Total Company Income Statement		Year: 1998
Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	5,428,428	5,010,470
3	5080	Network Access Revenues	3,577,075	3,391,782
4	* 5100	Long Distance Message Revenue	770,868	882,846
5	* 5110	Unidirectional Long Distance Revenue (Note 1)	768,319	880,250
6	* 5120	Long Distance Private Network Revenue	2,549	2,630
7	* 5160	Other Long Distance Revenue	0	(34)
8	* 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	995,271	831,144
10	* 5230	Directory Revenue	94,428	87,506
11	* 5240	Rent Revenue	48,128	31,398
12	* 5250	Corporate Operations Revenue	58,276	19,478
13	* 5260	Miscellaneous Revenue	157,114	133,487
14	* 5270	Carrier Billing and Collection Revenue	109,477	105,535
15	* 5280	Nonregulated Revenue	527,848	453,740
16	* 5300	Uncollectible Revenue	102,870	94,449
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	10,668,772	10,021,793
18		OPERATING EXPENSES:		
19	8110	Network Support Expense	7,918	8,513
20	8120	General Support Expense	436,282	448,161
21	8210	Central Office Switching Expense	252,523	225,758
22	8220	Operator Systems Expense	261	922
23	8230	Central Office Transmission Expense	117,697	123,459
24	8310	Information Origination/Termination Expense	177,177	193,098
25	* 6410	Cable and Wire Facilities Expense	675,904	666,488
26	* 6431	Aerial Wire Expense	628	821
27	* 6441	Conduit Systems Expense	9,968	10,989
28	6510	Other Property, Plant & Equipment Expense	3,424	10,703
29	6530	Network Operations Expense	661,844	660,630
30	6540	Access Expense	303,101	226,985
31	6560	Depreciation and Amortization Expense	2,406,745	2,534,827
32	6610	Marketing	584,901	606,139
33	8620	Services	813,806	800,763
34	6710	Executive and Planning	108,696	115,451
35	6720	General and Administrative	1,350,684	1,228,463
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	7,900,953	7,850,361
38	7100	Other Operating Income and Expense	(22,470)	(13,703)
39	7200	Operating Taxes	1,083,916	913,947
40		Net Operating Income (L.17-L.37+L.38-L.39)	1,661,433	1,243,782
41	7300	Nonoperating Income and Expense	(164,110)	232,974
42	7400	Nonoperating Taxes	763	88,162
43	7500	Interest and Related Items	430,173	430,163
44	7600	Extraordinary Items	0	0
45	7910	Effects of Juris. Ratemaking Diff. - Net	(4,663)	(16,905)
46	7990	Nonregulated Net Income	0	0
47		NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)	1,061,724	941,536

^ Subaccount of the account marked with a *.

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

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(Thousands of Dollars)

Montana Total State Income Statement

Year: 1998

Line No.	Acct No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	128,570	113,229
3	5080	Network Access Revenues	86,859	82,817
4	* 5100	Long Distance Message Revenue	27,410	42,290
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	27,411	42,291
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	7,104	117
10	^ 5230	Directory Revenue	2,192	2,014
11	^ 5240	Rent Revenue	(9,641)	(13,697)
12	^ 5250	Corporate Operations Revenue	1,242	424
13	^ 5260	Miscellaneous Revenue	2,541	2,278
14	^ 5270	Carrier Billing and Collection Revenue	2,464	2,479
15	^ 5280	Nonregulated Revenue	8,306	6,619
16	^ 5300	Uncollectible Revenue	2,345	1,887
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	247,598	236,566
18		OPERATING EXPENSES:		
19	5110	Network Support Expense	535	509
20	6120	General Support Expense	7,301	8,226
21	6210	Central Office Switching Expense	7,018	5,346
22	6220	Operator Systems Expense	3	1
23	6230	Central Office Transmission Expense	2,823	2,401
24	6310	Information Origination/Termination Expense	2,676	2,939
25	* 6410	Cable and Wire Facilities Expense	10,357	13,317
26	^ 6431	Aerial Wire Expense	8	10
27	^ 6441	Conduit Systems Expense	27	78
28	6510	Other Property, Plant & Equipment Expense	(143)	81
29	6530	Network Operations Expense	12,995	14,163
30	6540	Access Expense	11,895	16,100
31	6560	Depreciation and Amortization Expense	57,195	57,572
32	6610	Marketing	10,934	10,913
33	6620	Services	17,942	18,312
34	6710	Executive and Planning	2,542	2,803
35	6720	General and Administrative	29,954	27,563
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	174,027	180,246
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	1,259	324
39	7200	Operating Taxes	36,364	30,753
40		Net Operating Income (L.17-L.37-L.38-L.39)	35,948	25,243

^ Subaccount of the account marked with a *.

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

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(Thousands of Dollars)		Montana Intrastate Income Statement		Year: 1998	
Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)	
1		REVENUES:			
2	5000	Basic Local Service Revenues	128,570	113,229	
3	5080	Network Access Revenues	21,007	20,810	
4	5100	Long Distance Message Revenue	27,327	42,177	
5	5110	Unidirectional Long Distance Revenue (Note 1)	27,328	42,178	
6	5120	Long Distance Private Network Revenue	(1)	(1)	
7	5160	Other Long Distance Revenue	0	0	
8	5169	Other Long Distance Revenue Settlements	0	0	
9	5200	Miscellaneous Revenue	(1,018)	(5,415)	
10	5230	Directory Revenue	2,192	2,014	
11	5240	Rent Revenue	(7,155)	(10,165)	
12	5250	Corporate Operations Revenue	923	312	
13	5260	Miscellaneous Revenue	2,092	1,879	
14	5270	Carrier Billing and Collection Revenue	587	659	
15	5280	Nonregulated Revenue	343	(114)	
16	5300	Uncollectible Revenue	1,456	1,397	
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	174,430	169,404	
18		OPERATING EXPENSES:			
19	6110	Network Support Expense	385	362	
20	6120	General Support Expense	5,012	5,680	
21	6210	Central Office Switching Expense	4,585	3,512	
22	6220	Operator Systems Expense	3	1	
23	6230	Central Office Transmission Expense	1,894	1,606	
24	6310	Information Origination/Termination Expense	306	664	
25	6410	Cable and Wire Facilities Expense	7,302	9,443	
26	6431	Aerial Wire Expense	5	7	
27	6441	Conduit Systems Expense	19	55	
28	6510	Other Property, Plant & Equipment Expense	(101)	52	
29	6530	Network Operations Expense	6,228	8,983	
30	6540	Access Expense	9,933	16,100	
31	6580	Depreciation and Amortization Expense	38,933	39,240	
32	6610	Marketing	5,896	5,630	
33	6620	Services	13,561	14,022	
34	6710	Executive and Planning	1,731	1,974	
35	6720	General and Administrative	20,338	18,676	
36	6790	Provision for Uncollectible Notes Receivable	0	0	
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	119,008	126,145	
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(440)	25	
39	7200	Operating Taxes	28,047	23,344	
40		Net Operating Income (L.17-L.37-L.38-L.39)	27,817	19,690	

^ Subaccount of the account marked with a *.

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

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Company Name: U S WEST Communications, Inc.

SCHEDULE 7

(Thousands of Dollars)

Montana Intrastate Regulated Income Statement

Year: 1998

Line No.	Acct No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	128,087	112,788
3	5080	Network Access Revenues	16,973	17,053
4	5100	Long Distance Message Revenue	27,325	42,176
5	5110	Unidirectional Long Distance Revenue (Note 1)	27,327	42,177
6	5120	Long Distance Private Network Revenue	(1)	(1)
7	5160	Other Long Distance Revenue	0	0
8	5169	Other Long Distance Revenue Settlements	0	0
9	5200	Miscellaneous Revenue	(2,848)	(6,960)
10	5230	Directory Revenue	2,192	2,014
11	5240	Rent Revenue	(4,681)	(5,083)
12	5250	Corporate Operations Revenue	496	6
13	5260	Miscellaneous Revenue	1,771	1,535
14	5270	Carrier Billing and Collection Revenue	(3,660)	(5,835)
15	5280	Nonregulated Revenue	1,033	403
16	5300	Uncollectible Revenue	1,427	1,367
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	168,110	163,690
18		OPERATING EXPENSES:		
19	5110	Network Support Expense	365	346
20	5120	General Support Expense	4,784	5,437
21	6210	Central Office Switching Expense	4,738	3,587
22	6220	Operator Systems Expense	3	1
23	6230	Central Office Transmission Expense	1,762	1,454
24	6310	Information Origination/Termination Expense	292	639
25	6410	Cable and Wire Facilities Expense	6,891	9,023
26	6431	Aerial Wire Expense	5	7
27	6441	Conduit Systems Expense	19	55
28	6510	Other Property, Plant & Equipment Expense	(97)	52
29	6530	Network Operations Expense	8,045	8,735
30	6540	Access Expense	9,933	16,100
31	6560	Depreciation and Amortization Expense	34,059	31,811
32	6610	Marketing	7,249	6,153
33	6620	Services	13,320	14,070
34	6710	Executive and Planning	1,687	1,916
35	6720	General and Administrative	19,335	17,936
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	112,366	117,260
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(479)	23
39	7200	Operating Taxes	28,572	24,693
40		Net Operating Income (L.17-L.37-L.38-L.39)	27,851	21,714

* Subaccount of the account marked with a *.

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

Company Name: U S WEST Communications, Inc.

SCHEDULE 8

(000s) Average Rate Base - Total State Year: 1998

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	770,571	743,476
2	3100	Accumulated Depreciation (Note 1)	366,439	328,482
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	858	1,562
6	4340	Noncurrent Deferred Operating Income Taxes	73,242	75,551
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	331,748	341,005

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	529,430	512,174
2	3100	Accumulated Depreciation (Note 1)	250,905	225,248
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	558	1,079
6	4340	Noncurrent Deferred Operating Income Taxes	50,162	51,847
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	228,921	236,158

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	518,399	503,346
2	3100	Accumulated Depreciation (Note 1)	225,636	207,779
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	543	1,048
6	4340	Noncurrent Deferred Operating Income Taxes	51,103	50,282
7		Pre-1971 Unamortized Investment Tax Credits	0	0
8		Cash Working Capital (if allowed by Commission)	0	0
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	242,202	246,333

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

Company Name: U S WEST Communications, Inc.

SCHEDULE 9

(Thousands of Dollars)		Statement of Cash Flows		Year: 1998	
Line No.	Item Description (a)	This Year (b)	Last Year (c)		
1	Increase/(decrease) in Cash & Cash Equivalents				
2	Cash Flows from Operating Activities:				
3	Net Income	1,061,724	941,536		
4	Reconciliation Adjustments:				
5	Depreciation & Amortization	2,406,745	2,534,827		
6	Provision for Accounts Receivable Losses	102,870	94,449		
7	Deferred Income Taxes - Net	(60,578)	(168,868)		
8	Unamortized Investment Tax Credits (ITCs) - Net	(20,471)	(22,558)		
9	Allowance for Funds Used During Construction (AFUDC)	(17,140)	(21,524)		
10	Change in Operating Receivables - Net	(28,997)	(68,554)		
11	Change in Materials, Supplies & Inventories - Net	774	(16,665)		
12	Change in Operating Payables & Accrued Liabilities - Net	(297,623)	712,635		
13	Change in Other Assets & Deferred Charges - Net	(156,736)	57,282		
14	Change in Other Liabilities & Deferred Credits - Net	258,851	146,351		
15	Other (explained on back of this page)	78,507	(8,575)		
16	Total Adjustments	2,274,200	3,238,800		
17	Net Cash Provided by/(Used in) Operating Activities	3,335,924	4,180,336		
18	Cash Inflows/Outflows From Investing Activities:				
19	Construction/Acquisition of Property, Plant & Equipment (net of				
20	AFUDC & Capital Lease Related Acquisitions)	(2,307,204)	(2,620,036)		
21	Proceeds from Disposals of Property, Plant & Equipment	274,136	196,167		
22	Investments In & Advances to Affiliates	(63,000)	0		
23	Proceeds from Repayment of Advances	0	0		
24	Other Investing Activities (explained on back of this page)	0	0		
25	Net Cash Provided by/(Used in) Investing Activities	(2,096,068)	(2,423,869)		
26	Cash Flows from Financing Activities:				
27	Net Incr./Decr. in Short-Term Debt, Original maturity <= 3 mo.	61,024	(638,208)		
28	Advances from Affiliates	0	0		
29	Repayment of Advances from Affiliates	0	0		
30	Proceeds from Issuances of Long-Term Debt	320,000	28,770		
31	Repayment of Long-Term Debt	(335,477)	(47,048)		
32	Payment of Capital Lease Obligations	(107,541)	(94,009)		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment	63,000	294,999		
34	Repurchase of Treasury Shares	0	0		
35	Dividends Paid	(1,199,649)	(1,366,700)		
36	Other Financing Activities (explained on back of this page)	0	0		
37	Net Cash Provided by Financing Activities	(1,198,643)	(1,622,196)		
38	Effect of Exchange Rate Changes on Cash	0	0		
39	Net Increase/(Decrease) in Cash & Cash Equivalents	41,213	(65,729)		
40	Cash & Cash Equivalents at Beginning of Period	25,861	91,590		
41	Cash & Cash Equivalents at End of Period	67,074	25,861		

Company Name: U S WEST Communications, Inc.

SCHEDULE 10

Line No.	Name of Affiliate or Company (a)	Receivables and Investments-Mixed & Nonaffiliated Companies										Year: 1988	
		Account 1160 Temporary Investments (b)	Account 1166 Accounts Receivable (c)	Account 1181 Accounts Receivable (d)	Account 1182 Accounts Receivable (e)	Account 1191 Accounts Receivable (f)	Account 1200 Notes Receivable (g)	Account 1201 Receivable Allowance (h)	Account 1210 Accounts Receivable (i)	Account 1401 Accounts Receivable (j)	Account 1402 Accounts Receivable (k)		
1	U S WEST Wireless, LLC				24,126						334,956		
2	Mohr Home Telephone Company				389						11,758		
3	EI Paso County Telephone										9,249		
4	SMS/800 Service										11,400		
5	Milbeta Development										2,063		
6	U S WEST, Inc.		42		16,317								
7	U S WEST Telecommunications Services, Inc.		116		1,855								
8	U S WEST Marketing Technologies, Inc.		416		1,865								
9	U S WEST Advanced Technologies, Inc.		18		463								
10	U S WEST Business Resources, Inc.		10		10,206								
11	U S WEST New Vector Group, Inc.		1										
12	U S WEST Federal Services, Inc.		2		546								
13	U S WEST International, Inc.				118								
14	U S WEST Enterprises, Inc.		25										
15	U S WEST Enhanced Services, Inc.		4										
16	U S WEST Capital Corporation, Inc.		1										
17	U S WEST Financial Services, Inc.												
18	U S WEST Strategic Marketing, Inc.												
19	U S WEST Media Group, Inc.												
20	U S WEST Investments, Inc.												
21	U S WEST Long Distance		4		3,801								
22	Foreign Office Services												
23	U S WEST Interpress		118										
24	U S WEST Education Foundation												
25	U S WEST International Holdings, Inc.												
26	All other investments	4,005	1,484,038	47,844	127,348	0	0	5,420	0	0	0	4,687	
27	Non-affiliates												
28	Totals	4,005	1,484,714	47,844	262,634	0	0	6,172	356,235	0	4,687		

SCHEDULE 11
Net Plant in Service - Detail

Year: 1998

Line No.	Account	Description	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	2110	Land and Support Assets	64,860	2,042	2,907	0	63,995	30,657	33,338
2	A 2111	Land	1,758	22	0	0	1,736	0	1,736
3	A 2112	Motor Vehicles	9,455	230	379	0	9,306	7,672	1,634
4	A 2113	Aircraft	0	0	0	0	0	0	0
5	A 2114	Special Purpose Vehicles	147	147	0	0	147	87	60
6	A 2115	Garage Work Equipment	245	14	19	0	240	(43)	283
7	A 2116	Other Work Equipment	5,049	(5)	793	0	4,251	673	3,578
8	A 2121	Buildings	37,929	969	439	0	38,459	16,644	21,815
9	A 2122	Furniture	63	0	45	0	18	(78)	96
10	A 2123	Office Equipment	3,040	26	505	0	2,561	1,983	578
11	A 2124	General Purpose Computers	7,174	808	705	0	7,277	3,719	3,558
12	2211	Analog Electronic Switching	193	(2)	16	0	175	174	1
13	2212	Digital Electronic Switching	142,174	7,797	4,004	0	145,967	64,121	81,846
14	2215	Electro-Mechanical Switching	0	(1)	0	0	(1)	0	(1)
15	2220	Operator Systems	0	0	0	0	0	0	0
16	2231	Radio Systems	16,899	175	255	0	16,819	7,316	9,503
17	2232	Circuit Equipment	133,685	8,564	2,646	0	139,611	78,516	61,095
18	2310	Information Orig & Term Equip	7,302	590	203	0	7,689	4,895	2,794
19	A 2311	Station Apparatus	0	0	0	0	0	0	0
20	A 2321	Customer Premises Wiring	0	0	0	0	0	0	0
21	A 2341	Large Private Branch Exchanges	0	0	0	0	0	0	0
22	A 2351	Public Telephone Term. Equip	3,335	55	163	0	3,227	2,758	469
23	A 2362	Other Terminal Equipment	3,967	535	40	0	4,462	2,137	2,325
24	2411	Poles	6,425	(37)	91	0	6,297	7,719	(1,422)
25	2420	Cable and Wire Facilities	361,068	14,676	1,171	0	374,573	183,539	191,034
26	A 2421	Aerial Cable	30,779	1,361	522	0	31,618	22,265	9,353
27	A 2422	Underground Cable	39,914	1,361	59	0	41,236	24,797	16,439
28	A 2423	Buried Cable	283,511	11,714	576	0	294,649	132,050	162,599
29	A 2424	Submarine Cable	32	0	0	0	32	23	9
30	A 2425	Deep Sea Cable	0	0	0	0	0	0	0
31	A 2426	Innrbuilding Network Cable	6,832	220	14	0	7,038	4,404	2,634
32	2431	Aerial Wire	935	54	1	0	968	1,209	(221)
33	2441	Conduit Systems	20,414	230	2	0	20,642	7,319	13,323
34	Totals		753,964	34,089	11,298	0	776,755	385,465	391,290

* Subaccount of the account marked with a

Company Name: U S WEST Communications, Inc.

SCHEDULE 12

Thousands of Dollars

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Analysis of Plant Held for Future Use				Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Year: 1998 Book Cost of Property at End of Year (g)
			Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)					
1	U S WEST Communications, Inc.								
2	Montana had no Plant Held for								
3	Future Use in 1998.								
4									
5									
6									
7									
8									
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24									
25									
26									
27									
28									
29									
30	Totals (Sum L 1 to L 29)		0	0	0	0	0	0	

SCHEDULE 13

Average Cost of Long Term Debt

(Thousands of Dollars)

Line No	Exclusion	Issue Date	Maturity Date	Principal Amount	Gross Proceeds	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost	Amortization of Premium or Discount	Total Cost (%)
	(D)	(B)	(C)	(G)	(E)	(F)	(H)	(I)	(J)	(K)	(L)
1	U S WEST COMMUNICATIONS										
2	6.125% 65 Year Debenture Note	1/17/88	1/17/88	250,000	N/A	248,683	248,615	6.13%	15,313	(889)	5.865%
3	6.375% 67 Year Note	10/15/85	10/15/82	250,000	N/A	247,932	248,665	6.38%	13,338	84	6.45%
4	6.625% 11 Year Note	10/28/83	10/15/84	250,000	N/A	247,879	382,214	3.65%	5,650	201	5.96%
5	6.625% 10 Year Note	10/28/83	10/15/83	250,000	N/A	247,881	248,392	6.63%	10,563	40	6.85%
6	6.75% 19 Year Note	10/15/83	10/15/85	400,000	N/A	395,219	400,042	6.13%	3,188	(75)	6.17%
7	6.75% 30 Year Debenture	10/15/83	10/15/85	400,000	N/A	395,219	383,300	7.30%	38,300	(7)	7.25%
8	7.25% 30 Year Debenture	10/15/85	10/15/85	250,000	N/A	247,332	247,453	7.25%	8,125	3	7.25%
9	7.25% 30 Year Debenture	10/15/85	10/15/85	250,000	N/A	246,518	246,274	7.25%	18,068	30	7.25%
10	7.25% 40 Year Debenture	10/15/85	10/15/85	250,000	N/A	246,518	246,274	7.25%	18,068	30	7.25%
11	8.875% 40 Year Debenture	10/15/81	10/15/81	1,000,000	N/A	993,417	995,944	6.88%	68,742	28	6.91%
12	8.875% 40 Year Debenture	10/15/83	10/15/83	250,000	N/A	244,154	244,394	6.88%	18,125	518	7.01%
13	7.25% 40 Year Debenture	10/15/85	10/15/85	250,000	N/A	244,154	244,394	7.25%	18,125	11	7.18%
14	7.25% 50 Year Debenture	11/15/83	11/15/83	300,000	N/A	298,717	298,070	6.63%	16,875	33	6.63%
15	6.625% 5 Year Euro Note	11/15/83	11/15/83	300,000	N/A	298,717	298,070	6.63%	16,875	33	6.63%
16	6.625% 10 Year Note	11/15/88	11/15/88	320,000	N/A	316,787	316,601	6.63%	18,000	11	5.89%
17											
18											
19	EASTERN REGION										
20				36,410	N/A	35,916	0	4.88%	1,728	(2)	9.68%
21	4.875% 38 Year Debenture	05/01/80	05/01/80	75,000	N/A	73,669	74,775	9.50%	7,125	87	6.01%
22	9.50% 10 Year Debenture	05/01/80	05/01/80	50,000	N/A	49,717	49,562	6.00%	3,000	5	6.28%
23	6.00% 35 Year Debenture	05/01/80	01/01/87	86,700	N/A	88,945	89,568	6.25%	5,696	15	5.92%
24	6.25% 20 Year Debenture	01/01/88	02/15/17		N/A		(9,022)			468	9.86%
25	Refinanced Debenture	02/15/17	02/15/17		N/A		38,134		3,303	43	
26	7.50% 40 Year Debenture	05/01/80	05/01/80	42,863	N/A	33,853		7.65%			
27											
28											
29	CENTRAL REGION										
30				40,000	N/A	40,302	40,015	5.00%	2,000	(15)	4.96%
31	5.00% 40 Year Debenture	04/01/80	04/01/80	100,000	N/A	99,320	99,704	9.50%	9,500	129	9.68%
32	5.50% 16 Year Debenture	05/01/80	05/01/82	50,000	N/A	50,719	50,056	4.50%	2,250	(20)	4.61%
33	4.50% 40 Year Debenture	06/01/82	06/01/82	40,760	N/A	40,768	40,768	5.90%	2,242	60	5.00%
34	5.50% 38 Year Debenture	06/01/82	06/01/82	40,760	N/A	40,768	40,768	6.00%	4,212	10	6.07%
35	5.00% 40 Year Debenture	08/01/87	08/01/87	70,200	N/A	69,788	70,107	6.00%	4,212	10	6.07%
36	Refinanced Debenture	11/15/16	11/15/16		N/A		(5,541)			311	5.61%
37	Refinanced Debenture	09/15/77	09/15/17		N/A		(8,031)			429	5.35%
38	Refinanced Debenture	06/01/83	06/01/83		N/A		(21,858)			899	4.10%
39	Refinanced Debenture	02/01/85	07/01/25		N/A		(21,219)			813	3.83%
40	Refinanced Debenture	02/01/89	07/01/20		N/A		(10,409)			575	5.53%
41	Refinanced Debenture	02/01/97	02/01/20		N/A		(10,409)			1,276	5.53%
42	7.375% 40 Year Debenture	05/01/80	05/01/80	55,150	N/A	41,484	41,802	7.38%	4,967	66	9.86%
43	Subtotal Page 1 of 2			5,003,103	N/A	4,836,843	4,416,866		341,879	5,402	

SCHEDULE 13

Average Cost of Long Term Debt

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Clues Proceeds (e)	Net Proceeds (f)	Net Pw \$1.00 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)	
1	WESTERN REGION												
2													
3	4-502% 37 Year Debenture	12/01/83	12/01/90	50,000	N/A	50,174	100.35	50,009	4.50%	2,250	(17)	4.47%	
4	4-375% 40 Year Debenture	06/01/82	06/01/92	50,000	N/A	50,539	101.08	50,049	4.30%	2,188	(25)	4.32%	
5	4-500% 40 Year Debenture	04/01/83	04/01/93	50,000	N/A	50,719	101.56	50,083	4.50%	2,250	(31)	4.43%	
6	Reimburse Debenture	05/01/80	05/01/2020					(9,416)			441	4.05%	
7													
8	MEDIUM TERM NOTE PROGRAM												
9													
10	6-550% 3 Year Note	03/01/83	03/01/85	1,000	N/A	6,662	66.36	6,693	6.50%	459	0	6.53%	
11	7-550% 3 Year Note	01/01/83	01/01/85	30,000	N/A	34,698	99.34	34,386	7.10%	2,465	0	7.12%	
12	7-500% 10 Year Note	01/01/83	01/01/93	20,000	N/A	19,971	99.34	19,822	7.10%	1,428	0	7.12%	
13	7-100% 10 Year Note	01/01/83	01/01/93	15,000	N/A	14,971	99.34	14,822	7.05%	1,026	0	7.07%	
14	7-100% 10 Year Note	01/01/83	01/01/93	14,000	N/A	13,881	99.34	13,732	6.95%	1,258	0	6.97%	
15	6-950% 10 Year Note	02/01/83	02/01/93	14,000	N/A	13,801	99.34	13,652	6.97%	1,046	0	6.99%	
16	6-970% 10 Year Note	02/01/83	02/01/93	15,000	N/A	14,801	99.34	14,652	6.90%	1,046	0	6.92%	
17	6-900% 10 Year Note	02/01/83	02/01/93	10,000	N/A	9,894	99.34	9,745	6.90%	689	0	6.92%	
18													
19													
20	STRUCTURED NOTES (USWC)												
21													
22	6-000% 5.375 Year NE Affordable Housing			0	N/A	0	100.00	0	6.33%	0	0	6.33%	
23	6-231% 5 Year Note	03/15/84	03/15/89	75,000	N/A	75,000	100.00	75,000	6.23%	4,673	(75)	6.13%	
24	6-241% 5 Year Note	03/25/84	03/25/89	30,000	N/A	30,000	100.00	30,000	6.24%	1,912	(30)	6.14%	
25	6-265% 5 Year Note	03/25/84	03/25/89	50,000	N/A	50,000	100.00	50,000	6.27%	3,133	(50)	6.17%	
26	6-634% 5 Year Note	04/22/84	04/22/89	76,625	N/A	70,625	100.00	70,625	6.63%	4,683	0	6.63%	
27	6-5120% 6 Year Note	11/22/95	11/22/01	433,000	N/A	133,000	100.00	133,000	6.51%	8,661	0	6.51%	
28	Sumtotal Page 2 of 2												
29				620,625	N/A	621,379	100.12	611,061		37,622	213		
30	Grand Total												
				5,623,728	N/A	5,498,221	97.06	5,027,117		374,431	5,615	7.66%	

Company Name: US WEST Communications, Inc.

SCHEDULE 14

(Thousands of Dollars)

Line No	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Cost of Preferred Stock					Year: 1995								
					Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cash Cost (k)	Embedded Cash Cost (l)						
1	US WEST Communications, Inc.																	
2	has no Preferred Stock																	
3																		
4																		
5																		
6																		
7																		
8																		
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23																		
24																		
25																		
26																		
27																		
28																		
29																		
30	Totals (Sum L. 1 to L. 29)											0	0	0	0	0	0	0

SCHEDULE 15

Line No.	(Thousands of Dollars)	Analysis of Common Stock						Year: 1998		
		(a)	(b)	(c)	(d)	(e)	(f)	High (g)	Low (h)	Price/Earnings Ratio (i)
1	Year Ended December 31, 1998	1	8,054	1,062	1,200	-12.99%	N/A	N/A	N/A	N/A
2										
3										
4										
5										
6										
7										
8	Month by Month Data									
9	January		7,990,539	80,751	-					
10	February		7,990,541	121,729	192,319					
11	March		7,990,541	94,651	-					
12	April		7,990,541	87,329	-					
13	May		7,990,549	86,815	373,593					
14	June		8,053,616	38,543	-					
15	July		8,053,753	78,945	-					
16	August		8,053,746	81,479	276,382					
17	September		8,053,818	126,850	-					
18	October		8,053,863	95,303	-					
19	November		8,053,873	88,913	357,345					
20	December		8,053,575	82,215	-					
21										
22										
23										

(000s) Capital Stock and Funded Debt Reacquired or Retired During the Year							Year: 1998
Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	FUNDED DEBT						
2	5YR 5.625% Due 07-08-98	7/8/98		300,000			
3	(USWC)						
4	38YR 4.875% Due 05-01-98	6/1/98		35,410			
5	(USWC - Eastern Region)						
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Totals (Sum L. 1 to L. 24)			0	335,410	0	0

SCHEDULE 17
Total Company Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Cleanances (g)	Total (h)
1	6110	Network Support Expense	(439,268)	(36,802)	(10,886,560)	19,280,522	0	7,817,891
2	6112	Motor Vehicle Expense	(77,276)	(51,214)	(27,171)	4,889,310	0	4,733,649
3	6113	Aircraft Expense	0	0	1,136	38,432	0	39,568
4	6114	Special Purpose Vehicles Expense	1,780	462	0	39,170	0	41,392
5	6115	Garage Work Equipment Expense	2,930	763	6,341	587,252	0	597,286
6	6116	Other Work Equipment Expense	(366,683)	13,188	(10,866,865)	13,726,356	0	2,506,995
7	6120	General Support Expense	88,132,636	22,901,822	133,620,746	191,626,509	0	436,281,714
8	6121	Land and Building Expense	11,783,166	3,068,507	100,081,613	79,589,662	0	194,412,957
9	6122	Furniture and Artworks Expense	559,460	130,361	157,465	19,538,640	0	20,415,966
10	6123	Office Equipment Expense	5,340,409	1,371,970	11,192,813	12,021,927	0	29,927,119
11	6124	General Purpose Computers Expense	70,439,612	18,370,864	22,188,634	80,526,261	0	191,525,671
12	6210	Central Office Switching Expense	109,779,883	28,145,514	86,394,876	28,202,437	0	252,522,709
13	6211	Analog Electronic Expense	23,955,181	6,147,573	11,071,943	4,631,387	0	46,006,084
14	6212	Digital Electronic Expense	85,543,288	21,926,114	75,321,991	23,352,467	0	206,143,660
15	6215	Electro-Mechanical Expense	281,414	71,828	942	18,582	0	372,766
16	6220	Operator Systems Expense	16,180	4,180	618	240,202	0	261,160
17	6230	Central Office Transmission Expense	80,451,443	20,582,971	1,435,077	15,227,910	0	117,697,402
18	6231	Radio Systems Expense	1,959,928	502,167	121,247	1,263,933	0	3,847,175
19	6232	Circuit Equipment Expense	78,481,514	20,080,904	1,313,831	13,964,077	0	113,850,227
20	6310	Information Origination/Termination Expense	108,737,791	27,769,624	8,526,675	32,112,815	0	177,177,104
21	6311	Station Apparatus Expense	4,401,499	1,126,250	51,145	1,320,204	0	6,899,098
22	6341	Large Private Branch Exchange Expense	10,854,038	2,777,316	156,378	906,133	0	14,693,865
23	6351	Public Telephone Terminal Equipment Expense	10,093,095	2,582,692	6,862,464	12,545,560	0	37,083,811
24	6362	Other Terminal Equipment Expense	83,389,159	21,313,966	1,456,867	17,340,917	0	123,500,330
25	6410	Cable and Wire Facilities Expense	379,811,390	108,358,495	16,582,548	171,151,412	0	675,903,845
26	6411	Poles Expense	322,202	82,291	10,232,968	1,896,736	0	12,534,496
27	6421	Aerial Cable Expense	78,579,301	20,102,570	1,138,143	27,134,957	0	126,954,671
28	6422	Underground Cable Expense	34,886,237	8,925,359	1,020,545	14,429,448	0	59,281,768
29	6423	Buried Cable Expense	254,136,570	76,210,710	3,794,860	115,366,677	0	449,509,016
30	6424	Submarine Cable Expense	40	11	(3,436)	0	0	(3,384)
31	6425	Deep Sea Cable Expense	0	0	0	0	0	0
32	6426	Intrabuilding Network Cable Expense	11,408,943	2,915,447	193,869	2,532,997	0	17,051,255
33	6431	Aerial Wire Expense	94,465	24,480	2,316	506,591	0	627,855
34		Subtotals	766,106,423	207,858,676	235,474,333	448,954,264	0	1,657,793,697

* Subaccount of the account marked with a *

SCHEDULE 17
Total Company Expense Matrix

Line No.	Acct No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense	383,631	97,128	199,847	9,287,543	0	9,968,148
36	6510	Other Property Expenses	207,549	(113,756)	0	3,330,944	0	3,423,944
37	6530	Network Operations Expense	401,287,503	127,140,206	56,533	133,359,258	0	661,843,601
38	6531	Power Expense	0	0	0	42,827,098	0	42,827,098
39	6532	Network Administration Expense	20,465,635	6,552,090	0	2,292,715	0	28,310,429
40	6533	Testing Expense	118,459,777	30,346,895	0	2,994,086	0	151,800,759
41	6534	Plant Operations Expense	195,600,665	72,573,432	55,033	39,826,700	0	308,064,830
42	6535	Engineering Expense	66,752,527	17,667,796	1,501	45,418,660	0	129,840,484
43	6540	Access Expense	0	0	0	303,101,156	0	303,101,156
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	2,288,435,014	0	2,288,435,014
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0	0	0
46	6563	Amortization Expense - Tangible	0	0	0	0	0	0
47	6564	Amortization Expense - Intangible	0	0	0	137,511	0	137,511
48	6565	Amortization - Other	0	0	0	20,931,164	0	20,931,164
49	6510	Marketing	161,401,175	33,953,746	2,876	389,543,337	0	564,901,134
50	6511	Product Management	84,991,960	17,857,527	433	96,122,911	0	197,972,851
51	6512	Sales	75,426,239	15,947,996	2,443	161,465,321	0	252,741,969
52	6513	Product Advertising	992,996	248,254	0	132,955,105	0	134,186,314
53	6621	Call Completion Services	19,880,735	6,501,899	45	3,319,301	0	31,701,960
54	6622	Number Services	62,855,169	28,332,953	328	4,887,819	0	96,080,269
55	6623	Customer Services	380,008,389	119,650,859	20,443	208,343,781	0	886,023,472
56	6711	Executive	28,785,158	9,416,472	665	63,257,489	0	101,459,783
57	6712	Planning	4,464,052	1,090,143	0	1,662,083	0	7,226,288
58	6721	Accounting and Finance	41,620,203	10,511,321	712	32,245,284	0	84,377,519
59	6722	External Relations	27,297,796	6,884,099	378	65,423,615	0	99,605,868
60	6723	Human Relations	25,656,359	5,413,132	174	39,865,433	0	70,935,097
61	6724	Information Management	116,739,537	26,996,797	23,392,513	623,793,341	0	790,921,187
62	6725	Legal	151,205	50,593	137	81,844,021	0	82,045,956
63	6726	Procurement	1,980,652	506,319	0	17,822,040	0	20,319,211
64	6727	Research and Development	0	0	0	199,866	0	199,866
65	6728	Other General and Administrative	26,023,025	1,127,087	1,878,167	177,533,095	0	206,561,393
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67		Totals	2,044,865,870	587,207,876	261,027,169	5,012,138,048	0	7,905,234,763

* Subaccount of the account marked with a *

SCHEDULE 18
Total State Expense Matrix

Line No.	Acct No.	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	6110	Network Support Expense	84,657	7,845	(242,481)	0	0	534,952
2	6112	Motor Vehicle Expense	80,469	7,316	(817)	279,133	0	366,131
3	6113	Aircraft Expense	0	0	0	0	0	0
4	6114	Special Purpose Vehicles Expense	236	59	0	2,930	0	3,208
5	6115	Garage Work Equipment Expense	0	0	0	17,375	0	17,375
6	6116	Other Work Equipment Expense	3,942	469	(241,665)	385,524	0	148,270
7	6120	General Support Expense	1,945,366	605,350	1,031,747	3,217,191	0	7,300,674
8	6121	Land and Building Expense	353,089	30,662	464,642	1,367,890	0	2,278,484
9	6122	Furniture and Networks Expense	7,306	2,866	36,895	158,491	0	203,558
10	6123	Office Equipment Expense	19,427	5,005	193,010	229,572	0	447,014
11	6124	General Purpose Computers Expense	1,563,394	407,787	937,000	1,463,248	0	4,371,619
12	6210	Central Office Switching Expense	3,012,721	775,162	2,070,267	1,160,244	0	7,018,414
13	6211	Analog Electronic Expense	209,997	54,025	282,057	5,842	0	551,931
14	6212	Digital Electronic Expense	2,801,657	720,850	1,768,165	1,154,303	0	6,465,036
15	6215	Electro-Mechanical Expense	1,067	268	14	98	0	1,447
16	6220	Operator Systems Expense	0	0	0	2,959	0	2,959
17	6230	Central Office Transmission Expense	1,835,101	470,568	42,596	474,265	0	2,822,531
18	6231	Radio Systems Expense	63,251	16,298	20,580	15,481	0	115,620
19	6232	Circuit Equipment Expense	1,771,650	454,270	22,005	458,785	0	2,705,910
20	6310	Information Origination/Termination Expense	1,851,210	475,695	25,082	324,519	0	2,676,497
21	6311	Station Apparatus Expense	3,495	892	24	882	0	5,293
22	6341	Large Private Branch Exchange Expense	69,005	17,816	1,112	7,168	0	95,100
23	6351	Public Telephone Terminal Equipment Expense	315,369	80,950	0	50,336	0	446,655
24	6362	Other Terminal Equipment Expense	1,463,341	376,028	23,946	266,133	0	2,129,448
25	6410	Cable and Wire Facilities Expense	6,358,600	2,034,751	300,881	1,652,753	0	10,356,986
26	6411	Poles Expense	1,134	258	211,505	93,645	0	306,579
27	6421	Aerial Cable Expense	1,432,026	368,735	20,323	325,044	0	2,147,628
28	6422	Underground Cable Expense	352,270	50,943	5,265	92,662	0	541,159
29	6423	Buried Cable Expense	4,402,220	1,528,479	56,796	1,076,466	0	7,065,951
30	6424	Submarine Cable Expense	0	0	0	0	0	0
31	6425	Deep Sea Cable Expense	0	0	0	0	0	0
32	6426	Intruding Network Cable Expense	179,820	45,984	2,657	33,305	0	280,767
33	6431	Aerial Wire Expense	362	94	5	7,088	0	7,550
34		Subtotals	15,097,685	4,270,362	3,828,092	7,515,863	0	30,713,042

* Subaccount of the account marked with a *

Line No.	Acct No	Description	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	6441	Conduit Systems Expense	859	220	1,732	24,531	0	27,352
36	6510	Other Property Expenses	90,195	18,997	0	(252,557)	0	(143,365)
37	6530	Network Operations Expense	7,183,423	2,215,151	301	3,596,027	0	12,994,902
38	6531	Power Expense	0	0	0	913,289	0	913,289
39	6532	Network Administration Expense	244,923	73,117	0	52,215	0	370,254
40	6533	Testing Expense	2,658,942	672,452	0	66,322	0	3,394,815
41	6534	Plant Operations Expense	3,153,280	1,166,205	280	1,213,216	0	5,534,862
42	6535	Engineering Expense	1,159,179	301,377	21	1,350,985	0	2,811,561
43	6640	Access Expense	0	0	0	11,895,337	0	11,895,337
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	55,732,729	0	55,732,729
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	1,426,049	0	1,426,049
46	6563	Amortization Expense - Tangible	0	0	0	3,497	0	3,497
47	6564	Amortization Expense - Intangible	0	0	0	32,898	0	32,898
48	6565	Amortization - Other	0	0	0	0	0	0
49	6610	Marketing	3,259,513	659,084	9	7,015,591	0	10,934,207
50	6611	Product Management	1,783,145	367,086	6	2,062,618	0	4,212,855
51	6612	Sales	1,441,002	284,594	3	2,916,769	0	4,642,467
52	6613	Product Advertising	35,366	7,314	0	2,036,205	0	2,078,885
53	6621	Call Completion Services	745,009	314,560	20	103,468	0	1,163,077
54	6622	Number Services	1,037,894	489,709	57	68,802	0	1,596,462
55	6623	Customer Services	7,428,809	2,446,804	450	5,306,353	0	15,182,416
56	6711	Executive	810,056	205,331	12	1,368,925	0	2,384,325
57	6712	Planning	97,515	23,516	0	36,459	0	157,530
58	6721	Accounting and Finance	929,966	235,884	15	710,057	0	1,876,052
59	6722	External Relations	1,058,570	265,665	3	1,131,230	0	2,452,468
60	6723	Human Relations	564,719	118,700	4	904,457	0	1,587,910
61	6724	Information Management	2,380,663	595,764	462,943	13,447,061	0	17,086,527
62	6725	Legal	2,948	956	3	1,917,564	0	1,921,491
63	6726	Procurement	42,497	10,819	0	394,383	0	447,709
64	6727	Research and Development	0	0	0	4,419	0	4,419
65	6728	Other General and Administrative	613,680	39,713	1,846	3,922,409	0	4,577,648
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67		Totals	41,840,237	11,911,166	4,293,755	116,282,060	0	174,027,239

* Subaccount of the account marked with a *

Pension Costs

Year:1998

1	Plan Name U S WEST Pension Plan			
2	Defined Benefit Plan? Yes		Defined Contribution Plan? No	
3	Actuarial Cost Method? Projected Unit Credit		IRS Code: 005	
4	Annual Contribution by Employer: 0		Is the Plan Over Funded? Yes	
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	7,582,345	8,310,000	-9.00%
8	Service cost	155,897	175,725	-11.28%
9	Interest Cost	527,412	624,826	-15.59%
10	Plan participants' contributions	0	0	0.00%
11	Amendments	0	0	0.00%
12	Actuarial Gain	410,884	750,095	-45.22%
13	Acquisition	0	0	0.00%
14	Benefits paid	(533,380)	(694,000)	23.14%
15	Benefit obligation at end of year	8,123,158	9,166,646	-11.38%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	10,114,245	10,957,682	-7.70%
18	Actual return on plan assets	1,302,507	1,982,601	-34.30%
19	Acquisition	0	0	0.00%
20	Employer contribution	0	0	0.00%
21	Plan participants' contributions	0	0	0.00%
22	Benefits paid	(587,397)	(680,368)	13.66%
23	Fair value of plan assets at end of year	10,829,356	12,259,915	-11.67%
24	Funded Status	2,706,198	3,093,269	-12.51%
25	Unrecognized net actuarial loss	(1,810,652)	(1,966,181)	7.91%
26	Unrecognized prior service cost	(381,398)	(540,051)	29.38%
27	Prepaid (accrued) benefit cost	514,148	587,037	-12.42%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	6.75%	7.00%	-3.57%
31	Expected return on plan assets	8.80%	8.50%	3.53%
32	Rate of compensation increase	4.65%	5.50%	-15.45%
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost	155,897	175,725	-11.28%
36	Interest cost	527,412	624,826	-15.59%
37	Expected return on plan assets	(702,801)	(758,950)	7.39%
38	Amortization of prior service cost & transition obligation	(63,654)	(77,741)	18.12%
39	Recognized net actuarial loss	0	0	0.00%
40	Net periodic benefit cost	(83,246)	(36,140)	-130.34%
41				
42	Montana Intrastate Costs:			
43	Pension Costs	(1,250)	(441)	-183.45%
44	Pension Costs Capitalized	(108)	(41)	-163.41%
45	Accumulated Pension Asset (Liability) at Year End	9,141	8,828	3.55%
46	Number of Company Employees:			
47	Covered by the Plan	83,724	102,429	-18.26%
48	Not Covered by the Plan	0	0	0.00%
49	Active	45,155	63,188	-28.54%
50	Retired	38,569	39,241	-1.71%
51	Deferred Vested Terminated	13,968	17,128	-18.45%

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Note: Last Year's numbers are on a U S WEST, Inc. Basis. No Actuarial report was prepared on a USWC basis. Current Year numbers are on a U S WEST Communications Basis.

Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
1 Regulatory Treatment:			
2 Commission authorized - most recent			
3 Docket number: 90-12-86			
4 Order number: 5535g			
5 Amount recovered through rates-MT Intrastate	4,085	3,903	4.86%
6 Weighted-average Assumptions as of Year End			
7 Discount rate	6.75%	7.00%	-3.57%
8 Expected return on plan assets	8.80%	8.50%	3.53%
9 Medical Cost Inflation Rate	8% graded to 5%	8% graded to 5.5%	
10 Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	
11 Rate of compensation increase	N/A	N/A	
12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13 VEBA - Yes	420 Transfer - Yes		
14 Cash - Yes			
15 Describe any Changes to the Benefit Plan:			
16 There were no significant plan design changes in 1998.			
17 TOTAL COMPANY			
18 Change in Benefit Obligation			
19 Benefit obligation at beginning of year	4,209,557	3,617,857	16.35%
20 Service cost	60,752	53,512	13.53%
21 Interest Cost	293,004	269,477	8.73%
22 Plan participants' contributions	0	0	0.00%
23 Amendments	0	0	0.00%
24 Actuarial Gain	48,560	414,010	-88.27%
25 Acquisition	0	0	0.00%
26 Benefits paid	(170,877)	(145,299)	-17.60%
27 Benefit obligation at end of year	4,440,996	4,209,557	5.50%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	2,204,542	1,851,890	19.04%
30 Actual return on plan assets	272,138	406,965	-33.13%
31 Acquisition	0	0	0.00%
32 Employer contribution	18,000	18,000	0.00%
33 Plan participants' contributions	0	0	0.00%
34 Benefits paid	(116,860)	(72,313)	-61.60%
35 Fair value of plan assets at end of year	2,377,820	2,204,542	7.86%
36 Funded Status			
37 Unrecognized net actuarial loss	(2,063,176)	(2,005,015)	-2.90%
38 Unrecognized prior service cost	2,418,433	2,567,715	-5.81%
39 Prepaid (accrued) benefit cost	(27,977)	154,066	-118.16%
40 Components of Net Periodic Benefit Costs			
41 Service cost	60,752	53,512	13.53%
42 Interest cost	293,004	269,477	8.73%
43 Expected return on plan assets	(195,318)	(156,628)	-24.70%
44 Amortization of prior service cost	149,282	149,605	-0.22%
45 Recognized net actuarial loss	(25,400)	(21,721)	-16.94%
46 Net periodic benefit cost	262,320	294,245	-4.05%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA	18,000	18,000	0.00%
49 Amount Funded through 401(h)	0	0	0.00%
50 Amount Funded through Other - Cash Payments	54,017	63,229	-14.57%
51 TOTAL	72,017	81,229	-11.34%
52 Amount that was tax deductible - VEBA	18,000	18,000	0.00%
53 Amount that was tax deductible - 401(h)	0	0	0.00%
54 Amount that was tax deductible - Other - 420 Transfer	54,017	63,229	-14.57%
55 TOTAL	72,017	81,229	-11.34%

Company Name: U S WEST Communications, Inc.

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(\$'s in 000's) Other Post Employment Benefits (OPEBS)Continued

Year:1998

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	81,652	83,163	-1.83%
3	Not Covered by the Plan	0	0	0.00%
4	Active	45,155	46,324	-2.52%
5	Retired	36,507	36,859	-0.95%
6	Spouses/Dependants covered by the Plan	22,725	N/A	
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year	52,392	42,993	21.86%
10	Service cost	855	678	26.11%
11	Interest Cost	4,125	3,721	10.86%
12	Plan participants' contributions	0	0	0.00%
13	Amendments	0	0	0.00%
14	Actuarial Gain	340	6,788	-94.99%
15	Acquisition	0	0	0.00%
16	Benefits paid	(2,439)	(1,788)	-36.41%
17	Benefit obligation at end of year	55,273	52,392	5.50%
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year	43,975	36,411	20.77%
20	Actual return on plan assets	4,388	6,290	-30.24%
21	Acquisition	0	0	0.00%
22	Employer contribution	2,844	3,062	-7.12%
23	Plan participants' contributions	0	0	0.00%
24	Benefits paid	(1,669)	(1,788)	6.66%
25	Fair value of plan assets at end of year	49,538	43,975	12.65%
26	Funded Status	(5,735)	(8,417)	31.89%
27	Unrecognized net actuarial loss	(1,065)	(1,715)	37.90%
28	Unrecognized prior service cost(including TBO)	6,723	10,779	-37.63%
29	Prepaid (accrued) benefit cost	(77)	647	-111.90%
30	Components of Net Periodic Benefit Costs			
31	Service cost	855	678	26.11%
32	Interest cost	4,125	3,721	10.86%
33	Expected return on plan assets	(4,023)	(3,065)	-31.26%
34	Amortization of prior service cost	2,629	2,569	2.34%
35	Recognized net actuarial loss	0	0	0.00%
36	Net periodic benefit cost	3,586	3,903	-8.12%
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA	1,669	3,062	-45.49%
39	Amount Funded through 401(h)	0	0	0.00%
40	Amount Funded through other - 420 Transfer	771	840	-8.21%
41	TOTAL	2,440	3,902	-37.47%
42	Amount that was tax deductible - VEBA	1,669	3,062	-45.49%
43	Amount that was tax deductible - 401(h)	0	0	0.00%
44	Amount that was tax deductible - Other	771	840	-8.21%
45	TOTAL	2,440	3,902	-37.47%
46	Montana Intrastate Costs:			
47	Benefit Cost Expensed	3,990	3,731	6.94%
48	Benefit Cost Capitalized	95	172	-44.77%
49	Benefit Payments - Medical	2,228	1,664	33.89%
50	Number of Montana Employees:			
51	Covered by the Plan	584	468	24.79%
52	Not Covered by the Plan	0	0	0.00%
53	Active	584	468	24.79%
54	Retired	N/A	N/A	
55	Spouses/Dependants covered by the Plan	N/A	N/A	

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Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	ACTION LEARNING ASSOCIATES	Academia	350		
2	ANDERSEN CONSULTING LLP	Academia	397		
3	CAEL-ADMINISTRATION	Academia	1,613		
4	CENTER FOR THE NEW WEST	Academia	234		
5	CONDIT EXHIBITS	Academia	31		
6	CWA DISTRICT 7	Academia	37		
7	DIGITAL MASTERWORK	Academia	30		
8	HILL ASSOCIATES INC	Academia	86		
9	QUMA LEARNING SYSTEMS INC	Academia	40		
10	SEQUENT COMPUTER SYSTEMS INC	Academia	157		
11	VIASOFT	Academia	300		
12					
13	TOTAL ACADEMIA		3,275		
14					
15	AB HIRSCHFELD PRESS INC	Advertising and Information Services	393		
16	ADVERTISING IMPRESSIONS INC	Advertising and Information Services	349		
17	ARIZONA DIAMOND BACKS	Advertising and Information Services	2,034		
18	ASCENT ENTERTAINMENT GROUP INC	Advertising and Information Services	5,000		
19	AUSTIN KNIGHT INC	Advertising and Information Services	2,072		
20	BLUE MARBLE ADVANCED COMMUNICATION	Advertising and Information Services	383		
21	BRODEUR PORTER NOVELLI	Advertising and Information Services	294		
22	CADMUS DIRECT MARKETING INC	Advertising and Information Services	841		
23	CAMPBELL MITHUN ESTY INC	Advertising and Information Services	5,270		
24	CARLSON MARKETING GROUP	Advertising and Information Services	536		
25	CASH PLUS INC	Advertising and Information Services	39,149		
26	CIDCO INC	Advertising and Information Services	7,915		
27	COLORADO ROCKIES BASEBALL CLUB	Advertising and Information Services	2,160		
28	COMPUTER TRAINING ASSOCIATES	Advertising and Information Services	310		
29	CONDIT EXHIBITS	Advertising and Information Services	474		
30	CORPORATE ARTS	Advertising and Information Services	584		
31	CRAMER-KRASSELL COMPANY	Advertising and Information Services	8,150		
32	CREATIVE WORKS INC	Advertising and Information Services	295		
33	DDB NEEDHAM	Advertising and Information Services	4,930		
34	EXECUTIVE MAILING SERVICE INC	Advertising and Information Services	397		
35	FULL HOUSE SPORTS & ENTERTAINMENT	Advertising and Information Services	501		
36	HADLEY GREEN ADVERTISING	Advertising and Information Services	252		
37	HAGAN COMMUNICATIONS	Advertising and Information Services	782		
38	HERITAGE	Advertising and Information Services	415		
39	INGALLS MORANVILLE ADVERTISING	Advertising and Information Services	1,132		
40	INGLEWOOD PRINT & MAIL	Advertising and Information Services	2,199		
41	INNOTRAC	Advertising and Information Services	578		
42	INTERNATIONAL MERCHANDISING CO	Advertising and Information Services	300		
43	INTERSTATE PRINTING COMPANY	Advertising and Information Services	531		
44	MARGOT MCDONALD/PRINT UNLIMIT	Advertising and Information Services	270		
45	MEDIA PASSAGE INC	Advertising and Information Services	10,922		
46	MICROTEK	Advertising and Information Services	603		
47	MINNESOTA TIMBERWOLVES FOUNDATION	Advertising and Information Services	272		
48	MINNENTERTAINMENT CO	Advertising and Information Services	400		
49	MORGAN & COMPANY	Advertising and Information Services	1,043		
50	NEW AND IMPROVED ADVERTISING	Advertising and Information Services	5,527		
51	NW AYER & PARTNERS	Advertising and Information Services	14,509		
52	OLYMPIC PROPERTIES OF THE UNIT	Advertising and Information Services	4,000		
53	OMAHA WORLD HERALD	Advertising and Information Services	267		
54	OUTDOOR SERVICES	Advertising and Information Services	1,171		
55	PHOENIX SUNS LIMITED PARTNERSHIP	Advertising and Information Services	2,302		
56	PRECISION DIRECT INC	Advertising and Information Services	997		
57	PREVISION MARKETING INC	Advertising and Information Services	3,718		

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
58	SEATTLE SUPERSONICS	Advertising and Information Services	509		
59	SOLIS ADVERTISING & PUBLIC RELATIONS	Advertising and Information Services	1,644		
60	STRATECOM	Advertising and Information Services	1,070		
61	THE INTEGER GROUP	Advertising and Information Services	2,694		
62	THE SUTHERLAND GROUP LTD	Advertising and Information Services	2,024		
63	U S WEST COMMUNICATIONS SERVICE	Advertising and Information Services	2,618		
64	U S WEST DEX	Advertising and Information Services	771		
65	UNITED STATES FIGURE SKATING	Advertising and Information Services	250		
66	U S WEST ACCOUNTS RECEIVABLE	Advertising and Information Services	6,761		
67	U S WEST COMMUNICATIONS	Advertising and Information Services	290		
68	USA BASEBALL	Advertising and Information Services	301		
69	UTAH JAZZ	Advertising and Information Services	272		
70	VANGILDER ENTERPRISES	Advertising and Information Services	781		
71	VAUGHN WEDEEN CREATIVE INC	Advertising and Information Services	471		
72	VSA PARTNERS INC	Advertising and Information Services	1,326		
73					
74	TOTAL ADVERTISING AND INFORMATION SERVICES		156,109		
75					
76	ARTHUR ANDERSEN & COMPANY	Audit and Accounting Service	27		
77	ARTHUR ANDERSEN LLP	Audit and Accounting Service	579		
78	COOPERS & LYBRAND LLP	Audit and Accounting Service	41		
79	DECISIONISM INC	Audit and Accounting Service	92		
80					
81	TOTAL AUDIT AND ACCOUNTING SERVICES		739		
82					
83	AAA COLLECTIONS INC	Clerical and Office Services	358		
84	ACCENT SERVICE COMPANY INCORPORATED	Clerical and Office Services	6,533		
85	ACCOUNT RECOVERY INCORPORATED	Clerical and Office Services	118		
86	ADVANTAGE RECEIVABLE SOLUTIONS	Clerical and Office Services	856		
87	ALLIED INTERSTATE INC	Clerical and Office Services	175		
88	BONDED COLLECTION SERVICE	Clerical and Office Services	53		
89	CBT CREDIT SERVICES	Clerical and Office Services	272		
90	COASTAL ADJUSTMENT BUREAU INC	Clerical and Office Services	276		
91	COLLECT COASTAL ADJUSTMENT BUR	Clerical and Office Services	81		
92	COLLECT DIVERSIFIED ADJUSTMENT	Clerical and Office Services	162		
93	COLLECT W C I FINANCIAL SERVICE	Clerical and Office Services	802		
94	COLLECTION CENTER INC	Clerical and Office Services	232		
95	COLLECTION SERVICE BUREAU	Clerical and Office Services	569		
96	COLLECTRITE INC	Clerical and Office Services	63		
97	CONTINENTAL ALLIANCE INC	Clerical and Office Services	3,011		
98	CREDIT BUREAU OF MISSOULA	Clerical and Office Services	554		
99	DIVERSIFIED ADJ SVC INC	Clerical and Office Services	39		
100	DIVERSIFIED ADJUSTMENT BUREAU	Clerical and Office Services	33		
101	EQUIFAX CREDIT INFORMATION SERVICE	Clerical and Office Services	1,018		
102	KNIGHT ADJUSTMENT BUREAU	Clerical and Office Services	224		
103	NATIONWIDE CREDIT INC.	Clerical and Office Services	659		
104	OLSTEN STAFFING ACCOUNTING	Clerical and Office Services	1,262		
105	OLSTEN STAFFING SERVICES INC	Clerical and Office Services	13,671		
106	RED RIVER COLLECTIONS INCORPORATED	Clerical and Office Services	287		
107	W C I FINANCIAL SERVICES INC	Clerical and Office Services	1,490		
108					
109	TOTAL CLERICAL AND OFFICE SERVICES		32,802		
110					
111	ACTUATE SOFTWARE CORP	Computer and Data Processing	397		
112	ADVANTAGE KBS INC	Computer and Data Processing	451		
113	AIC/TECHWEST ANALYST INTERNATIONAL	Computer and Data Processing	56,601		
114	AMERICAN MANAGEMENT SYSTEMS INC	Computer and Data Processing	13,999		

Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
115	ANDERSEN CONSULTING	Computer and Data Processing	850		
116	ANDERSEN CONSULTING LLP	Computer and Data Processing	1,012		
117	BEECHWOOD DATA SYSTEMS	Computer and Data Processing	524		
118	BLUESTONE SOFTWARE INC	Computer and Data Processing	254		
119	BORN INFORMATION SERVICES INC	Computer and Data Processing	822		
120	CAP GEMINI AMERICA	Computer and Data Processing	329		
121	CARNEGIE GROUP INC	Computer and Data Processing	942		
122	COMPASS AMERICA INC	Computer and Data Processing	337		
123	COMPUTEC INTERNATIONAL RESOURCE	Computer and Data Processing	391		
124	CREATIVE INTERNET SOLUTIONS	Computer and Data Processing	341		
125	DMR CONSULTING GROUP INC	Computer and Data Processing	271		
126	ENCOMPASS TECHNOLOGIES INC	Computer and Data Processing	293		
127	ENTEX INFORMATION SERVICES	Computer and Data Processing	12,075		
128	GEOIT	Computer and Data Processing	525		
129	GTE DATA SERVICES INCORPORATED	Computer and Data Processing	1,588		
130	HEWLETT PACKARD	Computer and Data Processing	1,001		
131	KONARK INC	Computer and Data Processing	649		
132	LUCENT TECHNOLOGIES INC	Computer and Data Processing	696		
133	NCR CORPORATION	Computer and Data Processing	250		
134	OFFICESCAPES BUSINESS FURNITURE	Computer and Data Processing	362		
135	OUTSOURCE TECHNOLOGIES INC	Computer and Data Processing	822		
136	RADIO SATELLITE INTEGRATORS	Computer and Data Processing	375		
137	ROBBINS GIOIA INC	Computer and Data Processing	2,923		
138	SCC COMMUNICATIONS CORP	Computer and Data Processing	4,763		
139	SHL VISION	Computer and Data Processing	1,213		
140	TATA CONSULTANCY SERVICES	Computer and Data Processing	11,951		
141	WORKFLOW SOLUTIONS INC	Computer and Data Processing	329		
142					
143	TOTAL COMPUTER AND DATA SVCS		117,336		
144					
145	A D & ASSOCIATES EXECUTIVE SEA	Consulting and Research Service	26		
146	A G WASSENAAR INC	Consulting and Research Service	228		
147	ACTION LEARNING ASSOCIATES	Consulting and Research Service	1,692		
148	ACTUATE SOFTWARE CORP	Consulting and Research Service	72		
149	ADVANCED CONCEPT ENGINEERING	Consulting and Research Service	52		
150	AGRA EARTH & ENVIRONMENTAL	Consulting and Research Service	32		
151	AIA (MITCHELL L ANDERSON DBA)	Consulting and Research Service	33		
152	ALVINE & ASSOCIATES INC	Consulting and Research Service	170		
153	AMDAHL CORPORATION	Consulting and Research Service	72		
154	AMERICAN EXPRESS CASHIER OPERA	Consulting and Research Service	27		
155	AMERICAN MANAGEMENT SYSTEMS INC	Consulting and Research Service	69		
156	AMERICA'S REGISTRY INC	Consulting and Research Service	121		
157	ANDERSEN CONSULTING	Consulting and Research Service	317		
158	ANDERSEN CONSULTING LLP	Consulting and Research Service	1,821		
159	ANDRE DAVID & ASSOCIATES INC	Consulting and Research Service	45		
160	APCO ASSOCIATES INC	Consulting and Research Service	55		
161	APPLICATION PROFILES	Consulting and Research Service	296		
162	APPLIED TECHNOLOGIES INC	Consulting and Research Service	31		
163	ARCHITECTURAL RESOURCES INC	Consulting and Research Service	68		
164	ARTHUR ANDERSEN LLP	Consulting and Research Service	92		
165	AT&T	Consulting and Research Service	48		
166	BAIN & COMPANY INC	Consulting and Research Service	8,478		
167	BCER CONSULTING ENGINEERS	Consulting and Research Service	166		
168	BES&TERRANEXT	Consulting and Research Service	46		
169	BELL CORE	Consulting and Research Service	148		
170	BEST CONSULTING	Consulting and Research Service	238		
171	BI PERFORMANCE SERVICES	Consulting and Research Service	230		

Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
172	BILLIG & ASSOCIATES	Consulting and Research Service	35		
173	BOLDT THATCHER	Consulting and Research Service	51		
174	BORN INFORMATION SERVICES INC	Consulting and Research Service	116		
175	BPLW ARCHITECTS & ENGINEERS INC	Consulting and Research Service	139		
176	BURKE INC	Consulting and Research Service	215		
177	C B COMMERCIAL	Consulting and Research Service	128		
178	CALL CENTER LEARNING SOLUTIONS	Consulting and Research Service	445		
179	CALL TECHNOLOGIES INC	Consulting and Research Service	57		
180	CAP GEMINI AMERICA	Consulting and Research Service	464		
181	CENTURY WEST ENGINEERING CORP	Consulting and Research Service	54		
182	CLARITAS INC	Consulting and Research Service	46		
183	COLAMETTE CONSTRUCTION CO	Consulting and Research Service	35		
184	COLUMBIA CONSULTING ENGINEERS	Consulting and Research Service	74		
185	COMMERCIAL BUILDING CONSULTANT	Consulting and Research Service	166		
186	COMMERCIAL ROOF MANAGEMENT INC	Consulting and Research Service	32		
187	COMMISSIONER OF PATENTS AND TRADEMARKS	Consulting and Research Service	35		
188	CONSTAT INC	Consulting and Research Service	45		
189	COOPERS & LYBRAND	Consulting and Research Service	373		
190	COOPERS & LYBRAND LLP	Consulting and Research Service	328		
191	CORE STATES BANK NA	Consulting and Research Service	39		
192	CORESTATES BANK NA	Consulting and Research Service	175		
193	CRAWFORD & COMPANY	Consulting and Research Service	53		
194	CRITERION COMMUNICATIONS	Consulting and Research Service	167		
195	CRK MEDIA	Consulting and Research Service	150		
196	CSC INDEX INC	Consulting and Research Service	30		
197	CUSHMAN & WAKEFIELD INC	Consulting and Research Service	82		
198	DATA CRAFT	Consulting and Research Service	188		
199	DAVID WATSON	Consulting and Research Service	106		
200	DELOITTE & TOUCHE CONSULTING	Consulting and Research Service	975		
201	DELOITTE & TOUCHE LLP	Consulting and Research Service	234		
202	DELTA ENVIRONMENTAL CONSULTANT	Consulting and Research Service	37		
203	DIGITAL EQUIPMENT CORPORATION	Consulting and Research Service	51		
204	DIVISION 7 DESIGN	Consulting and Research Service	38		
205	DOUGHERTY CONSULTANTS	Consulting and Research Service	32		
206	DR L A COX JR COX ASSOCIATES	Consulting and Research Service	176		
207	DRAKE BEAM MORIN INC	Consulting and Research Service	31		
208	ED JENKS	Consulting and Research Service	92		
209	EDH STRATEGIC MARKETING INC	Consulting and Research Service	37		
210	ELOQUENT INC	Consulting and Research Service	32		
211	EMPLOYERS UNITY INC	Consulting and Research Service	58		
212	ENGINEERING INDUSTRIES LTD	Consulting and Research Service	112		
213	ENTERPRISE RESEARCH	Consulting and Research Service	42		
214	ERNST & YOUNG LLP	Consulting and Research Service	1,033		
215	EXCELL DATA CORPORATION	Consulting and Research Service	35		
216	EXCHANGE APPLICATIONS INC	Consulting and Research Service	50		
217	FARIDEH MOHAJER	Consulting and Research Service	26		
218	FAXNET CORP	Consulting and Research Service	460		
219	FIRST STRIKE ENVIRONMENTAL	Consulting and Research Service	115		
220	FIRST UNION NATIONAL BANK	Consulting and Research Service	64		
221	FLAKE-WILKERSON MARKET INSIGHT	Consulting and Research Service	124		
222	FMG MARKETING	Consulting and Research Service	63		
223	FORTE SOFTWARE INC	Consulting and Research Service	31		
224	GIL GORDON ASSOCIATES	Consulting and Research Service	76		
225	GLHN ARCHITECTS & ENGINEERS	Consulting and Research Service	27		
226	GLOBAL ADVANTAGE INC	Consulting and Research Service	74		
227	GORDON GUMESON AND ASSOCIATES	Consulting and Research Service	77		
228	GORDON PRILL DRAPES	Consulting and Research Service	89		

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
229	GREENFIELD ONLINE RESEARCH CENTER	Consulting and Research Service	45		
230	GRIGGS ANDERSON RESEARCH	Consulting and Research Service	114		
231	GRUBB & ELLIS	Consulting and Research Service	26		
232	HART CROWSER INC	Consulting and Research Service	56		
233	HEADDEN ASSOCIATES	Consulting and Research Service	80		
234	HEATH ENGINEERING COMPANY	Consulting and Research Service	52		
235	HEIDRICK & STRUGGLES INC	Consulting and Research Service	272		
236	HENTZEN RESEARCH	Consulting and Research Service	161		
237	HIGH PLAINS ASSOCIATES INC	Consulting and Research Service	49		
238	HNTB CORPORATION	Consulting and Research Service	159		
239	HOPKINS RODEN CROCKETT HANSEN	Consulting and Research Service	75		
240	HWS CONSULTING GROUP INC	Consulting and Research Service	273		
241	IBM	Consulting and Research Service	185		
242	IBM CORPORATION	Consulting and Research Service	325		
243	INDEX RESEARCH AND ADVISORY	Consulting and Research Service	35		
244	INTERACTIVE MEDIA CORP	Consulting and Research Service	1,670		
245	INTERARC INC	Consulting and Research Service	93		
246	INTERLINK GROUP INC	Consulting and Research Service	57		
247	INTERNATIONAL MERCHANDISING CO	Consulting and Research Service	133		
248	INTERSOLV	Consulting and Research Service	37		
249	J D POWER AND ASSOCIATES	Consulting and Research Service	40		
250	J HOWARD & ASSOC INC	Consulting and Research Service	589		
251	J HOWARD AND ASSOCIATES	Consulting and Research Service	93		
252	JAMES D WEZELMAN PC	Consulting and Research Service	25		
253	JAMES T ANDERSON	Consulting and Research Service	102		
254	JOEL POPKIN & CO	Consulting and Research Service	44		
255	JOHN D SCHICK & ASSOCIATES	Consulting and Research Service	119		
256	K J SCHWARTZ ENGINEERING INCORP	Consulting and Research Service	55		
257	KAISER ASSOCIATES INC	Consulting and Research Service	142		
258	KELLOGG GRADUATE SCHOOL OF MGM	Consulting and Research Service	33		
259	KOSTE/FORBES LLC	Consulting and Research Service	117		
260	KPMG PEAT MARWICK LLC	Consulting and Research Service	50		
261	L E C G INC	Consulting and Research Service	661		
262	M/A/R/C INC	Consulting and Research Service	117		
263	MAR & ASSOCIATES	Consulting and Research Service	26		
264	MARITZ MARKETING RESEARCH INC	Consulting and Research Service	173		
265	MARKET FACTS INC	Consulting and Research Service	100		
266	MARKET RESPONSE	Consulting and Research Service	53		
267	MARKET STRATEGIES INC	Consulting and Research Service	157		
268	MARLE RESEARCH (TERRY L MARLE)	Consulting and Research Service	101		
269	MCMAHON GROUP	Consulting and Research Service	40		
270	MEDER & ASSOCIATES INC	Consulting and Research Service	79		
271	MENTIS CORPORATION	Consulting and Research Service	44		
272	NETWORK COMPUTER INC	Consulting and Research Service	1,067		
273	NFO RESEARCH INC	Consulting and Research Service	52		
274	NW AYER & PARTNERS	Consulting and Research Service	28		
275	OFFICE PAVILION	Consulting and Research Service	47		
276	OMNITECH CONSULTING GROUP INC	Consulting and Research Service	492		
277	P & E ENGINEERING CO	Consulting and Research Service	80		
278	PARAMOUNT DESIGNS INC	Consulting and Research Service	111		
279	PAUL ROGERS & ASSOCIATES	Consulting and Research Service	50		
280	PERPETUAL DATA SOLUTIONS	Consulting and Research Service	37		
281	PERSONNEL DECISIONS INC	Consulting and Research Service	155		
282	PITTIGLIO RABIN TODD & MCGRATH	Consulting and Research Service	1,940		
283	PNR & ASSOCIATES INC	Consulting and Research Service	300		
284	POWER ENGINEERS	Consulting and Research Service	551		
285	PRICE WATERHOUSE COOPERS LLP	Consulting and Research Service	98		

Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000s)

Year: 1998

Line No	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
286	PRICE WATERHOUSE LLP	Consulting and Research Service	241		
287	PRICEWATERHOUSE COOPERS LLP	Consulting and Research Service	75		
288	PRISM SOLUTIONS INC	Consulting and Research Service	35		
289	PRODUCTIVE DATA SYSTEMS INC	Consulting and Research Service	33		
290	PROFESSIONAL COMPUTING RESOURCE	Consulting and Research Service	56		
291	PUBLIC AFFAIRS CONSULTING	Consulting and Research Service	45		
292	PUGET SOUND ENERGY	Consulting and Research Service	40		
293	PULLEY ASSOCIATES INCORPORATED	Consulting and Research Service	35		
294	QUALITY STRATEGIES	Consulting and Research Service	355		
295	R BROWN & ASSOCIATES	Consulting and Research Service	59		
296	RNL DESIGN	Consulting and Research Service	1,686		
297	ROBBINS GIOIA INC	Consulting and Research Service	30		
298	ROCKY MOUNTAIN INSTITUTE	Consulting and Research Service	25		
299	RRJ CONSULTING	Consulting and Research Service	40		
300	S A & B	Consulting and Research Service	45		
301	SAMRUN TECHNOLOGIES INC	Consulting and Research Service	607		
302	SCHAFF ENGINEERING	Consulting and Research Service	51		
303	SEIDEN KRIEGER ASSOCIATES INC	Consulting and Research Service	293		
304	SETTER LEACH & LINDSTROM INC	Consulting and Research Service	339		
305	SHINGOBEE BUILDERS INC	Consulting and Research Service	45		
306	SIGMA INTERNATIONAL INC	Consulting and Research Service	631		
307	SPACE	Consulting and Research Service	87		
308	SPACE LLC	Consulting and Research Service	56		
309	SPECTRUM PROFESSIONAL SERVICES	Consulting and Research Service	86		
310	STAT RESOURCES INC	Consulting and Research Service	41		
311	STAUBACH	Consulting and Research Service	151		
312	STEELCASE	Consulting and Research Service	120		
313	STILLWATER CONSULTING INC	Consulting and Research Service	75		
314	STRATEGIC HORIZONS LLP	Consulting and Research Service	28		
315	STRATEGIC MARKETING CONSULTANT	Consulting and Research Service	410		
316	STUABACH	Consulting and Research Service	51		
317	TANDEM ENGINEERING SOUTH WEST	Consulting and Research Service	116		
318	TANNING TECHNOLOGY CORPORATION	Consulting and Research Service	2,266		
319	TASA INTERNATIONAL	Consulting and Research Service	140		
320	TECHNISCAN INC	Consulting and Research Service	65		
321	TELCO YEAR 2000 FORUM	Consulting and Research Service	832		
322	TELETECH CUSTOMER CARE MANAGEMENT	Consulting and Research Service	96		
323	TESINC	Consulting and Research Service	81		
324	THE ADKINS ASSOCIATION INC	Consulting and Research Service	176		
325	THE ARTEMIS GROUP	Consulting and Research Service	152		
326	THE ENTERPRISE REPORTING GROUP	Consulting and Research Service	45		
327	THE GALLUP ORGANIZATION	Consulting and Research Service	731		
328	THE HAMPTON GROUP INC	Consulting and Research Service	41		
329	THE LAWRENCE GROUP	Consulting and Research Service	29		
330	THE LEADERSHIP GROUP LLC	Consulting and Research Service	103		
331	THE LIFEWORX INSTITUTE	Consulting and Research Service	139		
332	THE RETAIL GROUP INC	Consulting and Research Service	415		
333	THE RMH GROUP INC	Consulting and Research Service	95		
334	TIERRA RIGHT OF WAY SERVICES	Consulting and Research Service	57		
335	TOM WELCH AND ASSOCIATES	Consulting and Research Service	100		
336	TOTAL RESEARCH CORPORATION	Consulting and Research Service	1,355		
337	TRAINING BY DESIGN INC	Consulting and Research Service	31		
338	TRANSACTION ASSOCIATES INC	Consulting and Research Service	90		
339	TRAVCO INCORPORATED	Consulting and Research Service	131		
340	TRAVIS RESEARCH ASSOCIATES INC	Consulting and Research Service	261		
341	TRES WEST ENGINEERS INC	Consulting and Research Service	33		
342	TUPPER PUBLIC AFFAIRS INC	Consulting and Research Service	55		

Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000s)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
343	US WEST INC	Consulting and Research Service	3,161		
344	VOGEL ASSOCIATES	Consulting and Research Service	49		
345	WALLING CONSULTING	Consulting and Research Service	28		
346	WARD HOWELL INTERNATIONAL	Consulting and Research Service	114		
347	WARREN MORRIS & MADISON LTD	Consulting and Research Service	48		
348	WESTGATE RESEARCH INC	Consulting and Research Service	26		
349	WILLIAM H DAVIDSON	Consulting and Research Service	116		
350	WINNER WAGNER & MANDABACH CAMP	Consulting and Research Service	55		
351	WORLD HIRE	Consulting and Research Service	48		
352	XEROX CORPORATION	Consulting and Research Service	717		
353					
354	TOTAL CONSULTING AND RESEARCH SERVICE		52,545		
355					
356	ADP/ICS	Financial Service	330		
357	BANK ONE ARIZONA	Financial Service	26		
358	BEACON HILL PARTNERS	Financial Service	72		
359	BOSTON EQUISERVE	Financial Service	5,912		
360	DUFF & PHELPS CREDIT RATING CO	Financial Service	45		
361	FIRST DATA CORPORATION	Financial Service	3,949		
362	FIRST NATIONAL BANK OF CHICAGO	Financial Service	72		
363	FIRST SECURITY BANK OF UTAH	Financial Service	81		
364	LTD DIRECT MARKETING INC	Financial Service	79		
365	MELLON BANK NA	Financial Service	33		
366	MERRILL CORPORATION	Financial Service	48		
367	MOODY'S INVESTORS SERVICE	Financial Service	99		
368	MORGAN GUARANTY TRUST COMPANY	Financial Service	150		
369	NEW YORK STOCK EXCHANGE INC	Financial Service	404		
370	NORWEST BANK DENVER NA	Financial Service	43		
371	NORWEST BANK IOWA	Financial Service	62		
372	STANDARD & POORS	Financial Service	88		
373	THE CARSON GROUP	Financial Service	83		
374	THE FIRST NATIONAL BANK OF CHICAGO	Financial Service	63		
375	WELLS FARGO BANK	Financial Service	29		
376					
377	TOTAL FINANCIAL SERVICES		11,668		
378					
379	BROWNSTEIN HYATT FARBER & STRI	Legal Service	225		
380	CARTER & ALTERMAN (PHILIP M ALTERMAN)	Legal Service	28		
381	FLEISHMAN-HILLARD INC	Legal Service	28		
382	HAYS HAYS AND WILSON INC	Legal Service	30		
383	HEWITT ASSOCIATES	Legal Service	81		
384	MESSERLI & KRAMER	Legal Service	59		
385	REGISTER OF COPYRIGHTS	Legal Service	29		
386	RONALD A JERICH & ASSOCIATES	Legal Service	53		
387	STEALEY AND ASSOCIATES INC	Legal Service	30		
388	STEVEN J DURHAM	Legal Service	35		
389	THOMAS E EBZERY PC	Legal Service	27		
390	WEBER COMPANY	Legal Service	30		
391					
392	TOTAL LEGAL SERVICES		655		
393					
394	ALLIANCE FOR TELECOMMUNICATION	Membership Fees and Dues	123		
395	ASSOCIATED OREGON INDUSTRIES	Membership Fees and Dues	34		
396	GACI EDUCATIONAL FOUNDATION	Membership Fees and Dues	30		
397	CASTLE PINES GOLF CLUB	Membership Fees and Dues	95		
398	CENTER FOR TELECOMMUNICATIONS	Membership Fees and Dues	25		
399	CHAMBER OF COMMERCE OF PORTLAND	Membership Fees and Dues	30		

Company Name: U S WEST Communications, INC

SCHEDULE 21

Payments for Services to Persons Other Than Employees

(\$000S)

Year: 1998

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
400	COLORADO AVALANCHE LLC	Membership Fees and Dues	26		
401	COLORADO PUBLIC EXPENDITURE CO	Membership Fees and Dues	25		
402	DENVER METRO CHAMBER OF COMMERCE	Membership Fees and Dues	30		
403	DES MOINES DEVELOPMENT CORPORATION	Membership Fees and Dues	36		
404	GLOBAL CHIPCARD ALLIANCE	Membership Fees and Dues	25		
405	GREATER DES MOINES CHAMBER OF COMMERCE	Membership Fees and Dues	33		
406	GREATER MINNEAPOLIS CHAMBER OF COMMERCE	Membership Fees and Dues	56		
407	GREATER OMAHA CHAMBER OF COMMERCE	Membership Fees and Dues	45		
408	GREATER SEATTLE CHAMBER OF COMMERCE	Membership Fees and Dues	31		
409	IOWA TELECOMMUNICATIONS ASSOCIATION	Membership Fees and Dues	64		
410	PUEBLO ECONOMIC DEVELOPMENT CO	Membership Fees and Dues	35		
411	REPUBLICAN GOVERNORS ASSOCIATION	Membership Fees and Dues	40		
412	SALT LAKE AREA CHAMBER OF COMMERCE	Membership Fees and Dues	28		
413	ST PAUL AREA CHAMBER OF COMMERCE	Membership Fees and Dues	52		
414	WASHINGTON ROUNDTABLE	Membership Fees and Dues	26		
415					
416	TOTAL MEMBERSHIP FEES AND DUES		889		
417					
418	BATKY-HOWELL INC	Personnel Service	596		
419	BELLCORE	Personnel Service	1,208		
420	CAEL-MANAGEMENT	Personnel Service	2,750		
421	CAEL-OCCUPATIONAL	Personnel Service	4,250		
422	CBT SYSTEMS USA LTD	Personnel Service	316		
423	HEWLETT PACKARD	Personnel Service	276		
424	HILL ASSOCIATES INC	Personnel Service	1,109		
425	MINNESOTA SAFETY COUNCIL INCORPORATED	Personnel Service	310		
426	NORTHERN TELECOM INCORPORATED	Personnel Service	347		
427	PARIS CASEY INC	Personnel Service	287		
428	PHH HOMEQUITY	Personnel Service	1,559		
429	QUMA LEARNING SYSTEMS INC	Personnel Service	444		
430	TRAINING SOLUTIONS	Personnel Service	568		
431					
432	TOTAL PERSONNEL SERVICES		14,021		
433					
434	ADP INVESTOR COMMUNICATION SERVICE	Printing and Design Service	432		
435	BEACON HILL PARTNERS	Printing and Design Service	311		
436	BOSTON EQUISERVE	Printing and Design Service	411		
437	GRAPHIC ARTS CENTER	Printing and Design Service	337		
438	J HOWARD & ASSOCIATES INC	Printing and Design Service	356		
439	LUCENT TECHNOLOGIES INC	Printing and Design Service	689		
440	PUBLICATION PRINTERS CORP	Printing and Design Service	433		
441	SPRINT PRESS DENVER	Printing and Design Service	322		
442	VIKING PRESS INC	Printing and Design Service	668		
443	XEROX CORPORATION	Printing and Design Service	702		
444					
445	TOTAL PRINTING AND DESIGN SERVICES		4,671		
446					
447	APG SECURITY INC	Security Service	1,019		
448	BURNS INTERNATIONAL SECURITY SERVICES	Security Service	3,196		
449					
450	TOTAL SECURITY SERVICES		4,215		
451					
452	CONTRIBUTIONS		318		
453					
454					
455	GRAND TOTAL		389,243		

Company Name: U S WEST Communications, Inc. - Montana

SCHEDULE 22

Line No.	Thousands of Minutes Description (a)	Subscriber Line Usage Data		Year: 1998	
		This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	1,692,374	21.07%	1,470,599	20.64%
3	Interstate, IntraLATA	1,104	0.01%	1,252	0.02%
4	Total Interstate Usage	1,693,478	21.09%	1,471,851	20.66%
5	Intrastate, InterLATA	441,513	5.50%	421,654	5.92%
6	Intrastate, IntraLATA	297,545	3.71%	355,882	5.00%
7	Total Intrastate Usage	739,058	9.20%	777,536	10.91%
8	Total Toll Usage	2,432,536	30.29%	2,249,387	31.57%
9	Centrex *		0.00%		0.00%
10	Local	5,598,012	69.71%	4,875,381	68.43%
11	Total Minutes	8,030,548	100.00%	7,124,768	100.00%

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

Company Name: U S WEST Communications, Inc.

SCHEDULE 25

Construction Budget-Montana

Year: 1998

Line No.	Description (a)	1999 (b)
1	Central Office Assets:	
2		
3	Growth & Preservation	8,330
4	Local Number Portability	1,826
5	Extended Area Service	800
6	SHNS (Self Healing Network)	1,231
7	Omega	952
8	Synchronous Service Transport	1,548
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24	Total Switching and Central Office Projects over \$500,000	14,687
25	Miscellaneous Central Office Projects not over \$500,000	737
26	Total Central Office Budget (L.24+L.25)	15,424
27	Other Projects over \$500,000:	
28		
29	Growth and Preservation - OSP	5,438
30	Interconnect	1,862
31	OSP Rehabilitation	689
32		
33		
34		
35		
36		
37		
38	Total Other Projects over \$500,000	7,989
39	Miscellaneous projects not over \$500,000	10,888
40	Total Construction Budget (L.26+L.38+L.39)	34,301

SCHEDULE 26

Montana Employee Counts

Year: 1998

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	B/S - Federal Services	1	
2	BGS Sales Northern Region	1	
3	B/S - Sales Rocky Mt Region		1
4	Center for Customer Service	1	116
5	Central Office - Installation	30	
6	Central Office - Utah/Idaho/Montana	59	59
7	CMC Residence Helena	75	83
8	COE Installation	10	
9	CP Operations		102
10	CPE/Coin	11	10
11	Enterprise Arch & Corp Systems		1
12	Executive	2	4
13	Fleet Services	6	6
14	General Manager-UT	155	159
15	Human Resources	1	
16	Information Technologies Svcs	2	2
17	Incidental Students		10
18	Local Network Operations Staff		4
19	Mediagroup - Federal Relations	10	9
20	Network OPRNS Mass Mkts I & M	2	
21	Office Information Management	7	1
22	Operations Planning	1	
23	OSP Planning Eng & Constr	76	
24	Other	2	2
25	PIA	2	2
26	Property Management North	12	
27	Publishing		1
28	Real Estate		11
29	Risk Management	2	1
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	Note: At the end of the year, there were 56 construction technicians included in the		
40	totals. There is not a job category for splicer.		
41	Totals (Sum L. 1 to L. 40)	468	584

Compensation of Top 5 Corporate Employees - SEC Information

Year: 1998

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	Solomon D. Trujillo President and Chief Executive Officer	\$716,041	\$650,000	\$1,582,470	\$2,948,511	\$1,614,325	82.6%
2	Gregory M. Winn Exec Vice Pres/Oper & Technology	\$338,099	\$217,000	\$637,319	\$1,092,418	\$926,332	17.9%
3	Allan R. Spies Exec Vice Pres & CFO	\$309,621	\$181,600	\$248,522	\$739,743	\$475,667	55.5%
4	Mark Roellig Exec Vice Pres-Public Policy, Human Resources & Law, General Counsel & Secretary	\$315,027	\$164,700	\$296,392	\$776,119	\$555,981	39.6%
5	James A. Smith Exec Vice Pres & Pres of U S WEST Dex, Inc.	\$290,000	\$197,925	\$234,735	\$722,660	\$501,441	44.1%
6	Totals (Sum L. 1 to L. 5)	\$1,968,788	\$1,411,225	\$2,899,438	\$6,270,451	\$4,073,746	

Company Name: U S WEST Communications, Inc.

SCHEDULE 29

Montana Composite Statistics

Year: 1998

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (000 Omitted)	
2	2001	Plant in Service	529,430
3	2003-2004	Construction Work in Progress	5,014
4	2005	Plant Acquisition Adjustments	0
5	2002	Plant Held for Future Use	0
6	1220	Materials & Supplies	558
7		(Less):	
8	3100-3400	Depreciation & Amortization Reserves	250,905
9	4360.2	Contributions in Aid of Construction	0
10		NET BOOK COSTS	284,097
11		Revenues & Expenses (Intrastate Only) (000 Omitted)	
12	5000-5300	Operating Revenues	175,886
13	6560	Depreciation & Amortization Expenses	38,933
14		Federal & State Income Taxes	11,132
15		Other Taxes	16,915
16		Other Operating Expenses	81,089
17		TOTAL Operating Expenses	148,069
18		Net Operating Income	27,817
19		Other Income	(2,612)
20		Other Deductions	4,643
21		NET INCOME	20,563
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	259,616
24		Business Access Lines	92,126
25		PBX Access Lines	5,986
26		Other Access Lines (Public)	4,531
27		Total Number of Access Lines	362,259
28		Average Number of Calls Per Access Line	
29		Local Calls	2,798
30		Toll Calls (Intra- or Interstate)	529
31		Total Number of Calls Per Access Line (L.29 + L.30)	3,327
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	17.02
34		Gross Plant Investment per Access Line	1.477

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Company Name: U S WEST Communications, Inc.

SCHEDULE 31

Montana Regulatory Capital Structure & Costs

Year: 1998

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
	<u>Commission Accepted - Most Recent</u>			
1	Docket Number 88.12.55			
2	Order Number 5398a			
3				
4	Common Equity (Note 1)	50.00%	12.00%	6.00%
5	Preferred Stock	0.00%	0.00%	0.00%
6	Long Term Debt	50.00%	8.88%	4.44%
7	Other	0.00%	0.00%	0.00%
8	Total	100.00%		10.44%
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity (Note 1)	58.33%	12.00%	7.00%
13	Preferred Stock	0.00%	0.00%	0.00%
14	Long Term Debt	38.28%	7.60%	2.91%
15	Other	3.39%	6.18%	0.21%
16	Total	100.00%		10.12%

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

SCHEDULE 32

(000s) Network Access - Charges and Revenues

Year: 1998

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	11,895	86,859
2			
3	Montana - Intrastate	9,933	21,007
4			
5	Montana - Intrastate Regulated	9,933	16,973
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	National Telecomm Alliance	MEMBERSHIP FEES	FDC	419,797		9,498
2	National Telecomm Alliance	NATIONAL SECUR EMER PREP	FDC	1,263,706		32,344
3	National Telecomm Alliance	PROJECT MANAGEMENT	FDC	1,205,987		30,867
4		FDC		2,889,490		72,708
5		TOTAL		2,889,490	0.00%	72,708
6	U S WEST Interprise America	ACCRUAL	FDC	580		13
7	U S WEST Interprise America	ADVERTISING	FDC	1,945		-
8	U S WEST Interprise America	COMMON SUPPORT	FDC	5,667,465		125,986
9	U S WEST Interprise America	EQUIPMENT/MATERIEL	FDC	84,546		1,416
10	U S WEST Interprise America	TRAINING	FDC	433,969		7,306
11		FDC		6,198,507		134,721
12		TOTAL		6,198,507	5.49%	134,721
13	U S WEST Advanced Technologies	ACCRUALS	FDC	(2,758)		(61)
14	U S WEST Advanced Technologies	COMPUTER EQUIPMENT	FDC	571		13
15	U S WEST Advanced Technologies	PLANNING AND SUPPORT	FDC	20,387,494		480,514
16	U S WEST Advanced Technologies	POST EMPLOYMENT BENEFITS	FDC	201,981		4,499
17	U S WEST Advanced Technologies	RESEARCH AND DEVELOPMENT	FDC	(4,139)		(94)
18	U S WEST Advanced Technologies	SHARED SUPPORT	FDC	39,966		891
19	U S WEST Advanced Technologies	TELECOMMUNICATIONS-PCS	FDC	811		20
20	U S WEST Advanced Technologies	TRAINING	FDC	17,660		344
21		FDC		20,641,586		486,125
22	U S WEST Advanced Technologies	SHARED SPACE	PCP	55,221		1,123
23		PCP		55,221		1,123
24		TOTAL		20,696,807	75.00%	487,248
25	U S WEST Business Resources	ACCRUALS	FDC	6,733,712		149,885
26	U S WEST Business Resources	FLIGHT-PROCUREMENT	FDC	7,538,141		159,080
27	U S WEST Business Resources	FURNITURE LEASE	FDC	393,106		33,846
28	U S WEST Business Resources	MISCELLANEOUS	FDC	5,667		39
29	U S WEST Business Resources	OPERATING EXPENSE	FDC	1,546,432		29,993
30	U S WEST Business Resources	POST EMPLOYMENT BENEFITS	FDC	958,621		23,526

Affiliate Transactions - Products & Services Provided to Utility

Year: 1988

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	U S WEST Business Resources	PROCUREMENT	FDC	58,878,116		1,320,516
2	U S WEST Business Resources	FDC		76,053,795		1,716,885
3	U S WEST Business Resources	LEASED SPACE	PCP	3,229,945		59,508
4	U S WEST Business Resources	SHARED SPACE	PCP	2,310		3
5		PCP		3,232,256		59,511
6		TOTAL		79,286,050	68.10%	1,776,496
7	U S WEST Comm Federal Svcs	SHARED SUPPORT	FDC	1,049,194		23,464
8		FDC		1,049,194		23,464
9	U S WEST Comm Federal Svcs	SHARED SPACE	PCP	197,110		4,300
10		PCP		197,110		4,300
11		TOTAL		1,246,304	2.43%	27,763
12	U S WEST Comm Svcs	ACCRUALS	FDC	1,913,412		42,619
13	U S WEST Comm Svcs	ADVERTISING	FDC	1,668		18
14	U S WEST Comm Svcs	MARKETING LB NON REG	FDC	0		0
15	U S WEST Comm Svcs	MARKETING LB REG	FDC	59,321,210		1,318,367
16	U S WEST Comm Svcs	POST EMPLOYMENT BENEFITS	FDC	300,567		6,659
17	U S WEST Comm Svcs	SHARED SUPPORT	FDC	4,552		15
18	U S WEST Comm Svcs	TECH OPER SERVICES	FDC	17,894		396
19		FDC		61,559,303		1,368,074
20	U S WEST Comm Svcs	EQUIPMENT/MATERIEL	PCP	543,339		9,530
21	U S WEST Comm Svcs	SHARED SPACE	PCP	402,116		4,087
22		PCP		945,455		13,777
23		TOTAL		62,504,759	28.86%	1,381,791
24	U S WEST DEX	ACCRUAL	FDC	1,107,291		24,630
25	U S WEST DEX	MISCELLANEOUS	FDC	117,755		2,201
26	U S WEST DEX	POST EMPLOYMENT BENEFITS	FDC	27,620		612
27	U S WEST DEX	SIMS	FDC	1,714,435		39,041
28		FDC		2,967,101		66,484
29	U S WEST DEX	ADVERTISING	PCP	663,637		2,638
30	U S WEST DEX	PHONE SERV PAGES	PCP	1,004,307		20,224

Affiliate Transactions - Products & Services Provided to Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2						
3		PCP TOTAL		1,667,945		22,862
4	U S WEST Information Technologies	INFORMATION MGMT SERVICES	FDC	4,635,045	0.50%	89,346
5		FDC TOTAL		283,350,374		6,351,766
6		TOTAL		283,350,374	97.00%	6,351,766
7	U S WEST Long Distance	ACCRUALS	FDC	(108,362)		(2,414)
8	U S WEST Long Distance	NETWORK ADMINISTRATION	FDC	246,911		7,309
9	U S WEST Long Distance	PRODUCT/PROJECT MGMT SVCS	FDC			
10		FDC TOTAL		138,549		4,895
11	U S WEST Long Distance	CORPORATE COMMUNICATIONS	PCP	27,181,833		602,367
12	U S WEST Long Distance	EQUIPMENT/MATERIEL	PCP	7,113		157
13		PCP TOTAL		27,188,945		602,524
14		TOTAL		27,307,495	46.00%	607,419
15	U S WEST New Vector	ACCRUAL	PCP	(868)		(19)
16	U S WEST New Vector	CELLULAR	PCP	2,381,258		41,589
17		PCP TOTAL		2,360,390		41,570
18		TOTAL		2,360,390	1.00%	41,570
19	U S WEST Wireless	ASPECT SWITCH	FDC	78,577		1,753
20	U S WEST Wireless	MISCELLANEOUS	FDC	99		2
21		FDC TOTAL		78,676		1,755
22	U S WEST Wireless	OCS USAGE	PCP	694,148		0
23		PCP TOTAL		694,148		0
24		TOTAL		772,824	0.00%	1,755
25	U S WEST, Inc	GENERAL LIABILITY INSURANCE	FDC	8,633,344		195,172
26	U S WEST, Inc	HEADQUARTERS	FDC	45,008,435		1,014,136
27	U S WEST, Inc	LEGAL - DIRECT	FDC	24,397,519		546,352
28	U S WEST, Inc	POST EMPLOYMENT BENEFITS	FDC	395,560		8,845
29	U S WEST, Inc	PRIMARY EXCESS LIABILITY	FDC	156,229		3,532
30		FDC TOTAL		78,591,066		1,768,036

Affiliate Transactions - Products & Services Provided to Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1						
2	U S WEST, Inc	LEASED SPACE	PCP	1,355,711		26,224
3	U S WEST, Inc	SHARED SPACE	PCP	305,213		6,745
4		PCP		1,660,925		32,969
5		TOTAL		80,252,011	85.72%	1,801,005
6						
7		GRAND TOTAL		571,500,056		12,773,588

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1	Malheur Home Telephone Co	ADMINISTRATIVE	FDC	668		0
2	Malheur Home Telephone Co	CENTRALIZED SERVICES	FDC	0		0
3	Malheur Home Telephone Co	GENERAL SERVICES	FDC	1,375,496		29,117
4	Malheur Home Telephone Co	HEADQUARTER BILLING	FDC	0		0
5	Malheur Home Telephone Co	HUMAN RESOURCES	FDC	160		4
6	Malheur Home Telephone Co	NETWORK SERVICES	FDC	9,649		213
7	Malheur Home Telephone Co	REAL PROPERTY SERVICES	FDC	149,740		0
8		FDC		1,535,713		29,333
9		TOTAL		1,535,713	N/A	29,333
10	Media One	GENERAL SERVICES	FDC	297,347		6,580
11	Media One	HUMAN RESOURCES	FDC	125,538		2,778
12	Media One	MISCELLANEOUS	FDC	5,769		128
13	Media One	NETWORK SERVICES	FDC	68,972		1,526
14	Media One	PUBLIC POLICY	FDC	1,207		27
15	Media One	PUBLIC RELATIONS	FDC	58,975		1,305
16	Media One	RISK MANAGEMENT	FDC	1,646		36
17		FDC		559,455		12,381
18		TOTAL		559,455	N/A	12,381
19	Time Warner	INFORMATION TECH SERVICES	FDC	592,884		13,121
20		FDC		592,884		13,121
21		TOTAL		592,884	N/A	13,121
22	U S WEST Interprise America	ADMINISTRATIVE	FDC	305,993		(898)
23	U S WEST Interprise America	BILLING & COLLECTIONS	FDC	302,398		920
24	U S WEST Interprise America	GENERAL SERVICES	FDC	3,290,239		55,333
25	U S WEST Interprise America	HUMAN RESOURCES	FDC	434,108		9,607
26	U S WEST Interprise America	INFORMATION TECH SERVICES	FDC	444,473		9,836
27	U S WEST Interprise America	MARKETING	FDC	3,557,502		78,799
28	U S WEST Interprise America	NET CHARGES	FDC	0		0
29	U S WEST Interprise America	PUBLIC RELATIONS	FDC	621,225		13,748
30	U S WEST Interprise America	REAL PROPERTY SERVICES	FDC	13,892		432

Affiliate Transactions - Products & Services Provided by Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1	U S WEST Interprise America	SECURITY	FDC	1620		36
2	U S WEST Interprise America	TECH OPER SVCS+J&M OF CPE	FDC	0		0
3		FDC		8,971,450		167,813
4	U S WEST Interprise America	SHARED SPACE	PCP	2,261,199		0
5		PCP		2,261,199		0
6		TOTAL		11,232,648	N/A	167,813
7	U S WEST Advanced Technologies	ADMINISTRATIVE	FDC	84,130		(124)
8	U S WEST Advanced Technologies	FLEET SERVICES	FDC	1,660		0
9	U S WEST Advanced Technologies	GENERAL SERVICES	FDC	627,541		13,887
10	U S WEST Advanced Technologies	HUMAN RESOURCES	FDC	180,924		4,004
11	U S WEST Advanced Technologies	INFORMATION TECH SERVICES	FDC	233,445		5,166
12	U S WEST Advanced Technologies	NETWORK SERVICES	FDC	0		0
13	U S WEST Advanced Technologies	PUBLIC RELATIONS	FDC	23,761		525
14	U S WEST Advanced Technologies	SECURITY	FDC	512		11
15		FDC		1,151,972		23,470
16	U S WEST Advanced Technologies	SHARED SPACE	PCP	301,536		0
17		PCP		301,535		0
18		TOTAL		1,453,507	N/A	23,470
19	U S WEST Business Resources	ADMINISTRATIVE	FDC	261,231		(379)
20	U S WEST Business Resources	FAIR COMPENSATION	FDC	6,168		137
21	U S WEST Business Resources	FLEET SERVICES	FDC	122,707		39,520
22	U S WEST Business Resources	FLEETPOINT	FDC	5		0
23	U S WEST Business Resources	GENERAL SERVICES	FDC	575,988		12,636
24	U S WEST Business Resources	HUMAN RESOURCES	FDC	612,196		13,548
25	U S WEST Business Resources	INFORMATION TECH SERVICES	FDC	9,442,580		208,955
26	U S WEST Business Resources	PUBLIC RELATIONS	FDC	8,136		180
27	U S WEST Business Resources	REAL PROPERTY SERVICES	FDC	223,333		0
28	U S WEST Business Resources	SECURITY	FDC	4,413		98
29	U S WEST Business Resources	TELECOMMUNICATIONS	FDC	26		1
30		FDC		11,256,783		274,704

Affiliate Transactions - Products & Services Provided by Utility

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1	U S WEST Business Resources	SHARED SPACE	PCP	542,516		4,418
2		PCP		542,516		4,418
3		TOTAL		11,799,299	N/A	279,122
4	U S WEST Comm Federal Svcs	ADMINISTRATIVE	FDC	43,719		(13)
5	U S WEST Comm Federal Svcs	CONDUIT	FDC	5,913		131
6	U S WEST Comm Federal Svcs	FLEET SERVICES	FDC	31,192		403
7	U S WEST Comm Federal Svcs	GENERAL SERVICES	FDC	196,723		4,353
8	U S WEST Comm Federal Svcs	HUMAN RESOURCES	FDC	113,567		2,513
9	U S WEST Comm Federal Svcs	INFORMATION TECH SERVICES	FDC	141,416		3,130
10	U S WEST Comm Federal Svcs	PUBLIC RELATIONS	FDC	1,739		38
11	U S WEST Comm Federal Svcs	RISK MANAGEMENT	FDC	83		2
12	U S WEST Comm Federal Svcs	TECH OPER SVCS-I&M OF CPE	FDC	181,914		4,026
13		FDC		716,266		14,583
14	U S WEST Comm Federal Svcs	SHARED SPACE	PCP	7,921		0
15		PCP		7,921		0
16		TOTAL		724,187	N/A	14,583
17	U S WEST Comm Svcs	ADMINISTRATIVE	FDC	534,637		(2,144)
18	U S WEST Comm Svcs	FLEET SERVICES	FDC	2,887		0
19	U S WEST Comm Svcs	GENERAL SERVICES	FDC	1,520,063		33,639
20	U S WEST Comm Svcs	HUMAN RESOURCES	FDC	519,883		11,505
21	U S WEST Comm Svcs	INFORMATION TECH SERVICES	FDC	1,027,970		22,749
22	U S WEST Comm Svcs	MARKETING	FDC	(1,445,701)		(32,022)
23	U S WEST Comm Svcs	MISCELLANEOUS	FDC	2,507		55
24	U S WEST Comm Svcs	NETWORK SERVICES	FDC	2,135,704		0
25	U S WEST Comm Svcs	PUBLIC RELATIONS	FDC	119,266		2,639
26	U S WEST Comm Svcs	REAL PROPERTY SERVICES	FDC	3,293		0
27	U S WEST Comm Svcs	RISK MANAGEMENT	FDC	50		1
28	U S WEST Comm Svcs	SECURITY	FDC	1,566		35
29	U S WEST Comm Svcs	TELECOMMUNICATIONS	FDC	(9,738)		(216)
30		FDC		4,412,387		36,242

Affiliate Transactions - Products & Services Provided by Utility

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1	U S WEST Comm Svcs	SHARED SPACE	PCP	3,003,784		51,137
2	U S WEST Comm Svcs	TECH OPER SVCS-I&M OF CPE	PCP	0		0
3		PCP		3,003,784		51,137
4		TOTAL		7,416,171	N/A	87,379
5	U S WEST DEX	ADMINISTRATIVE	FDC	130,582		(274)
6	U S WEST DEX	BILLING & COLLECTIONS	FDC	6,012,605		164,374
7	U S WEST DEX	GENERAL SERVICES	FDC	595,567		13,180
8	U S WEST DEX	HUMAN RESOURCES	FDC	443,665		9,818
9	U S WEST DEX	INFORMATION TECH SERVICES	FDC	343,128		7,593
10	U S WEST DEX	MARKETING	FDC	31,579		699
11	U S WEST DEX	PUBLIC PAY STATIONS	FDC	684		0
12	U S WEST DEX	PUBLIC RELATIONS	FDC	165,146		3,655
13	U S WEST DEX	SECURITY	FDC	8,033		178
14		FDC		7,730,989		199,223
15	U S WEST DEX	GENERAL SERVICES	PCP	20		0
16	U S WEST DEX	PUBLISHER PRODUCTS	PCP	5,698,791		140,498
17	U S WEST DEX	SHARED SPACE	PCP	14,749		0
18		PCP		5,713,560		140,499
19		TOTAL		13,444,549	N/A	339,722
20	U S WEST Financial Services	GENERAL SERVICES	FDC	675		15
21	U S WEST Financial Services	HUMAN RESOURCES	FDC	3,566		79
22		FDC		4,241		94
23		TOTAL		4,241	N/A	94
24	U S WEST Information Technologies	ADMINISTRATIVE	FDC	26,641		586
25	U S WEST Information Technologies	GENERAL SERVICES	FDC	2,023,938		44,790
26	U S WEST Information Technologies	HUMAN RESOURCES	FDC	701,673		15,406
27	U S WEST Information Technologies	INFORMATION TECH SERVICES	FDC	11,694,344		258,796
28	U S WEST Information Technologies	PUBLIC RELATIONS	FDC	65,528		1,450
29	U S WEST Information Technologies	SECURITY	FDC	(29,491)		(653)
30		FDC		14,482,634		320,376

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affli. Expense (e)	Charges by MT Utility (f)
1	U S WEST Information Technologies	SHARED SPACE	PCP	308,654		6,631
2		PCP		308,654		6,831
3		TOTAL		14,791,288	N/A	327,206
4	U S WEST International Holdings	ADMINISTRATIVE	FDC	538		5
5	U S WEST International Holdings	GENERAL SERVICES	FDC	(3,458)		(77)
6	U S WEST International Holdings	HUMAN RESOURCES	FDC	2,542		56
7	U S WEST International Holdings	INFORMATION TECH SERVICES	FDC	30,812		682
8		FDC		30,434		666
9	U S WEST International Holdings	SHARED SPACE	PCP	7,454		0
10		PCP		7,454		0
11		TOTAL		37,887	N/A	666
12	U S WEST Long Distance	ADMINISTRATIVE	FDC	49,825		(31)
13	U S WEST Long Distance	GENERAL SERVICES	FDC	277,552		6,015
14	U S WEST Long Distance	HUMAN RESOURCES	FDC	33,860		749
15	U S WEST Long Distance	INFORMATION TECH SERVICES	FDC	118,005		2,611
16	U S WEST Long Distance	MARKETING	FDC	2,870,585		63,583
17	U S WEST Long Distance	NETWORK SERVICES	FDC	88,056		892
18	U S WEST Long Distance	PUBLIC RELATIONS	FDC	640		14
19	U S WEST Long Distance	SECURITY	FDC	566		13
20		FDC		3,439,089		73,846
21	U S WEST Long Distance	SHARED SPACE	PCP	989,688		0
22		PCP		989,688		0
23		TOTAL		4,428,777	N/A	73,846
24	U S WEST Media Group	ADMINISTRATIVE	FDC	10,837		(4)
25	U S WEST Media Group	GENERAL SERVICES	FDC	(9,823)		(217)
26	U S WEST Media Group	HUMAN RESOURCES	FDC	11,534		255
27	U S WEST Media Group	INFORMATION TECH SERVICES	FDC	15,483		343
28	U S WEST Media Group	PUBLIC RELATIONS	FDC	12,818		284
29	U S WEST Media Group	SECURITY	FDC	3,465		77
30		FDC		44,314		737

Affiliate Transactions - Products & Services Provided by Utility

Year: 1998

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1		TOTAL		44,314	N/A	737
2	U S WEST MultiMedia	HUMAN RESOURCES	FDC	(8,233)		(182)
3	U S WEST MultiMedia	INFORMATION TECH SERVICES	FDC	258		6
4	U S WEST MultiMedia	NETWORK SERVICES	FDC	17,819		394
5		FDC		9,844		218
6		TOTAL		9,844	N/A	218
7	U S WEST New Vector	ADMINISTRATIVE	FDC	7,050		0
8	U S WEST New Vector	HUMAN RESOURCES	FDC	43,270		958
9	U S WEST New Vector	INFORMATION TECH SERVICES	FDC	17,313		383
10	U S WEST New Vector	INTERCONNECTION	FDC	5,420,412		0
11	U S WEST New Vector	NETWORK SERVICES	FDC	6,087		0
12	U S WEST New Vector	PUBLIC RELATIONS	FDC	59,853		1,325
13	U S WEST New Vector	SECURITY	FDC	1,072		24
14		FDC		5,555,058		2,689
15	U S WEST New Vector	SHARED SPACE	PCP	7,824		0
16		PGP		7,824		
17		TOTAL		5,562,882	N/A	2,689
18	U S WEST Telewest	GENERAL SERVICES	FDC	1,815		(1,245)
19		FDC		1,815		(1,245)
20		TOTAL		1,815	N/A	(1,245)
21	U S WEST Wireless	ADMINISTRATIVE	FDC	305,612		381
22	U S WEST Wireless	BILLING & COLLECTIONS	FDC	4,469,064		0
23	U S WEST Wireless	GENERAL SERVICES	FDC	1,495,081		28,962
24	U S WEST Wireless	HUMAN RESOURCES	FDC	182,671		4,048
25	U S WEST Wireless	INFORMATION TECH SERVICES	FDC	25,124,313		556,001
26	U S WEST Wireless	MARKETING	FDC	5,191,975		115,002
27	U S WEST Wireless	NETWORK SERVICES	FDC	234,255		0
28	U S WEST Wireless	PUBLIC RELATIONS	FDC	189,324		4,190
29	U S WEST Wireless	REAL PROPERTY SERVICES	FDC	3,173,976		0
30	U S WEST Wireless	SECURITY	FDC	11,256		249

Affiliate Transactions - Products & Services Provided by Utility

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Charges by MT Utility (f)
1	U S WEST Wireless	SHARED SPACE	FDC	2,645		0
2		FDC		40,380,171		708,834
3	U S WEST Wireless	SHARED SPACE	PCP	6,750,833		0
4		PCP		6,750,833		
5		TOTAL		47,131,004	N/A	708,834
6	U S WEST, Inc	ADMINISTRATIVE	FDC	142,629		(74)
7	U S WEST, Inc	GENERAL SERVICES	FDC	358,315		7,930
8	U S WEST, Inc	HUMAN RESOURCES	FDC	77,187		1,708
9	U S WEST, Inc	INFORMATION TECH SERVICES	FDC	689,535		14,808
10	U S WEST, Inc	PUBLIC RELATIONS	FDC	912,044		20,184
11	U S WEST, Inc	REAL PROPERTY SERVICES	FDC	1,320		0
12	U S WEST, Inc	SECURITY	FDC	1,260		28
13	U S WEST, Inc	TELECOMMUNICATIONS	FDC	10,113		224
14		FDC		2,172,404		44,807
15	U S WEST, Inc	SHARED SPACE	PCP	2,271,663		0
16		PCP		2,271,663		
17		TOTAL		4,444,067	N/A	44,807
18		GRAND TOTAL		125,214,532		2,124,776

Company Name: U S WEST Communications, Inc.

SCHEDULE 35

(\$000s)		Montana Intrastate Regulated Earned Rate of Return		Year: 1998	
Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)	
1					
2	2001 Plant in Service	518,399	503,346	2.99%	
3	2002 Prop. Held for Future Telecommunications Use	0	0		
4	3100-3200 (Less) Accumulated Depreciation	225,636	207,779	8.59%	
5	NET Plant in Service	292,762	295,567	-0.95%	
6					
7	<u>Additions</u>				
8	1220 Materials & Supplies	543	1,048	-48.19%	
9	1280 Prepayments	0	0		
10	Other Additions	0	0		
11	TOTAL Additions	543	1,048	-48.19%	
12					
13	<u>Deductions</u>				
14	4100 Current Deferred Operating Income Taxes	(1,314)	(694)	-89.40%	
15	4320 Unamortized Operating Investment Tax Credits	4,205	4,762	-11.69%	
16	4340 Noncurrent Deferred Operating Income Taxes	51,103	50,282	1.63%	
17	Customer Advances for Construction	0	0		
18	Other Deductions	0	0		
19	TOTAL Deductions	53,994	54,350	-0.66%	
20	TOTAL Rate Base	239,312	242,265	-1.22%	
21					
22	Net Earnings	27,651	21,716	27.33%	
23					
24	Rate of Return on Average Rate Base	11.554%	8.963%	28.91%	
25					
26	Rate of Return on Average Equity	14.462%	9.933%	45.59%	
27					
28	Major Normalizing Adjustments & Commission				
29	Rate-making adjustments to Utility Operations				
30	Earnings from Docket 93.7.25 - () reduces earnings				
31					
32	Advertising	95	95	0.00%	
33	Contributions/Legal Advocacy	8	8	0.00%	
34	Miscellaneous Dues	18	18	0.00%	
35	Uncollectibles Accrued To Write Off	(131)	(131)	0.00%	
36	Interest on Customer Deposits	(37)	(37)	0.00%	
37	Total Net Income Adjustments	(47)	(47)	0.00%	
38	<u>Rate Base Adjustments</u>				
39	Customer Deposits	453	453	0.00%	
40	Land Development Agreements	283	283	0.00%	
41	Total Rate Base Adjustments	736	736	0.00%	
42					
43	Adjusted Rate of Return on Average Rate Base	11.570%	8.971%	28.97%	
44					
45	Adjusted Rate of Return on Average Equity	14.489%	9.946%	45.68%	

Company Name: U S WEST Communications, Inc.

SCHEDULE 36

Other Taxes Paid

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	3,009,104	3,065,233
2	Montana Public Service Commission Tax	326,006	422,747
3	Montana Consumer Counsel Tax	132,930	135,226
4	911 Emergency Telephone Fee	1,326,281	2,084,560
5	Montana Telecommunications Access Service (TDD)	366,938	415,090
6	Montana Corporate License Tax	2,684,307	N/A
7	Personal Property Tax	17,801,895	18,069,690
8	Real Property Tax	1,024,932	1,045,673
9			
10			
11			
12	Total	26,672,393	25,238,219

N/A - 1998 data will not be available until 4th qtr 1999.

Company Name: U S WEST Communications, Inc.

SCHEDULE 37

Universal Service Funds Received

Year: 1998

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	0	165,443
14	Funds received from Federal Sources	167,228	1,287,540
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	167,228	1,452,983