



1801 California Street, Rm. 650
Denver, Co 80202-1984
Telephone: 720-578-2210
Fax: 303-965-8022

William R. Curtis, C.P.A.
State Regulatory Finance

April 27, 2011

Kate Whitney
Montana Public Service Commission
P.O. Box 202601
1701 Prospect Avenue
Helena, Montana 59620-2601

SUBJECT: In The Matter Of The 2010 ANNUAL REPORT OF
QWEST CORPORATION

Dear Kate:

Enclosed is the 2010 Annual Report for Qwest Corporation. Portions of Schedule 23 are considered proprietary and will be provided at the time a Protective Order is issued. Also enclosed is Qwest Corporation's 2011 Annual Affiliated Interest Report for 2010 Transactions. A CD is also enclosed with electronic copies of the reports and referenced documents.

Please call me if you have any questions regarding these reports.

Sincerely,

A handwritten signature in black ink, appearing to read "William R. Curtis". The signature is fluid and cursive, written over a white background.

cc: David Gibson
Dennis Lopach

YEAR ENDING 2008

ANNUAL REPORT
OF
Qwest Corporation

TELEPHONE UTILITY



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

General Information

Year 2010

1. Legal Name of Respondent:
Qwest Corporation

2. Name Under Which Respondent Does Business:
Qwest Corporation

3. Date of Incorporation:
The Colorado Telephone Company was organized January 10, 1881, consolidated with the Tri-State Telephone and Telegraph Company on July 17, 1911, forming the Mountain States Telephone and Telegraph Company which on July 20, 1911, purchased the Rocky Mountain Telephone Company. On January 1, 1991, the Mountain States Telephone and Telegraph Company was merged with Northwestern Bell and Pacific Northwest Bell to form U S WEST Communications, Inc. On July 1, 2000, U S WEST, Inc., together with all its subsidiaries, including U S WEST Communications, Inc., was merged into Qwest Communications International, Inc. On April 22, 2010, CenturyTel, Inc. ("CenturyLink") and Qwest Communications International Inc. ("Qwest" or "QCII") issued a joint press release announcing the execution of an Agreement and Plan of Merger, dated as of April 21, 2010 (the "Merger Agreement"), among CenturyLink, Qwest and SB44 Acquisition Company ("Merger Subsidiary"). Subject to the terms and conditions set forth therein, Merger Subsidiary will merge with and into Qwest, with Qwest surviving as a wholly owned subsidiary of CenturyLink (the "Merger"). QCII is the publicly held parent of Qwest Corporation. The merger closed on April 1, 2011. Organizational structure, names of companies and individuals herein are as of December 31, 2010.

4. Address to send Correspondence Concerning Report:
1801 California Street, Room 650
Denver, CO 80202

5. Person Responsible for This Report:
William R Curtis

5a. Telephone Number:
720-578-2210

Control Over Respondent

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

1a. Name and address of the controlling organization or person:
Qwest Communications International, Inc.
1801 California Street
Denver, Colorado 80202

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

1c. Percent Ownership:
100%

Board of Directors

Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Edward A. Mueller Denver, Colorado	None
2	Teresa A. Taylor Denver, Colorado	None
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	Chairman of the Board: Edward A. Mueller	
14		
15		

Officers

Year 2010

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	Chief Executive Officer & President		Edward A. Mueller, Denver, CO
2	Executive Vice President & Chief Operating Officer		Teresa A. Taylor, Denver, CO
3	Executive Vice President & Chief Financial Officer		Joseph J. Euteneuer, Denver, CO
4	Executive Vice President, General Counsel & Chief Administrative Officer		Richard N. Baer, Denver, CO
5	Executive Vice President	Business Markets	Christopher K. Ancell, Denver, CO
6	Executive Vice President	Wholesale	Roland Thornton, Denver, CO
7	Executive Vice President	Mass Markets	Charles Daniel Yost, Denver, CO
8	Executive Vice President	Network Operations	Robert Tregemba, Denver, CO
9	Executive Vice President	Corporate Strategy	Stephanie G. Comfort, Denver, CO
10	Senior Vice President	Treasurer	Rahn K. Porter, Denver, CO
11	Senior Vice President	Controller & Chief Accounting Officer	R. William (Bill) Johnston, Denver, CO
12	Vice President	Assistant Controller	Patrick J. Halbach, Denver, CO
13	Vice President	Assistant Treasurer	Nhung K. Van, Denver, CO
14	Vice President	Corporate Tax	Andrew (Andy) Ottinger, Denver, CO
15	Vice President & Secretary		Stephen E. Brilz, Denver, CO
16	Assistant Secretary		Margaret McCandless, Denver, CO
17	Assistant Secretary		Joan E. Randazzo, Denver, CO
18	Assistant Secretary		Christian A. Pedersen, Denver, CO

Total Company Balance Sheet

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		CURRENT ASSETS:		
2	1120	Cash and Equivalents	188,782	1,008,838
3	1180	Telecommunications Accounts Receivable - Net	635,068	687,238
4	1190	Other Accounts Receivable - Net	141,164	137,339
5	1200	Notes Receivable - Net	0	0
6	1210	Interest and Dividends Receivable	135,751	20,213
7	1220	Materials and Supplies	48,963	58,056
8	* 1280	Prepayments	91,351	88,487
9	^ 1290	Prepaid Rents	6,627	7,064
10	^ 1300	Prepaid Taxes	6,922	7,687
11	^ 1310	Prepaid Insurance	26,681	22,263
12	^ 1320	Prepaid Directory Expenses	0	0
13	^ 1330	Other Prepayments	51,121	51,473
14	1350	Other Current Assets	3,861	47,754
15		Total Current Assets	1,244,939	2,047,926
16		NONCURRENT ASSETS:		
17	1401	Investments in Affiliated Companies	34,653	30,478
18	1402	Investments in Nonaffiliated Companies	52,436	41,596
19	1406	Nonregulated Investments	0	0
20	1407	Unamortized Debt Issuance Expense	97,489	115,550
21	1408	Sinking Funds	0	0
22	1410	Other Noncurrent Assets	970,986	1,025,279
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges	495,689	528,828
25	1500	Other Jurisdictional Assets - Net	(639,835)	(565,125)
26		Total Noncurrent Assets	1,011,418	1,176,607
27		PROPERTY, PLANT, & EQUIPMENT:		
28	2001	Telecommunications Plant in Service	46,489,663	45,811,247
29	2002	Property Held for Future Telecommunications Use	0	0
30	2003	Plant Under Construction - Short Term	150,740	131,766
31	2004	Plant Under Construction - Long Term	0	0
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	5,870	4,255
34	2007	Goodwill	0	0
35	3100	Accumulated Depreciation	(34,141,629)	(32,956,280)
36	3200	Accumulated Depreciation - Held for Future Use	0	0
37	3300	Accumulated Depreciation - Nonoperating	0	0
38	3400	Accumulated Amortization (Includes 3500 and 3600)	(1,866,851)	(1,668,246)
39		Net Property, Plant, & Equipment	10,637,793	11,322,742
40		TOTAL ASSETS	12,894,150	14,547,275

^ Subaccount of account marked with a *.

PAGE 3

Total Company Balance Sheet

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		CURRENT LIABILITIES:		
42	4010	Accounts Payable	1,145,096	1,024,850
43	4020	Notes Payable	0	0
44	4030	Advance Billing and Payments	250,153	255,891
45	4040	Customer Deposits	4,218	6,530
46	4050	Current Maturities - Long Term Debt	835,376	500,070
47	4060	Current Maturities - Capital Leases	35,889	14,599
48	4070	Income Taxes - Accrued	(156,262)	(149,853)
49	4080	Other Taxes - Accrued	159,888	161,431
50	4100	Net Current Deferred Operating Income Taxes	0	0
51	4110	Net Current Deferred Nonoperating Income Taxes	0	0
52	4120	Other Accrued Liabilities	640,520	645,479
53	4130	Other Current Liabilities	948	999
54		Total Current Liabilities	2,915,826	2,459,997
55		LONG-TERM DEBT:		
56	4210	Funded Debt	7,152,938	7,967,830
57	4220	Premium on Long-Term Debt	13,759	10,603
58	4230	Discount on Long-Term Debt	(153,729)	(165,010)
59	4240	Reacquired Debt	0	0
60	4250	Obligations Under Capital Leases	127,834	57,914
61	4260	Advances From Affiliated Companies	0	0
62	4270	Other Long-Term Debt	0	0
63		Total Long-Term Debt	7,140,802	7,871,337
64		OTHER LIABILITIES AND DEFERRED CREDITS:		
65	4310	Other Long-Term Liabilities	2,597,528	2,679,328
66	4320	Unamort. Oper. Invest. Tax Credits - Net	27,190	40,780
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net	0	0
68	4340	Net Noncurrent Deferred Oper. Income Taxes	1,164,996	1,074,238
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	26,036	26,266
70	4360	Other Deferred Credits	689,886	765,080
71	4370	Other Jurisdictional Liab. and Def. Credits	(165,183)	(160,516)
72		Total Other Liabilities and Deferred Credits	4,340,453	4,425,175
73		STOCKHOLDERS' EQUITY:		
74	4510	Capital Stock	10,775,946	10,667,273
75	4520	Additional Paid-In Capital	992,252	992,252
76	4530	Treasury Stock		
77	4540	Other Capital		
78	4550	Retained Earnings	(13,271,128)	(11,868,759)
79		Total Stockholders' Equity	(1,502,930)	(209,234)
80		TOTAL LIAB. AND STOCKHOLDERS' EQUITY	12,894,150	14,547,275

Total Company Income Statement

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	2,902,571	3,223,751
3	5080	Network Access Revenues	4,356,064	4,323,331
4	* 5100	Long Distance Message Revenue	9,904	15,314
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,902	15,312
6	^ 5120	Long Distance Private Network Revenue	2	2
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	2,004,195	2,132,472
10	^ 5230	Directory Revenue	50,625	54,865
11	^ 5240	Rent Revenue	519,220	541,285
12	^ 5250	Corporate Operations Revenue	225,185	232,757
13	^ 5260	Miscellaneous Revenue	551,230	613,793
14	^ 5270	Carrier Billing and Collection Revenue	130,316	140,297
15	^ 5280	Nonregulated Revenue	527,619	549,475
16	5300	Uncollectible Revenue	69,587	84,802
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	9,203,147	9,610,066
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	7,068	18,282
20	6120	General Support Expense	425,977	465,508
21	6210	Central Office Switching Expense	109,778	102,804
22	6220	Operator Systems Expense	1,046	1,078
23	6230	Central Office Transmission Expense	121,627	141,872
24	6310	Information Origination/Termination Expense	168,625	173,260
25	6410	Cable and Wire Facilities Expense	614,855	637,770
26	6431	Aerial Wire Expense	198	164
27	6441	Conduit Systems Expense	10,043	9,885
28	6510	Other Property, Plant & Equipment Expense	2,769	6,458
29	6530	Network Operations Expense	460,937	516,448
30	6540	Access Expense	162,661	158,446
31	6560	Depreciation and Amortization Expense	2,090,279	2,075,111
32	6610	Marketing	903,003	1,039,337
33	6620	Services	495,788	571,265
34	6710	Executive and Planning	146,640	68,715
35	6720	General and Administrative	915,696	849,383
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36)	6,636,989	6,835,786
38	7100	Other Operating Income and Expense	(1,282)	(470)
39	7200	Operating Taxes	948,242	925,783
40		Net Operating Income (L.17-L.37-L.38-L.39)	1,619,198	1,848,967
41	7300	Nonoperating Income and Expense	30,404	705
42	7400	Nonoperating Taxes	(14,711)	2,538
43	7500	Interest and Related Items	631,392	657,389
44	7600	Extraordinary Items	0	0
45	7910	Effects of Juris. Ratemaking Diff. - Net	70,043	79,296
46	7990	Nonregulated Net Income		
47		NET INCOME (L.40-L.41-L.42-L.43-L.44-L.45-L.46)	902,070	1,109,038

PAGE 5

^ Subaccount of the account marked with a *.

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

Montana Total State Income Statement

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	64,713	73,054
3	5080	Network Access Revenues	108,819	109,609
4	* 5100	Long Distance Message Revenue	270	308
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	272	309
6	^ 5120	Long Distance Private Network Revenue	(2)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	13,343	14,270
10	^ 5230	Directory Revenue	1,516	1,313
11	^ 5240	Rent Revenue	(2,420)	(1,676)
12	^ 5250	Corporate Operations Revenue	140	132
13	^ 5260	Miscellaneous Revenue	1,491	1,349
14	^ 5270	Carrier Billing and Collection Revenue	3,157	3,353
15	^ 5280	Nonregulated Revenue	9,458	9,799
16	5300	Uncollectible Revenue	627	1,072
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	186,788	196,168
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	104	363
20	6120	General Support Expense	5,387	6,666
21	6210	Central Office Switching Expense	2,212	2,481
22	6220	Operator Systems Expense	0	6
23	6230	Central Office Transmission Expense	2,554	3,281
24	6310	Information Origination/Termination Expense	2,440	2,726
25	6410	Cable and Wire Facilities Expense	10,875	11,995
26	6431	Aerial Wire Expense	7	15
27	6441	Conduit Systems Expense	10	17
28	6510	Other Property, Plant & Equipment Expense	429	68
29	6530	Network Operations Expense	8,562	8,770
30	6540	Access Expense	3,021	2,787
31	6560	Depreciation and Amortization Expense	32,911	33,096
32	6610	Marketing	13,277	14,925
33	6620	Services	9,597	10,729
34	6710	Executive and Planning	2,178	1,026
35	6720	General and Administrative	14,692	12,984
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	108,238	111,903
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(23)	(3)
39	7200	Operating Taxes	26,273	34,248
40		Net Operating Income (L.17-L.37-L.38-L.39)	52,299	50,020

^ Subaccount of the account marked with a *.

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

Montana Intrastate Income Statement

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	64,713	73,054
3	5080	Network Access Revenues	13,212	14,785
4	* 5100	Long Distance Message Revenue	270	308
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	271	308
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	2,416	2,505
10	^ 5230	Directory Revenue	1,516	1,313
11	^ 5240	Rent Revenue	(1,458)	(1,177)
12	^ 5250	Corporate Operations Revenue	91	94
13	^ 5260	Miscellaneous Revenue	1,077	1,025
14	^ 5270	Carrier Billing and Collection Revenue	1,316	1,250
15	^ 5280	Nonregulated Revenue	(126)	(0)
16	5300	Uncollectible Revenue	508	744
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	80,103	89,907
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	69	241
20	6120	General Support Expense	3,557	4,492
21	6210	Central Office Switching Expense	1,387	1,559
22	6220	Operator Systems Expense	0	6
23	6230	Central Office Transmission Expense	1,609	2,071
24	6310	Information Origination/Termination Expense	178	122
25	6410	Cable and Wire Facilities Expense	7,484	8,255
26	6431	Aerial Wire Expense	5	10
27	6441	Conduit Systems Expense	7	12
28	6510	Other Property, Plant & Equipment Expense	285	41
29	6530	Network Operations Expense	5,321	5,432
30	6540	Access Expense	236	223
31	6560	Depreciation and Amortization Expense	22,284	22,411
32	6610	Marketing	7,665	8,648
33	6620	Services	7,150	7,823
34	6710	Executive and Planning	1,433	664
35	6720	General and Administrative	8,765	7,792
36	6790	Provision for Uncollectible Notes Receivable		
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	67,424	69,781
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(11,145)	(12,471)
39	7200	Operating Taxes	7,354	14,236
40		Net Operating Income (L.17-L.37-L.38-L.39)	16,469	18,361

^ Subaccount of the account marked with a *.

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

Montana Intrastate Regulated Income Statement

(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		REVENUES:		
2	5000	Basic Local Service Revenues	64,487	72,908
3	5080	Network Access Revenues	10,527	11,600
4	* 5100	Long Distance Message Revenue	270	309
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	271	309
6	^ 5120	Long Distance Private Network Revenue	(2)	0
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	1,622	1,679
10	^ 5230	Directory Revenue	1,516	1,313
11	^ 5240	Rent Revenue	(1,311)	(1,021)
12	^ 5250	Corporate Operations Revenue	58	77
13	^ 5260	Miscellaneous Revenue	1,077	1,018
14	^ 5270	Carrier Billing and Collection Revenue	408	292
15	^ 5280	Nonregulated Revenue	(126)	(0)
16	5300	Uncollectible Revenue	486	710
17		Total Revenues (L.2+L.3+L.4+L.9-L.16)	76,419	85,786
18		OPERATING EXPENSES:		
19	6110	Network Support Expense	69	229
20	6120	General Support Expense	3,332	4,228
21	6210	Central Office Switching Expense	1,316	1,538
22	6220	Operator Systems Expense	0	6
23	6230	Central Office Transmission Expense	1,527	1,826
24	6310	Information Origination/Termination Expense	178	117
25	6410	Cable and Wire Facilities Expense	7,104	7,919
26	6431	Aerial Wire Expense	5	10
27	6441	Conduit Systems Expense	7	12
28	6510	Other Property, Plant & Equipment Expense	285	39
29	6530	Network Operations Expense	5,047	5,127
30	6540	Access Expense	236	223
31	6560	Depreciation and Amortization Expense	28,533	28,882
32	6610	Marketing	7,257	7,806
33	6620	Services	6,083	7,269
34	6710	Executive and Planning	1,433	625
35	6720	General and Administrative	12,024	7,473
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)	74,425	73,307
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(11,145)	(12,471)
39	7200	Operating Taxes	2,388	12,072
40		Net Operating Income (L.17-L.37-L.38-L.39)	10,752	12,877

PAGE 8

^ Subaccount of the account marked with a *.

Average Rate Base - Total State
(Thousands of Dollars)

Year 2010

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	938,423	934,098
2	3100	Accumulated Depreciation (Note 1)	800,721	780,755
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	319	351
6	4340	Noncurrent Deferred Operating Income Taxes	10,060	8,918
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	127,961	144,775

Average Rate Base - Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (c)
1	2001	Telecommunications Plant in Service	623,703	620,809
2	3100	Accumulated Depreciation (Note 1)	532,918	518,736
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	208	224
6	4340	Noncurrent Deferred Operating Income Taxes	6,783	5,954
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	84,210	96,343

Average Rate Base - Regulated Intrastate

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (c)
1	2001	Telecommunications Plant in Service	588,403	586,336
2	3100	Accumulated Depreciation (Note 1)	502,106	482,606
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	199	215
6	4340	Noncurrent Deferred Operating Income Taxes	11,141	12,963
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)		
9		Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)	75,355	90,983

PAGE 9

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

Statement of Cash Flows

(Thousands of Dollars)

Year 2010

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		
4	Reconciliation Adjustments:		
5	Depreciation & Amortization		
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net		
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net		
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net		
13	Change in Other Assets & Deferred Charges - Net		
14	Change in Other Liabilities & Deferred Credits - Net		
15	Other		
16	Total Adjustments	0	0
17	Net Cash Provided by/(Used in) Operating Activities	0	0
18	Cash Inflows/Outflows From Investing Activities:		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities		
25	Net Cash Provided by/(Used in) Investing Activities	0	0
26	Cash Flows from Financing Activities:		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity < = 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid		
36	Other Financing Activities		
37	Net Cash Provided by Financing Activities	0	0
38	Effect of Exchange Rate Changes on Cash	0	0
39	Net Increase/(Decrease) in Cash & Cash Equivalents	0	0
40	Cash & Cash Equivalents at Beginning of Period		0
41	Cash & Cash Equivalents at End of Period		0

**See Notes to Schedules
9, 21, 29.**

Receivables and Investments-Affiliated & Nonaffiliated Companies

(Thousands of Dollars)

(Thousands of Dollars)		Year 2010									
Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow-Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	Reserved										
2	Reserved										
3	The El Paso County Telephone Company				80					8,370	
4	QWEST Communications Company, LLC				27,380						
5	QWEST India Holding LLC									26,257	
6	QWEST Telecom Software Services Pvt LTD									26	
7	QWEST Broadband Services				664						
8	QWEST LD Corp				12,399						
9	QWEST Service Corporation				7,113						
10	Western Reinsurance				605						
11	QCII				23,663						
12	QWEST Government Services				842						
13	QWEST Transoceanic				105						
14											
15											
16											
17											
18	All other investments										
19	Non-affiliates	0	677,518	(42,450)	74,487	(6,174)	0	0	135,751		52,436
20											
21	Totals	0	677,518	(42,450)	147,338	(6,174)	0	0	135,751	34,653	52,436

Net Plant in Service - Detail

(Thousands of Dollars)

Year 2010

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	69,220	2,418	1,631	0	70,006	41,532	28,474
2	^ 2111	Land	1,801	0	0		1,801	0	1,801
3	^ 2112	Motor Vehicles	5,408	106	682		4,833	4,342	491
4	^ 2113	Aircraft	0	0	0		0	0	0
5	^ 2114	Special Purpose Vehicles	246	0	115		132	33	99
6	^ 2115	Garage Work Equipment	245	0	63		182	188	(6)
7	^ 2116	Other Work Equipment	6,300	426	49		6,677	3,035	3,642
8	^ 2121	Buildings	51,169	1,940	526		52,583	30,185	22,398
9	^ 2122	Furniture	247	(148)	92		7	146	(138)
10	^ 2123	Office Equipment	863	27	0		890	732	158
11	^ 2124	General Purpose Computers	2,941	66	105		2,902	2,873	29
12	2211	Analog Electronic Switching	0	0	0		0	0	0
13	2212	Digital Electronic Switching	159,230	3,606	3,442		159,395	142,792	16,603
14	2215	Electro-Mechanical Switching	0	0	0		0	0	0
15	2220	Operator Systems	0	0	0		0	0	(0)
16	2231	Radio Systems	11,584	32	(20)		11,636	11,088	549
17	2232	Circuit Equipment	197,705	5,597	1,313		201,989	171,369	30,620
18	* 2310	Information Orig & Term Equip	6,635	60	(79)	0	6,774	5,035	1,739
19	^ 2311	Station Apparatus	0	0	0		0	0	0
20	^ 2321	Customer Premises Wiring	0	0	0		0	0	0
21	^ 2341	Large Private Branch Exchanges	0	0	0		0	0	0
22	^ 2351	Public Telephone Term. Equip.	0	0	0		0	0	0
23	^ 2362	Other Terminal Equipment	6,635	60	(79)		6,774	5,035	1,739
24	2411	Poles	7,352	162	80		7,435	12,848	(5,413)
25	* 2420	Cable and Wire Facilities	457,576	5,305	1,317	0	461,565	413,545	48,020
26	^ 2421	Aerial Cable	35,473	354	144		35,683	42,652	(6,970)
27	^ 2422	Underground Cable	44,092	791	83		44,801	46,279	(1,478)
28	^ 2423	Buried Cable	369,700	4,086	1,077		372,709	317,132	55,577
29	^ 2424	Submarine Cable	32	0	0		32	31	1
30	^ 2425	Deep Sea Cable	0	0	0		0	0	0
31	^ 2426	Intrabuilding Network Cable	8,279	74	12		8,340	7,452	888
32	2431	Aerial Wire	1,240	4	1		1,243	1,594	(351)
33	2441	Conduit Systems	22,389	1,416	8		23,796	10,988	12,808
34		Totals	932,930	18,601	7,693	0	943,839	810,790	133,048

^ Subaccount of the account marked with a *.

Analysis of Plant Held for Future Use

(Thousands of Dollars)

Year 2010

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	<i>Qwest Corporation - Montana had no Plant Held for Future Use in 2010</i>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)		0	0	0	0	0

Cost of Long Term Debt

(Thousands of Dollars)

Year 2010

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	QWEST CORPORATION											
2	7.500% 30 Year Debenture	06/15/93	06/15/23	484,000	N/A	484,134	100.03	481,070	7.50%	36,300	131	7.57%
3	7.250% 30 Year Debenture	09/15/95	09/15/25	250,000	N/A	249,575	99.83	247,979	7.25%	18,125	71	7.34%
4	7.200% 31 Year Debenture	11/10/95	11/10/26	250,000	N/A	247,188	98.88	246,093	7.20%	18,000	121	7.36%
5	6.875% 40 Year Debenture	09/15/93	09/15/33	1,000,000	N/A	912,507	91.25	916,559	6.88%	68,750	1,264	7.64%
6	7.250% 40 Year Debenture	10/15/95	10/15/35	250,000	N/A	246,438	98.58	244,818	7.25%	18,125	67	7.43%
7	7.125% 50 Year Debenture	11/15/93	11/15/43	250,000	N/A	250,350	100.14	247,924	7.13%	17,813	14	7.19%
8	8.875% 10 Year Note	03/12/02	03/15/12	1,500,000	N/A	1,440,437	96.03	1,489,468	8.88%	133,125	7,433	9.44%
9	7.875% 7 Year Term Loan	08/19/04	09/01/11	575,000	N/A	558,756	97.17	572,937	7.88%	45,281	2,746	8.38%
10	7.875% 7 Year Term Loan	11/23/04	09/01/11	250,000	N/A	270,141	108.06	251,247	7.88%	19,688	(1,877)	7.09%
11	8 Year Floating Rate Note	06/17/05	06/15/13	750,000	N/A	738,750	98.50	746,542	3.50%	26,277	1,407	3.71%
12	7.625% 10 Year Note	06/17/05	06/15/15	400,000	N/A	394,000	98.50	396,744	7.63%	30,500	563	7.83%
13	7.50% 8 Year Note	08/08/06	10/01/14	600,000	N/A	592,500	98.75	595,819	7.50%	45,000	887	7.70%
14	6.50% 10 Year Note	05/16/07	06/01/17	500,000	N/A	493,750	98.75	495,368	6.50%	32,500	540	6.67%
15	8.375% 7 Year Note	04/13/09	05/01/16	810,500	N/A	740,794	91.40	751,158	8.38%	67,879	7,549	10.04%
16												
17	EASTERN REGION											
18	Refinanced Debenture	02/15/77	02/15/17		N/A			(3,049)			498	-16.32%
19	7.750% 40 Year Debenture	05/01/90	05/01/30	42,883	N/A	33,910	79.08	35,049	7.75%	3,323	122	9.83%
20												
21	CENTRAL REGION											
22	Refinanced Debenture	11/01/76	11/01/16		N/A			(1,813)			311	-17.14%
23	Refinanced Debenture	09/15/77	09/15/17		N/A			(2,880)			429	-14.91%
24	Refinanced Debenture	06/01/83	06/01/23		N/A			(3,504)			899	-25.66%
25	Refinanced Debenture	02/01/85	02/01/25		N/A			(11,457)			813	-7.10%
26	Refinanced Debenture	02/01/77	02/01/17		N/A			(11,162)			575	-5.15%
27	Refinanced Debenture	02/01/77	02/01/17		N/A			(7,770)			1,276	-16.42%
28	7.375% 40 Year Debenture	05/01/90	05/01/30	55,150	N/A	41,535	75.31	43,294	7.38%	4,067	185	9.82%
29												
30	WESTERN REGION											
31	Refinanced Debenture	05/01/80	05/01/20		N/A			(4,119)			441	-10.72%
32	Grand Total			7,967,533		7,694,765		7,716,315		584,754	26,466	7.92%

NOTES:

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

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

Cost of Preferred Stock

(Thousands of Dollars)

Year 2010

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	<i>QWEST CORPORATION HAS NO PREFERRED STOCK</i>											
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)			0		0	0			0	0	0

Analysis of Common Stock

(Thousands of Dollars)

Year 2010

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31:	1	(1,502,930)	902,070	2,300,000	N/M	N/A	N/A	N/A
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									

Notes:

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

N/M=Not Meaningful

Capital Stock and Funded Debt Reacquired or Retired During the Year

(Thousands of Dollars)

Year 2010

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	<u>FUNDED DEBT</u>						
2	7 Year Term Loan	06-09-2010		500,000	0		Retirement
3	Wachovia Derivative	08-01-2010		9,950	0		Retirement
4	8.95% Stinson, Mpls MN	03-01-2010		22	0		Retirement
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30	Totals (Sum L.1 to L.29)		0	509,972	0	0	0

Total Company Expense Matrix

Year 2010

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense	3,996,027	811,134	5,723,486	(3,462,795)	0	7,067,852
2	^ 6112	Motor Vehicle Expense	1,969,931	531,092	2,109,841	(4,459,371)		151,493
3	^ 6113	Aircraft Expense	2,026,096	280,042	1,556,329	2,998,315		6,860,782
4	^ 6114	Special Purpose Vehicles Expense	-	-	976	71,307		72,284
5	^ 6115	Garage Work Equipment Expense	-	-	-	324,333		324,333
6	^ 6116	Other Work Equipment Expense	-	-	2,056,340	(2,397,380)		(341,040)
7	* 6120	General Support Expense	48,633,149	7,117,621	101,418,002	268,807,984	0	425,976,756
8	^ 6121	Land and Building Expense	6,113,991	485,357	97,231,159	116,004,008		219,834,516
9	^ 6122	Furniture and Artworks Expense	63,923	4,137	7,815	4,634,991		4,710,866
10	^ 6123	Office Equipment Expense	2,273,385	163,586	939,458	7,894,610		11,271,039
11	^ 6124	General Purpose Computers Expense	40,181,850	6,464,541	3,239,571	140,274,374		190,160,335
12	* 6210	Central Office Switching Expense	80,390,702	5,655,919	709,467	24,067,870	0	110,823,957
13	^ 6211	Analog Electronic Expense						0
14	^ 6212	Digital Electronic Expense	80,390,702	5,655,919	709,467	23,021,480		109,777,568
15	^ 6215	Electro-Mechanical Expense						0
16	6220	Operator Systems Expense	-	-	-	1,046,390		1,046,390
17	* 6230	Central Office Transmission Expense	89,052,730	7,405,144	792,792	24,376,738	0	121,627,404
18	^ 6231	Radio Systems Expense	1,674,839	124,007	2,918	600,162		2,401,925
19	^ 6232	Circuit Equipment Expense	87,377,891	7,281,138	789,874	23,776,576		119,225,479
20	* 6310	Information Origination/Termination Expense	78,614,783	5,758,287	111,262	84,140,983	0	168,625,315
21	^ 6311	Station Apparatus Expense	12,778,745	931,593	21,580	76,478,077		90,209,995
22	^ 6341	Large Private Branch Exchange Expense	16,977,340	1,292,431	23,910	1,934,688		20,228,369
23	^ 6351	Public Telephone Terminal Equipment Expense	160	60	-	3		223
24	^ 6362	Other Terminal Equipment Expense	48,858,537	3,534,203	65,772	5,728,216		58,186,729
25	* 6410	Cable and Wire Facilities Expense	401,411,569	27,816,586	27,864,555	168,003,293	0	625,096,003
26	^ 6411	Poles Expense	2,362,498	174,604	18,649,948	6,067,073		27,254,123
27	^ 6421	Aerial Cable Expense	73,251,736	5,242,933	564,886	14,078,799		93,138,354
28	^ 6422	Underground Cable Expense	31,996,449	2,501,480	804,303	7,338,296		42,640,529
29	^ 6423	Buried Cable Expense	280,426,043	18,910,026	7,797,809	128,720,235		435,854,113
30	^ 6424	Submarine Cable Expense	2,194	164	6	398		2,761
31	^ 6425	Deep Sea Cable Expense						0
32	^ 6426	Intrabuilding Network Cable Expense	12,421,940	922,693	17,015	2,603,401		15,965,050
33	^ 6431	Aerial Wire Expense	101,472	4,903	100	91,214		197,689
34		Subtotals	701,249,720	54,504,910	136,589,076	556,830,196	0	1,449,173,903

^ Subaccount of the account marked with a *.

Total Company Expense Matrix

Year 2010

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	849,238	59,781	30,488	9,103,877		10,043,384
36	6512	Other Property Expenses	(2,960,801)	2,269,420	-	3,460,330		2,768,949
37	* 6530	Network Operations Expense	97,548,125	223,996,382	12,579	139,379,643	0	460,936,729
38	^ 6531	Power Expense	-	-	-	84,919,583		84,919,583
39	^ 6532	Network Administration Expense	3,170,739	551,391	-	(948,416)		2,773,714
40	^ 6533	Testing Expense	80,407,662	16,131,578	-	(439,910)		96,099,329
41	^ 6534	Plant Operations Expense	(39,582,866)	187,272,603	10,188	56,918,056		204,617,980
42	^ 6535	Engineering Expense	53,552,590	20,040,811	2,392	(1,069,671)		72,526,122
43	6540	Access Expense	-	-	89,666	162,570,986		162,660,652
44	6561	Depreciation - Telecomm. Plant in Service	-	-	-	1,810,400,684		1,810,400,684
45	6562	Depreciation-Prop. for Future Telecom. Use	-	-	-			0
46	6563	Amortization Expense - Tangible	-	-	-	45,555,595		45,555,595
47	6564	Amortization Expense - Intangible	-	-	-	234,322,513		234,322,513
48	6565	Amortization - Other	-	-	-			0
49	* 6610	Marketing	385,825,710	58,615,220	15,424	458,546,680	0	903,003,035
50	^ 6611	Product Management	42,419,662	6,028,479	14,568	21,587,341		70,050,049
51	^ 6612	Sales	343,406,049	52,586,741	856	199,882,052		595,875,697
52	^ 6613	Product Advertising	-	-	-	237,077,288		237,077,288
53	6621	Call Completion Services	3,589,762	1,548,711	-	51,458		5,189,931
54	6622	Number Services	14,700,887	5,526,192	-	229,197		20,456,276
55	6623	Customer Services	268,001,699	102,818,829	47,082	99,273,978		470,141,589
56	6711	Executive	123,562,106	6,463,487	2,810	11,002,035		141,030,437
57	6712	Planning	4,661,976	715,688	-	231,625		5,609,289
58	6721	Accounting and Finance	65,595,608	10,040,718	4,145	38,200,927		113,841,399
59	6722	External Relations	25,476,918	3,348,913	54,132	23,461,380		52,341,342
60	6723	Human Relations	20,508,089	(3,491,548)	-	13,718,387		30,734,929
61	6724	Information Management	93,582,425	9,134,407	62,050,859	139,691,097		304,458,787
62	6725	Legal	32,538,146	3,574,488	-	19,935,627		56,048,262
63	6726	Procurement	8,125,245	1,362,049	-	664,422		10,151,716
64	6727	Research and Development	-	-	-	-		0
65	6728	Other General and Administrative	15,633,205	79,303,718	4,149,438	249,032,749		348,119,110
66	6790	Provision for Uncollectible Notes Receivable	-	-	-	-		0
67	8747	Administrative Services Clearing	-	-	-	-		0
68		Totals	1,858,488,058	559,791,366	203,045,699	4,015,663,385	0	6,636,988,508

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year 2010

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense	65,555	17,163	(117,411)	139,177	0	104,484
2	^ 6112	Motor Vehicle Expense	42,619	14,069	(159,128)	116,558		14,119
3	^ 6113	Aircraft Expense	22,936	3,094	22,560	44,706		93,296
4	^ 6114	Special Purpose Vehicles Expense	-	-	-	2,222		2,222
5	^ 6115	Garage Work Equipment Expense	-	-	-	2,404		2,404
6	^ 6116	Other Work Equipment Expense	-	-	19,156	(26,712)		(7,556)
7	* 6120	General Support Expense	790,658	119,651	725,196	3,751,112	0	5,386,617
8	^ 6121	Land and Building Expense	236,253	20,941	636,459	1,751,485		2,645,138
9	^ 6122	Furniture and Artworks Expense	-	-	-	14,691		14,691
10	^ 6123	Office Equipment Expense	2,258	0	13,306	70,193		85,757
11	^ 6124	General Purpose Computers Expense	552,147	98,710	75,431	1,914,743		2,641,031
12	* 6210	Central Office Switching Expense	1,762,226	146,245	970	302,648	0	2,212,089
13	^ 6211	Analog Electronic Expense	-	-	-	-		0
14	^ 6212	Digital Electronic Expense	1,762,226	146,245	970	302,648		2,212,089
15	^ 6215	Electro-Mechanical Expense	-	-	-	-		0
16	^ 6220	Operator Systems Expense	-	-	-	-		0
17	* 6230	Central Office Transmission Expense	1,688,028	134,814	150,183	581,377	0	2,554,402
18	^ 6231	Radio Systems Expense	26,853	1,186	11	19,958		48,009
19	^ 6232	Circuit Equipment Expense	1,661,175	133,628	150,172	561,418		2,506,393
20	* 6310	Information Origination/Termination Expense	789,214	57,330	289	1,592,956	0	2,439,789
21	^ 6311	Station Apparatus Expense	33,273	4,063	27	1,504,685		1,542,048
22	^ 6341	Large Private Branch Exchange Expense	0	-	-	0		0
23	^ 6351	Public Telephone Terminal Equipment Expense	-	-	-	-		0
24	^ 6362	Other Terminal Equipment Expense	755,941	53,267	262	88,271		897,741
25	* 6410	Cable and Wire Facilities Expense	6,030,717	387,608	1,309,765	3,146,852	0	10,874,942
26	^ 6411	Poles Expense	55,684	4,878	685,395	(121,544)		624,414
27	^ 6421	Aerial Cable Expense	910,469	79,512	175,089	242,061		1,407,132
28	^ 6422	Underground Cable Expense	285,297	21,699	179	49,845		357,020
29	^ 6423	Buried Cable Expense	4,636,483	269,638	448,969	2,941,505		8,296,594
30	^ 6424	Submarine Cable Expense	-	-	-	-		0
31	^ 6425	Deep Sea Cable Expense	-	-	-	-		0
32	^ 6426	Intrabuilding Network Cable Expense	136,211	11,583	88	24,846		172,728
33	^ 6431	Aerial Wire Expense	6,024	209	-	907		7,139
34		Subtotals	11,125,851	862,722	2,068,946	9,504,890	0	23,562,409

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year 2010

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	547	89	46	9,233		9,915
36	6510	Other Property Expenses	(52,264)	17,261	-	463,509		428,506
37	* 6530	Network Operations Expense	2,582,406	2,793,813	850	3,185,301	0	8,562,369
38	^ 6531	Power Expense				1,701,265		1,701,265
39	^ 6532	Network Administration Expense	39,109	9,626	-	2,496		51,231
40	^ 6533	Testing Expense	1,365,037	321,772	-	10,031		1,696,839
41	^ 6534	Plant Operations Expense	(115,286)	2,178,168	180	1,400,652		3,463,714
42	^ 6535	Engineering Expense	1,293,546	284,247	670	70,858		1,649,320
43	6540	Access Expense				3,020,866		3,020,866
44	6561	Depreciation - Telecomm. Plant in Service				32,432,242		32,432,242
45	6562	Depreciation-Prop. for Future Telecom. Use				-		0
46	6563	Amortization Expense - Tangible				290,437		290,437
47	6564	Amortization Expense - Intangible				188,009		188,009
48	6565	Amortization - Other				-		0
49	* 6610	Marketing	4,522,150	709,189	221	8,045,298	0	13,276,858
50	^ 6611	Product Management	632,397	90,508	211	343,576		1,066,692
51	^ 6612	Sales	3,889,753	618,681	9	3,303,128		7,811,572
52	^ 6613	Product Advertising				4,398,594		4,398,594
53	6621	Call Completion Services	70,244	31,382	-	968		102,594
54	6622	Number Services	255,846	96,244	-	3,983		356,073
55	6623	Customer Services	5,105,967	2,023,658	266	2,008,191		9,138,082
56	6711	Executive	1,834,492	95,896	42	164,394		2,094,824
57	6712	Planning	69,346	10,648	-	3,444		83,438
58	6721	Accounting and Finance	971,107	149,252	62	569,630		1,690,051
59	6722	External Relations	456,305	58,546	805	350,814		866,470
60	6723	Human Relations	332,574	(52,154)	-	216,176		496,596
61	6724	Information Management	1,366,719	133,656	885,140	2,264,355		4,649,869
62	6725	Legal	489,828	53,181	-	724,751		1,267,759
63	6726	Procurement	130,704	21,588	-	12,109		164,402
64	6727	Research and Development	-	-	-	-		0
65	6728	Other General and Administrative	246,678	1,441,448	28,551	3,840,043		5,556,720
66	6790	Provision for Uncollectible Notes Receivable						0
67	8747	Administrative Services Clearing						0
68		Totals	29,508,500	8,446,418	2,984,928	67,298,642	0	108,238,488

Pension Costs

Year: 2010

1	Plan Name Qwest Pension Plan			
2	Defined Benefit Plan? Yes		Defined Contribution Plan? No	
3	Actuarial Cost Method? Projected Unit Credit		IRS Code: 005	
4	Annual Contribution by Employer: 0		Is the Plan Over Funded? No	
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	7,580,344	7,428,546	2.0%
8	Service cost	53,332	98,078	-45.6%
9	Interest Cost	416,014	472,016	-11.9%
10	Plan participants' contributions			
11	Amendments	-	(206,000)	
12	Actuarial Gain	337,397	531,652	-36.5%
13	Curtailment	-	(105,000)	
14	Benefits paid	(707,694)	(638,948)	-10.8%
14a	Special termination benefits			
15	Benefit obligation at end of year	7,679,393	7,580,344	1.3%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	6,842,536	6,733,205	1.6%
18	Adjustment to match trust			
19	Actual return on plan assets	999,886	748,279	33.6%
20	Acquisition	-		
21	Employer contribution	-		
22	Plan participants' contributions	-		
23	420 Transfer	-		
24	Benefits paid	(707,694)	(638,948)	-10.8%
25	Fair value of plan assets at end of year	7,134,728	6,842,536	4.3%
26	Funded Status	(544,665)	(737,808)	26.2%
27	Unrecognized net actuarial loss	1,574,888	1,841,295	-14.5%
28	Unrecognized prior service cost	(151,234)	(171,810)	12.0%
29	Prepaid (accrued) benefit cost	878,989	931,677	-5.7%
30				
31	Weighted-average Assumptions as of Year End			
32	Discount rate	5.30%	5.80%	-8.6%
33	Expected return on plan assets	7.50%	8.00%	-6.3%
34	Rate of compensation increase	3.50%	3.50%	
35				
36	Components of Net Periodic Benefit Costs			
37	Service cost	53,332	98,078	-45.6%
38	Interest cost	416,014	472,016	-11.9%
39	Expected return on plan assets	(517,631)	(527,796)	1.9%
40	Amortization of prior service cost & net transision obligation	(20,576)	-	
41	Recognized net actuarial loss	120,598	69,820	72.7%
42	Net periodic benefit cost	51,737	112,118	-53.9%
	Curtailment Recognition	-	(12,201)	
43	Adjustment for affiliated transfer	951	3,056	-68.9%
44	Montana Intrastate Costs:			
45	Pension Costs	267	1,090	-75.5%
46	Pension Costs Capitalized	43	139	-69.1%
47	Accumulated Pension Asset (Liability) at Year End	12,536	14,102	-11.1%
48	Number of Company Employees:			
49	Covered by the Plan	79,074	81,851	-3.4%
50	Not Covered by the Plan			
51	Active	25,713	28,270	-9.0%
52	Retired	39,602	39,428	0.4%
53	Deferred Vested Terminated	13,759	14,153	-2.8%

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	685	1,397	-51.0%
6	Weighted-average Assumptions as of Year End			
7	Discount rate	5.20%	5.70%	-8.8%
8	Expected return on plan assets	7.50%	8.00%	-6.3%
9	Medical Cost Inflation Rate	7.5% graded to 5%	8% graded to 5%	
10	Actuarial Cost Method	Projected Unit Cr	Projected Unit Cr	
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, tax advantaged	Transfer - No		
14	Cash - Yes			
15	Describe any Changes to the Benefit Plan:	N/A		
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	3,171,168	3,184,320	-0.4%
20	Service cost	7,205	7,538	-4.4%
21	Interest Cost	170,779	200,798	-14.9%
22	Plan participants' contributions	-	-	
23	Amendments	-	-	
24	Actuarial Gain	52,951	95,285	-44.4%
25	Acquisition	-	-	
26	Benefits paid	(296,759)	(316,773)	6.3%
27	Benefit obligation at end of year	3,105,344	3,171,168	-2.1%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	862,525	915,087	-5.7%
30	Actual return on plan assets	124,675	139,361	-10.5%
31	Acquisition	-	-	
32	Employer contribution	110,578	124,850	-11.4%
32a	Life trust reimbursement	-	-	
33	Plan participants' contributions	-	-	
34	Benefits paid	(296,759)	(316,773)	6.3%
35	Fair value of plan assets at end of year	801,019	862,525	-7.1%
36	Funded Status	(2,304,325)	(2,308,643)	0.2%
37	Unrecognized net actuarial loss	525,919	574,476	-8.5%
38	Unrecognized prior service cost	(695,616)	(778,743)	10.7%
39	Prepaid (accrued) benefit cost	(2,474,022)	(2,512,910)	1.5%
40	Components of Net Periodic Benefit Costs			
41	Service cost	7,205	7,538	-4.4%
42	Interest cost	170,779	200,798	-14.9%
43	Expected return on plan assets	(60,938)	(67,606)	9.9%
44	Amortization of prior service cost	(83,127)	(83,127)	
45	Recognized net actuarial loss	37,771	31,807	18.8%
46	Net periodic benefit cost	71,690	89,410	-19.8%
46a	Adjustment for Accounting Changes	-	-	
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other - Cash	110,578	124,850	-11.4%
51	TOTAL	110,578	124,850	-11.4%
52	Amount that was tax deductible - VEBA		-	
53	Amount that was tax deductible - 401(h)		-	
54	Amount that was tax deductible - Cash	110,578	124,850	-11.4%
55	TOTAL	110,578	124,850	-11.4%

Other Post Employment Benefits (OPEBS) Continued

Year: 2010

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	63,276	64,931	-2.5%
3	Not Covered by the Plan	11,258	10,712	5.1%
4	Active	18,219	20,046	-9.1%
5	Retired	45,057	44,885	0.4%
6	Spouses/Dependants covered by the Plan	23,141	23,731	-2.5%
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year	43,363	43,102	0.6%
10	Service cost	84	111	-24.3%
11	Interest Cost	1,989	2,986	-33.4%
12	Plan participants' contributions	-	-	
13	Amendments	-	-	
14	Actuarial Gain	616	1,089	-43.4%
15	Acquisition	-	-	
16	Benefits paid	(3,769)	(3,925)	4.0%
17	Benefit obligation at end of year	42,283	43,363	-2.5%
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year	42,190	63,814	-33.9%
20	Actual return on plan assets	5,960	(19,200)	131.0%
21	Acquisition	-	-	
22	Employer contribution	1,604	1,737	-7.7%
	Reduction in required funding	(825)	(236)	-249.6%
23	Plan participants' contributions	-	-	
24	Benefits paid	(3,769)	(3,925)	4.0%
25	Fair value of plan assets at end of year	45,160	42,190	7.0%
26	Funded Status	2,878	(1,172)	345.6%
27	Unrecognized net actuarial loss	NA	NA	
28	Unrecognized prior service cost	NA	NA	
29	Prepaid (accrued) benefit cost	NA	NA	
30	Components of Net Periodic Benefit Costs			
31	Service cost	84	111	-24.4%
32	Interest cost	1,989	2,986	-33.4%
33	Expected return on plan assets	(3,441)	(3,925)	12.3%
34	Amortization of prior service cost	1,612	1,146	40.7%
35	Recognized net actuarial loss	440	549	-19.9%
36	Net periodic benefit cost	685	1,397	-51.0%
36a	Adjustment for Accounting Changes	-	-	
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA	(825)	(236)	-249.6%
39	Amount Funded through 401(h)	-	-	
40	Amount Funded through Other - Cash	1,604	1,737	-7.7%
41	TOTAL	779	1,501	-48.1%
42	Amount that was tax deductible - VEBA	(825)	(236)	-249.4%
43	Amount that was tax deductible - 401(h)	-	-	
44	Amount that was tax deductible - Cash	1,604	1,737	-7.7%
45	TOTAL	779	1,501	-48.1%
46	Montana Intrastate Costs:			
47	Benefit Cost Expensed	678	1,301	-47.9%
48	Benefit Cost Capitalized	7	96	-93.1%
49	Benefit Payments - Medical	3,640	3,798	-4.2%
50	Number of Montana Employees:			
51	Covered by the Plan	152	226	-32.7%
52	Not Covered by the Plan		N/A	
53	Active	152	226	-32.7%
54	Retired		N/A	
55	Spouses/Dependants covered by the Plan		N/A	

Company Name: Qwest Corporation

Notes to Schedule 20

This document summarizes certain provisions of the Qwest Health Care Plan which changed effective January 1, 2011. This document is intended only as a state filing compliance document and it is not intended to be a participant communication. If there is any conflict between the terms of the Plan documents and this document, the terms of the Plan documents will govern.

1. Mental Health Parity and Addiction Equity Act Changes. Starting Jan. 1, 2011, Mental Health and Substance Abuse In-Network copays for the UnitedHealthcare (UHC) and Medica PPO benefit options will decrease from \$40 to \$25 for outpatient visits. Some HMOs have also made changes to their mental health and substance abuse treatment coverage.

2. Health Plan under the Patient Protection and Affordable Care Act. The President signed into law health care reform pursuant to the Patient Protection and Affordable Care Act of 2010 ("PPACA"). PPACA applies to the Qwest Health Care Plan effective Jan. 1, 2011. A health care plan that provides benefits to fewer than two active employees is exempt from PPACA and, therefore, is not required to comply with recent changes under PPACA. The benefit options that pertain solely to the Pre-1991 retirees, ERO-1992 retirees and certain other inactive participants meet these requirements and are not subject to PPACA. However, Qwest decided to voluntarily apply certain provisions of the PPACA to these benefit options.

2a. As a result, Qwest is making medical and dental coverage available to the end of the month in which such retirees' adult child(ren) attains the age of 26, provided such individual is not otherwise eligible for coverage under another group plan such as one offered by the child's employer. This voluntary application of PPACA to the retiree benefit options is separate from and not part of the health care commitment to the Pre-1991 and ERO-1992 Retiree populations.

2b. Elimination of the Plan's Maximum Lifetime Coverage Limit of \$5,000,000 under the UHC and Medica PPO and UHC No-Network Benefit Options that applied to certain populations, including Post-1990 Management Retirees. Effective Jan. 1, 2011, the Maximum Lifetime Coverage Limit paid by the Health Plan has been eliminated for the UnitedHealthcare (UHC) and Medica Benefit Options, and the UHC No-Network Benefit Options.

2c. Starting Jan. 1, 2011, the benefit options that are available to retirees and inactive participants are being renamed under a separate plan which will be known as the Qwest Retiree and Inactive Health Plan. The Qwest Health Care Plan remains the plan with benefit options available to active occupational and management employees.

3. The Medica Occupational Opt-in Benefit Option expanded to include South Dakota starting January 1, 2011. Participants living in Minnesota, North Dakota, South Dakota and western Wisconsin, may be eligible to opt-in to the Medica Occupational Network Benefit Option depending upon home zip code.

4. Effective Jan. 1, 2011, some HMO benefit option Copays have changed.

5. Monthly Contribution Changes for Post-1990 Management Retirees and Post-1990 Occupational Retirees, COBRA, LTD and Direct Bill Participants. The monthly premium contributions for 2011 have increased for many Plan benefits options.

6. Changes to Health Plan Deductibles, Annual Individual Pharmacy Copay Cap for the PPO and No-Network Benefit Options and the No-Network Reasonable and Customary Out-of-Pocket Maximum for Post-1990 Management and Occupational Retirees, COBRA, LTD and Direct Bill Participants. Effective Jan. 1, 2011, some deductible amounts for the UHC and Medica Health Plan Benefit Options have increased. In addition, the Annual Individual Pharmacy Copay Cap has increased for the PPO and No-network benefit options. The reasonable and customary out-of-pocket maximum for the No-network benefit option has increased.

7. Effective August 2, 2010, the administration of the Health Plan and the Qwest Benefits website was transitioned to Hewitt Associates from ING.

Qwest has reserved to the Plan Administrator the right to interpret and resolve any ambiguities in the Plan or any document relating to the Plan. Benefits and contribution obligations, if any, are determined by Qwest in its sole discretion. Qwest has the right to change, modify, discontinue or terminate the benefits of the Qwest Health Care Plan and the Qwest Retiree and Inactive Health Plan subject to applicable laws, the terms of the respective Plan Documents, and the written agreement specific to Pre-1991 Retirees and ERO-1992 Retirees.

Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year 2010

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
----------	-----------------------	-----------------------	------------------------	----------------------	---------------------

TOTAL ADVERTISING AND INFORMATION SERVICES

TOTAL AUDIT AND ACCOUNTING SERVICES

TOTAL CLERICAL AND OFFICE SERVICE

TOTAL COMPUTER AND DATA PROCESSING SERVICES

TOTAL CONSULTING AND RESEARCH SERVICES

TOTAL FINANCIAL SERVICES

TOTAL LEGAL SERVICES

Total Membership Fees and Dues Exceeding \$50,000

Total Personnel Services

GRAND TOTAL

<p>See Notes to Schedules 9, 21, 29.</p>

Subscriber Line Usage Data

(Thousands of Minutes)

Year 2010

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	Toll Usage:				
2	Interstate, InterLATA	1,777,823	15.82%	1,777,823	15.82%
3	Interstate, IntraLATA	376	0.00%	376	0.00%
4	Total Interstate Usage	1,778,199	15.83%	1,778,199	15.83%
5	Intrastate, InterLATA	514,430	4.58%	514,430	4.58%
6	Intrastate, IntraLATA	140,527	1.25%	140,527	1.25%
7	Total Intrastate Usage	654,957	5.83%	654,957	5.83%
8	Total Toll Usage	2,433,155	21.66%	2,433,155	21.66%
9	Centrex *				
10	Local	8,802,764	78.34%	8,802,764	78.34%
11	Total Minutes	11,235,919	100.00%	11,235,919	100.00%

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

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

Central Office and Access Line Statistics

Year 2010

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	AMSTERDAM	ELECTRIC											100.0%	708
2	ANACONDA	ELECTRIC											100.0%	2,603
3	BELGRADE	ELECTRIC											100.0%	4,493
4	BILLINGS MAIN	ELECTRIC											100.0%	21,743
5	BILLINGS WEST	ELECTRIC											100.0%	12,293
6	BOULDER	ELECTRIC											100.0%	647
7	BOZEMAN	ELECTRIC											100.0%	18,572
8	BRIDGER	ELECTRIC											100.0%	513
9	BUTTE	ELECTRIC											100.0%	6,268
10	BUTTE SOUTH	ELECTRIC											100.0%	3,880
11	CANYON FERRY	ELECTRIC	THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.										100.0%	768
12	CASCADE	ELECTRIC	THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.										100.0%	822
13	CLANCY	ELECTRIC											100.0%	586
14	CLYDE PARK	ELECTRIC											100.0%	546
15	COLSTRIP	ELECTRIC											100.0%	934
16	COLUMBUS	ELECTRIC											100.0%	1,608
17	CONRAD	ELECTRIC											100.0%	615
18	COOKE CITY	ELECTRIC											100.0%	315
19	CORVALLIS	ELECTRIC											100.0%	2,439
20	CUT BANK	ELECTRIC											100.0%	1,361
21	DARBY	ELECTRIC											100.0%	1,588
22	DEER LODGE	ELECTRIC											100.0%	1,554
23	DILLON	ELECTRIC											100.0%	2,741
24	DUTTON	ELECTRIC											100.0%	214
25	EAST GLACIER PARK	ELECTRIC											100.0%	333
26	EAST HELENA	ELECTRIC											100.0%	2,174
27	FAIRVIEW	ELECTRIC											100.0%	150
28	FORSYTH	ELECTRIC											100.0%	212
29	FRENCHTOWN	ELECTRIC											100.0%	1,470
30	FROMBERG	ELECTRIC											100.0%	282
31	Subtotal Page 1													92,432

Central Office and Access Line Statistics

Year 2010

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	GALLATIN GATEWAY	ELECTRIC											100.0%	928
2	GARDINER	ELECTRIC											100.0%	806
3	GLENDIVE	ELECTRIC											100.0%	849
4	GREAT FALLS	ELECTRIC											100.0%	19,978
5	HAMILTON	ELECTRIC											100.0%	5,597
6	HARDIN	ELECTRIC											100.0%	1,673
7	HAVRE	ELECTRIC											100.0%	3,699
8	HELENA MAIN	ELECTRIC											100.0%	16,323
9	HELENA NORTH	ELECTRIC											100.0%	1,717
10	JOLIET	ELECTRIC											100.0%	882
11	LAUREL	ELECTRIC	THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.										100.0%	3,233
12	LEWISTOWN	ELECTRIC	THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.										100.0%	1,693
13	LIVINGSTON	ELECTRIC											100.0%	4,297
14	LOLO	ELECTRIC											100.0%	2,530
15	MANHATTAN	ELECTRIC											100.0%	803
16	MILES CITY	ELECTRIC											100.0%	1,097
17	MILLTOWN	ELECTRIC											100.0%	586
18	MISSOULA MAIN	ELECTRIC											100.0%	21,053
19	MISSOULA SOUTH	ELECTRIC											100.0%	2,271
20	OPPORTUNITY	ELECTRIC											100.0%	309
21	PARK CITY	ELECTRIC											100.0%	583
22	POWELL	ELECTRIC											100.0%	1
23	PRAY	ELECTRIC											100.0%	778
24	RED LODGE	ELECTRIC											100.0%	2,275
25	ROBERTS	ELECTRIC											100.0%	289
26	SHELBY	ELECTRIC											100.0%	570
27	SHEPHERD	ELECTRIC											100.0%	1,127
28	SIDNEY	ELECTRIC											100.0%	508
29	ST MARY	ELECTRIC											100.0%	287
30	STEVENSVILLE	ELECTRIC											100.0%	3,257
31	Subtotal Page 2													99,999

Central Office and Access Line Statistics

Year 2010

Line No.	Wire Center (a)	Type of Office (b)	Resident 1-Party (c)	Resident 2-Party (d)	Resident >2-Party (e)	Lifeline Customers (f)	Resident LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	TERRY	ELECTRIC											100.0%	26
2	THREE FORKS	ELECTRIC											100.0%	1,349
3	TOWNSEND	ELECTRIC											100.0%	1,490
4	ULM	ELECTRIC											100.0%	305
5	VAUGHN	ELECTRIC											100.0%	787
6	VICTOR	ELECTRIC											100.0%	1,219
7	WARM SPRINGS	ELECTRIC											100.0%	210
8	WEST GLACIER	ELECTRIC											100.0%	529
9	WEST YELLOWSTONE	ELECTRIC											100.0%	1,544
10	WHITEHALL	ELECTRIC											100.0%	1,454
11	WIBAUX	ELECTRIC											100.0%	96
12	WILSALL	ELECTRIC											100.0%	425
13	WOLF CREEK	ELECTRIC											100.0%	291
14														
15														
16														
17														
18														
19														
20	Subtotal Page 3													9,725
21														
22	MONTANA		103,910	2	0	5,053	3,084	9,212	47,648	536	0	32,711		202,156

THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.

Central Office and Switch Information

Year 2010

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	AMSTERDAM	Remote/BOZEMAN	Digital	LUCENT	5ESS/RSM	1,824	1993
2	ANACONDA	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	5,504	1992
3	BELGRADE	Stand Alone	Digital	LUCENT	5ESS	13,464	2001
4	BILLINGS MAIN	Host	Digital	ERSN	AXE		1991
5	BILLINGS MAIN	Packet (Unreg)	Packet	NTI	DPN100		1993
6	BILLINGS MAIN	Stand Alone	Digital	LUCENT	5ESS	62,805	1994
7	BILLINGS MAIN	STP	Digital	ERSN	AXE/STP		1992
8	BILLINGS WEST	Lines/Host	Digital	LUCENT	5ESS	28,664	1985
9	BILLINGS WEST	Packet (Unreg)	Packet	NTI	DPN100		1991
10	BOULDER	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	1,280	1992
11	BOZEMAN	Stand Alone	Digital	LUCENT	5ESS	45,566	1984
12	BOZEMAN	STP	Digital	ERSN	AXE/STP		1992
13	BRIDGER	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	1,024	1993
14	BUTTE MAIN	Stand Alone	Digital	LUCENT	5ESS	16,159	1990
15	BUTTE SOUTH	Remote/BUTTE-HOST	Digital	LUCENT	5ESS/ORM	9,424	1995
16	CANYON FERRY	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	1,278	1993
17	CASCADE	Remote/GREAT-FALLS	Digital	LUCENT	5ESS/RSM	1,776	1994
18	CLANCY	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	1,536	1993
19	CLYDE PARK	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	896	1992
20	COLSTRIP	Remote/BILLINGS-HOST	Digital	LUCENT	5ESS/RSM	2,144	1997
21	COLUMBUS	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	2,302	1992
22	CONRAD	Remote/GREAT-FALLS	Digital	LUCENT	5ESS/RSM	2,560	1994
23	COOKE CITY	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	640	1992
24	CORVALLIS	Remote/HAMILTON	Digital	ERSN	AXE/RSS	3,712	1991
25	CUT BANK	Remote/SHELBY	Digital	ERSN	AXE/RSS	2,688	1994
26	DARBY	Remote/HAMILTON	Digital	ERSN	AXE/RSS	2,432	1991
27	DEER LODGE	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	2,944	1990
28	DILLON	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	4,735	1992
29	DUTTON	Remote/GREAT-FALLS	Digital	LUCENT	5ESS/RSM	512	1994
30	EAST GLACIER	Remote/SHELBY	Digital	ERSN	AXE/RSS	512	1993
31	EAST HELENA	Remote/HELENA-HOST	Digital	LUCENT	5ESS/RSM	7,160	1988
32	FAIRVIEW	Remote/GLENDIVE	Digital	ERSN	AXE/RSS	1,024	1993
33	FORSYTH	Remote/MILES CITY	Digital	ERSN	AXE/RSS	2,048	1992
34	FRENCHTOWN	Remote/MISSOULA-HOST	Digital	LUCENT	5ESS/RSM	3,264	1990
35	FROMBERG	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	512	1993
36	GALLATIN GATEWAY	Remote/BOZEMAN	Digital	LUCENT	5ESS/RSM	1,888	1993
37	GARDINER	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	1,536	1991
38	GLENDIVE	Stand Alone	Digital	ERSN	AXE	4,992	1992
39	GREAT FALLS	Lines/Host	Digital	LUCENT	5ESS	55,272	1987
40	GREAT FALLS	Packet (Unreg)	Packet	NTI	DPN100		1993
41	HAMILTON	Stand Alone	Digital	ERSN	AXE	9,216	1991
42	HARDIN	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	2,816	1992
43	HAVRE	Stand Alone	Digital	ERSN	AXE	8,448	1991
44	HELENA MAIN	Host	Digital	ERSN	AXE		1990
45	HELENA MAIN	Lines/Host	Digital	LUCENT	5ESS	35,296	1988
46	HELENA MAIN	STP	Digital	ERSN	AXE/STP		1992
47	HELENA NORTH	Remote/HELENA-HOST	Digital	LUCENT	5ESS/RSM	5,376	1988
48	JOLIET	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	1,408	1993
49	LAUREL	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	5,504	1992
50	LEWISTOWN	Stand Alone	Digital	ERSN	AXE	7,040	1993

Central Office and Switch Information

Year 2010

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
51	LIVINGSTON	Stand Alone	Digital	ERSN	AXE	8,320	1992
52	LOLO	Remote/MISSOULA-HOST	Digital	LUCENT	5ESS/RSM	7,247	1993
53	MANHATTAN	Remote/BOZEMAN	Digital	LUCENT	5ESS/RSM	2,141	1993
54	MILES CITY	Stand Alone	Digital	ERSN	AXE	7,168	1992
55	MILLTOWN	Remote/MISSOULA-HOST	Digital	LUCENT	5ESS/RSM	2,112	1993
56	MISSOULA MAIN	Lines/Host	Digital	LUCENT	5ESS	59,880	1986
57	MISSOULA MAIN	STP	Digital	ERSN	AXE/STP		1992
58	MISSOULA SOUTH	Remote/MISSOULA-HOST	Digital	LUCENT	5ESS/ORM	8,704	1993
59	OPPORTUNITY	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	766	1992
60	PARK CITY	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	1,408	1992
61	PRAY	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	1,280	1990
62	RED LODGE	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	3,712	1992
63	ROBERTS	Remote/BILLINGS-HOST	Digital	ERSN	AXE/RSS	640	1993
64	SAINT MARY	Remote/SHELBY	Digital	ERSN	AXE/RSS	512	1993
65	SHELBY	Stand Alone	Digital	ERSN	AXE	2,432	1993
66	SHEPHERD	Remote/BILLINGS WEST	Digital	LUCENT	5ESS/RSM	2,936	1985
67	SIDNEY	Remote/GLENDIVE	Digital	ERSN	AXE/RSS	4,608	1993
68	STEVENSVILLE	Remote/HAMILTON	Digital	ERSN	AXE/RSS	6,143	1991
69	TERRY	Remote/MILES CITY	Digital	ERSN	AXE/RSS	512	1994
70	THREE FORKS	Remote/BOZEMAN	Digital	LUCENT	5ESS/RSM	3,013	1993
71	TOWNSEND	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	2,560	1992
72	ULM	Remote/GREAT-FALLS	Digital	LUCENT	5ESS/RSM	1,024	1993
73	VAUGHN	Remote/GREAT-FALLS	Digital	LUCENT	5ESS/RSM	2,048	1993
74	VICTOR	Remote/HAMILTON	Digital	ERSN	AXE/RSS	2,048	1991
75	WARM SPRINGS	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	383	1992
76	WEST GLACIER	Remote/SHELBY	Digital	ERSN	AXE/RSS	768	1993
77	WEST YELLOWSTONE	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	2,816	1991
78	WHITEHALL	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	2,432	1992
79	WIBAUX	Remote/GLENDIVE	Digital	ERSN	AXE/RSS	639	1994
80	WILLSALL	Remote/LIVINGSTON	Digital	ERSN	AXE/RSS	512	1992
81	WOLF CREEK	Remote/HELENA-HOST	Digital	ERSN	AXE/RSS	512	1992

Construction Budget-Montana

(Thousands of Dollars)

Year 2010

Line No.	Description (a)	Year 2010 Forecast (b)
1	Central Office Assets:	
2		
3		
4		
5		
6		
7		
8	COE projects over \$500,000	0
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	0
28	Miscellaneous Central Office Projects not over \$500,000	13,000
29	Total Central Office Budget (L.27+L.28)	13,000
30	Other Projects over \$500,000:	0
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	0
42	Miscellaneous Projects not over \$500,000	7,000
43	Total Construction Budget (L.29+L.41+L.42)*	20,000

Montana Total State Construction Expenditures

Year 2010

Line No.	FCC Part 32 Account No. (a)	Description (b)	(\$ 000) This Year (c)	(\$ 000) Last Year (d)	Percent Change (e)
1	2110	General Support Assets	2,474	1,155	114.24%
2	2210	Central Office Assets	4,777	1,151	315.04%
3	2220	Operator Systems	0	0	0.00%
4	2230	Central Office Transmission	8,183	6,013	36.10%
5	2310	Information/Termination Assets	114	99	14.85%
6	2410	Cable and Wire Facilities Assets	7,429	5,610	32.41%
7	2680	Amortizable Tangible Assets	715	774	-7.64%
8	2690	Intangibles	30	259	-88.41%
9		Total Construction Expenditures	23,721	15,061	57.50%

Montana Employee Counts

Year 2010

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Mass Markets-Consumer	0	1
2	Business Markets Group	9	5
3	Network Services	145	136
4	Finance	1	1
5	Real Estate/Procurement/Fleet	7	5
6	Public Policy	2	2
7	Other Affiliates	1	1
8	Legal	1	1
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43	Totals (Sum of Lines 1 through 42)	166	152

Compensation of Top 10 Montana Based Employees

Year 2010

Line	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	THIS INFORMATION IS PROPRIETARY AND WILL BE PROVIDED WHEN AN APPROPRIATE PROTECTIVE ORDER IS ISSUED.						
2	By Notice of Commission Action on March 22, 2011, Service Date March 24, 2011, the MT PSC waived the requirement for utilities to file compensation information, Schedule 27, in their annual reports until Cause No. ADV 2010-945 filed in District Court for the First Judicial District, Lewis and Clark County, is resolved.						
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)	0	0	0	0	0	N/A

Compensation of Top 5 Corporate Employees - SEC Information

Year 2010

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other (1) Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
	Current Executives						
1	Edward A. Mueller Chairman and Chief Executive Officer(4)	\$ 1,200,000	\$ -	\$ 12,256,856	\$ 13,456,856	\$ 12,108,561	11.1%
2	Richard N. Baer Executive Vice President, General Counsel and Chief Admin. Officer	\$ 690,000	\$ -	\$ 4,289,282	\$ 4,979,282	\$ 4,499,666	10.7%
3	Joseph J. Euteneuer Executive Vice President and Chief Financial Officer(3)	\$ 660,000	\$ -	\$ 4,066,770	\$ 4,726,770	\$ 4,309,848	9.7%
4	Teresa A. Taylor Executive Vice President and Chief Operating Officer	\$ 660,000	\$ -	\$ 10,052,062	\$ 10,712,062	\$ 5,618,969	90.6%
5	C. Daniel Yost Executive Vice President, Mass Markets Group	\$ 500,000	\$ -	\$ 2,629,166	\$ 3,129,166	\$ 2,879,454	8.7%
6	Totals (Sum L.1 to L.5)	\$ 3,710,000	\$ -	\$ 33,294,136	\$ 37,004,136	\$ 29,416,498	

PAGE 32

(#) Details of "other compensation" and footnote references associated with each officer are publicly available in the Qwest Communications International, Inc. Form 10K/A filed 3/24/2011, beginning on page 22, filed with the SEC and available from www.sec.gov. (<http://www.sec.gov/Archives/edgar/data/1037949/000110465911016522/0001104659-11-016522-index.htm>)

Montana Composite Statistics

Year 2010

Line No.	Account No.	Description (a)	Amount (b)
1		Plant (Intrastate Only) (\$ 000)	
2	2001	Plant in Service	623,703
3	2003-2004	Construction Work in Progress	1
4	2005	Plant Acquisition Adjustments	0
5	2002	Plant Held for Future Use	0
6	1220	Materials & Supplies	208
7		(Less):	
8	3100-3400	Depreciation & Amortization Reserves	532,918
9	4360.2	Contributions in Aid of Construction	(12)
10		NET BOOK COSTS	91,006
11		Revenues & Expenses (Intrastate Only) (\$ 000)	
12	5000-5300	Operating Revenues	80,611
13	6560	Depreciation & Amortization Expenses	22,284
14		Federal & State Income Taxes	3,076
15		Other Taxes	4,278
16		Other Operating Expenses	34,503
17		TOTAL Operating Expenses	64,141
18		Net Operating Income	16,469
19		Other Income	(731)
20		Other Deductions	14,132
21		NET INCOME	1,606
22		Access Lines in Service (Intrastate Only)	
23		Residential Access Lines	112,049
24		Business Access Lines	88,305
25		PBX Access Lines	1,266
26		Other Access Lines (Public)	536
27		Total Number of Access Lines	202,156
28		Average Number of Calls Per Access Line	
29		Local Calls	See Notes to Schedules 9, 21, 29.
30		Toll Calls (Intra- or Interstate)	
31		Total Number of Calls Per Access Line (L.29 + L.30)	
32		Other Statistics (Intrastate Only)	
33		Average Residential Monthly Bill	16.83
34		Gross Plant Investment per Access Line	3,086

Depreciation-Montana Intrastate Regulated

(Thousands of Dollars)

Year 2010

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$000 (d)
1		2112 MOTOR VEHICLES	4.9%	-
2		2114 SPEC PURPOSE VEHICLES	5.8%	-
3		2115 GARAGE WORK EQUIPMENT	10.5%	5
4		2116 OTHER WORK EQUIP	5.3%	509
5		2121 BUILDINGS	3.4%	1,478
6		2122 FURNITURE	20.8%	98
7		2123.1 OFFICE EQUIPMENT	10.6%	54
8		2123.2 COMPANY COMM EQUIP	8.3%	1
9		2124 GEN PURPOSE CMPTR	0.2%	-
10		2212 DIGITAL SW EQUIP	7.1%	7,194
11		2220 OPERATOR SYSTEMS	0.0%	-
12		2231 RADIO SYSTEMS	11.2%	674
13		2232 CIRCUIT DDS	11.7%	2,574
14		2232 CIRCUIT DIGITAL	11.2%	1,851
15		2232 CIRCUIT ANALOG	24.0%	-
16		2362 OTHER TERM EQUIP	13.1%	256
17		2411 POLE LINES	10.1%	-
18		2421 AERIAL CABLE MET	6.8%	426
19		2421 AERIAL CABLE NON MET	11.6%	18
20		2422 UNDGRD CABLE MET	6.3%	772
21		2422 UNDGRD CABLE NON MET	6.6%	401
22		2423 BURIED CABLE MET	4.6%	9,742
23		2423 BURIED CABLE NON MET	6.2%	1,158
24		2424 SUB CABLE MET	2.4%	0
25		2424 SUB CABLE NON MET	0.0%	-
26		2426 INTRA BLDG CA MET	4.1%	265
27		2426 INTRA BLDG CABLE NON MET	7.8%	21
28		2431 AERIAL WIRE	0.0%	95
29		2441 CONDUIT SYSTEMS	2.1%	527
30				
31		COMPOSITE TOTAL		28,118
32				
33				
34				
35	Have these rates been approved by the Commission? x Yes No			
36				
37				
38	If yes:	<u>Docket Number</u>	<u>Order Number</u>	
39		96.8.131	5937c	

Amortization - Montana Intrastate Regulated

Year 2010

(Thousands of Dollars)

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$000 (d)
1	2681	Capital Leases	varies	229
2	2682	Leasehold Improvements	varies	22
3	2690	Intangibles	9.2%	163
4				
5				
6				
7				
8				
9		Capital Leases and LHI's do not have a composite rate - the amortization		
10		varies by the terms of the Leases.		
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35		COMPOSITE TOTAL		415
36				
37	Please list the Montana Public Service Commission Docket Order No. approving these amortization rates			
38				
39	Docket Number _____ Order Number _____			
40				

Montana Regulatory Capital Structure & Costs

Year 2010

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
Commission Accepted - Most Recent				
1	Docket Number <u>88.12.55</u>			
2	Order Number <u>5398a</u>			
3				
4	Common Equity	50.00%	12.00%	6.000%
5	Preferred Stock	0.00%	0.00%	0.000%
6	Long Term Debt	50.00%	8.88%	4.440%
7	Other		0.00%	0.000%
8	Total	100.00%		10.440%
9				
Actual at Year End				
10				
11				
12	Common Equity	-23.09%	See Note 2.	
13	Preferred Stock	0.00%	0.00%	0.000%
14	Long Term Debt	109.70%	7.79%	8.549%
15	Other	13.39%	7.75%	1.038%
16	Total	100.00%		NM

NM - Not Meaningful

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

Note 2: Qwest does not currently employ nor does it currently contract with a financial expert to perform the analysis necessary to estimate the current cost of equity for this analysis.

SCHEDULE 32

Network Access - Charges and Revenues

(Thousands of Dollars)

Year 2010

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	3,021	108,819
2			
3	Montana - Intrastate	236	13,212
4			
5	Montana - Intrastate Regulated	236	10,527
6			
7			
8			
9			
10			
11			
12			
13			

Affiliate Transactions - Products & Services Provided to Utility

Year: 2010

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	Qwest BroadBand Services, Inc.	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	55,273		
2		FDC		55,273		-
3		TOTAL		55,273		-
4	Qwest Government Services, Inc.	COMMUNICATIONS SERVICES	FDC	8,771		180
5		CORPORATE GENERAL & ADMINISTRATIVE SERVICES		397,234		8,150
6		MARKETING & SALES		4,776,061		103,974
7		FDC		5,182,066		112,304
8		TOTAL	5,182,066	112,304		
9	Qwest Communications Company, LLC	COMMUNICATIONS SERVICES	FDC	23,967		491
10		CORPORATE GENERAL & ADMINISTRATIVE SERVICES		(170,640)		(3,543)
11		NETWORK SERVICES		2,414,575		2,377
12		FDC	2,267,903	(675)		
13		COMMUNICATIONS SERVICES	FMV	1,216,128		
14		LEASED ASSETS & FACILITIES		14,075,745		
15		FMV		15,291,873		-
16	COMMUNICATIONS SERVICES	PCP	57,773,966	1,188,931		
17	PCP		57,773,966	1,188,931		
18	TOTAL		75,333,742	1,188,256		
19	Qwest Services Corporation	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	(506,045)		(10,244)
20		FDC		(506,045)		(10,244)
21		TOTAL		(506,045)		(10,244)
22	Self Service Software Services	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	18,727,626		383,755
23		FDC		18,727,626		383,755
24		TOTAL		18,727,626		383,755
25						
26						
27						
28						
29		GRAND TOTAL		98,792,662		1,674,071
30						

Affiliate Transactions - Products & Services Provided by Utility

Year: 2010

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Payments by MT Utility (f)
1	Qwest BroadBand Services, Inc.	COMMUNICATIONS SERVICES	FDC	184,050		112
2		CORPORATE GENERAL & ADMINISTRATIVE SERVICES		4,865,171		11,027
3		LEASED ASSETS & FACILITIES		419,745		639
4		MARKETING & SALES		518,391		
5		NETWORK SERVICES		3,380,833		26,896
6		FDC		9,368,189		38,674
7		LEASED ASSETS & FACILITIES	FMV	754,278		
8		FMV		754,278		-
9		COMMUNICATIONS SERVICES	PCP	942,339		627
10		PCP		942,339		627
11		LEASED ASSETS & FACILITIES	PUB	1,308,301		
12		NETWORK SERVICES		150,903		
13		PUB		1,459,205		-
14		TOTAL		12,524,011		39,300
15	El Paso County Telephone Company	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	792,506	1,339	
16		LEASED ASSETS & FACILITIES		31,440	56	
17		NETWORK SERVICES		450,548	(1,363)	
18		FDC		1,274,495	33	
19		MARKETING & SALES		599	-	
20		PCP		599	-	
21	TOTAL	1,275,094	33			
22	Qwest Government Services	COMMUNICATIONS SERVICES	FDC	199,991	4,094	
23		CORPORATE GENERAL & ADMINISTRATIVE SERVICES		19,413,417	52,329	
24		LEASED ASSETS & FACILITIES		2,425,535	3,588	
25		NETWORK SERVICES		38,750	167	
26		FDC	22,077,693	60,178		
27		LEASED ASSETS & FACILITIES	FMV	884,922		
28		FMV		884,922	-	

Affiliate Transactions - Products & Services Provided by Utility

Year: 2010

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Payments by MT Utility (f)
1	Qwest Government Services	COMMUNICATIONS SERVICES	PCP	198,713		479
2		NETWORK SERVICES		9,692		
3		PCP		208,405		479
4		TOTAL		23,171,020		60,657
5	Qwest Communications Company, LLC	COMMUNICATIONS SERVICES	FDC	522,660		10,729
6		CORPORATE GENERAL & ADMINISTRATIVE SERVICES		300,990,103		932,848
7		LEASED ASSETS & FACILITIES		82,205,889		115,856
8		MARKETING & SALES		265,614,010		
9		NETWORK SERVICES	35,578,358	298,616		
10		FDC	684,911,020	1,358,049		
11		COMMUNICATIONS SERVICES	FMV	6,595		
12		LEASED ASSETS & FACILITIES		7,561,751		65,081
13		FMV		7,568,346		65,081
14		COMMUNICATIONS SERVICES	PCP	2,247,929		23,754
15		NETWORK SERVICES		131,731		
16		PCP	2,379,660	23,754		
17	LEASED ASSETS & FACILITIES	PUB	159			
18	NETWORK SERVICES		64,852			
19	PUB		65,011		0	
20	TOTAL	694,924,038	1,446,884			
21	Qwest LD Corp	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	28,951,719		114,207
22		LEASED ASSETS & FACILITIES		4,787,749		7,196
23		MARKETING & SALES		49,648,398		
24		NETWORK SERVICES		144,270		897
25		FDC	83,532,136	122,300		
26		COMMUNICATIONS SERVICES	PCP	89,192,978		2,110,782
27	PCP	89,192,978		2,110,782		
28	TOTAL	172,725,114	2,233,081			
29						

Affiliate Transactions - Products & Services Provided by Utility

Year: 2010

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Payments by MT Utility (f)
1	Qwest Transoceanic, Inc.	CORPORATE GENERAL & ADMINISTRATIVE SERVICES	FDC	1,344,793		2,534
2		LEASED ASSETS & FACILITIES		222,569		346
3		MARKETING & SALES		591,968		
4		NETWORK SERVICES		220,238		
5		FDC		2,379,567		2,880
6		TOTAL		2,379,567		2,880
7	Qwest Wireless, LLC	COMMUNICATIONS SERVICES	PCP	117,810		2,236
8		PCP		117,810		2,236
9		TOTAL		117,810		2,236
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21		GRAND TOTAL		907,116,656		3,785,071
22						
23						
24						
25						
26						
27						

Montana Intrastate Regulated Earned Rate of Return

(Thousands of Dollars)

Year 2010

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	588,403	586,336	0.35%
3	2002 Prop. Held for Future Telecommunications Use	0	0	
4	3100-3200 (Less) Accumulated Depreciation	502,106	482,606	4.04%
5	NET Plant in Service	86,297	103,731	-16.81%
6				
7	<u>Additions</u>			
8	1220 Materials & Supplies	199	215	-7.18%
9	1280 Prepayments	0	0	0
10	Other Additions	0	0	
11	TOTAL Additions	199	215	-7.18%
12				
13	<u>Deductions</u>			
14	4100 Current Deferred Operating Income Taxes	(3,677)	(3,832)	4.03%
15	4320 Unamortized Operating Investment Tax Credits	0	13	-100.00%
16	4340 Noncurrent Deferred Operating Income Taxes	11,141	12,963	-14.05%
17	Customer Advances for Construction			
18	Other Deductions	0	0	
19	TOTAL Deductions	7,464	9,144	-18.37%
20	TOTAL Rate Base	79,032	94,802	-16.63%
21				
22	Net Earnings	10,752	12,877	-16.50%
23				
24	Rate of Return on Average Rate Base	13.60%	13.58%	0.16%
25				
26	Rate of Return on Average Equity	N/M	N/M	
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations () reduces earnings			
30	Earnings from Docket 93.7.25 are no longer relevant to be reported			
31	with the approval of the Qwest AFOR in Docket D2008.1.6, Order No. 6889n dated 12/23/2008.			
32				
33	Federal Universal Service Fund Rate Base Adjustment is required by the			
34	AFOR Order beginning with the 2010 report filed in 2011.			
35				
36				
37				
38				
39				
40				
41	Federal Universal Service Fund Rate Base Adjustment	11,130		
42				
43	Adjusted Rate of Return on Average Rate Base	15.83%	13.58%	16.57%
44				
45	Adjusted Rate of Return on Average Equity	N/M	N/M	

N/M = Not Meaningful

Other Taxes Paid

Year: 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax**	-	-
2	Montana Public Service Commission Tax	199,001	166,417
3	Montana Consumer Counsel Tax	74,836	24,731
4	911 Emergency Telephone Fee	2,535,637	2,278,702
5	Montana Telecommunications Access Service (TDD)	253,268	227,831
6	Montana Corporate License Tax	2,746,318	1,992,150
7	Personal Property Tax	11,967,128	9,246,175
8	Real Property Tax	751,682	578,288
9	Montana Excise Tax	3,380,952	3,019,763
10			
11			
12	Total	21,908,820	17,534,057

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

Universal Service Funds Received

Year 2010

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	0	0
14	Funds received from Federal Sources	12,468,339	11,130,210
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	12,468,339	11,130,210

Company Name: Qwest Corporation

Notes to Schedules 9, 21, 29

Schedule 9

Historically, Qwest Corporation prepared Schedule 9 using Table B-2, Statement of Cash Flows, from FCC Report 43-02, the ARMIS USOA Report, which Qwest Corporation filed with the Federal Communications Commission (FCC) . In the December 12, 2008 *ARMIS Financial Reporting Forbearance Order*, FCC 08-271, the FCC granted Qwest Corporation forbearance from the obligation to file ARMIS report 43-02. In accordance with FCC 08-271, Qwest did not prepare and file FCC Report 43-02, including Table B-2, for 2010.

Schedule 21

Historically, Qwest Corporation prepared Schedule 21 using Table I-7, Donations or Payments for Services Rendered by Persons Other Than Employees, from FCC Report 43-02, the ARMIS USOA Report, which Qwest Corporation filed with the Federal Communications Commission (FCC) . In the December 12, 2008 *ARMIS Financial Reporting Forbearance Order*, FCC 08-271, the FCC granted Qwest Corporation forbearance from the obligation to file FCC Report 43-02. In accordance with FCC 08-271, Qwest did not prepare and file FCC Report 43-02, including Table I-7, for 2010.

Schedule 29

Historically, Qwest Corporation prepared the Average Number of Calls Per Access Line on Schedule 29 using Table IV, Telephone Calls, from FCC Report 43-08, the ARMIS Operating Data Report, which Qwest Corporation filed with the Federal Communications Commission (FCC) . In the September 6, 2008 *ARMIS Forbearance Order*, FCC 08-203, the FCC granted Qwest Corporation forbearance from the obligation to file ARMIS Report 43-08 except for columns (fc), (fd), (fe), and (fi) in Table III. In accordance with FCC 08-203, Qwest did not prepare and file FCC Report 43-08 for 2010 except for columns (fc), (fd), (fe), and (fi) in Table III.

QWEST CORPORATION
AFFILIATED INTEREST REPORTING PROGRAM
2011 ANNUAL REPORT
FOR 2010 TRANSACTIONS

PREPARED FOR:
THE MONTANA PUBLIC SERVICE COMMISSION
April 30, 2011

INTRODUCTION

MONTANA ANNUAL AFFILIATED INTEREST REPORT

Attached is the 2011 Affiliated Interest Report. This report covers affiliate transactions for the year 2010.

This report is offered to satisfy the Affiliated Interest Reporting requirements agreed upon in the Stipulation and Report of Qwest Corporation, Inc. and the Montana Consumer Counsel approved by the Montana Public Service Commission in Order No. 5354g, issued February 4, 1994.

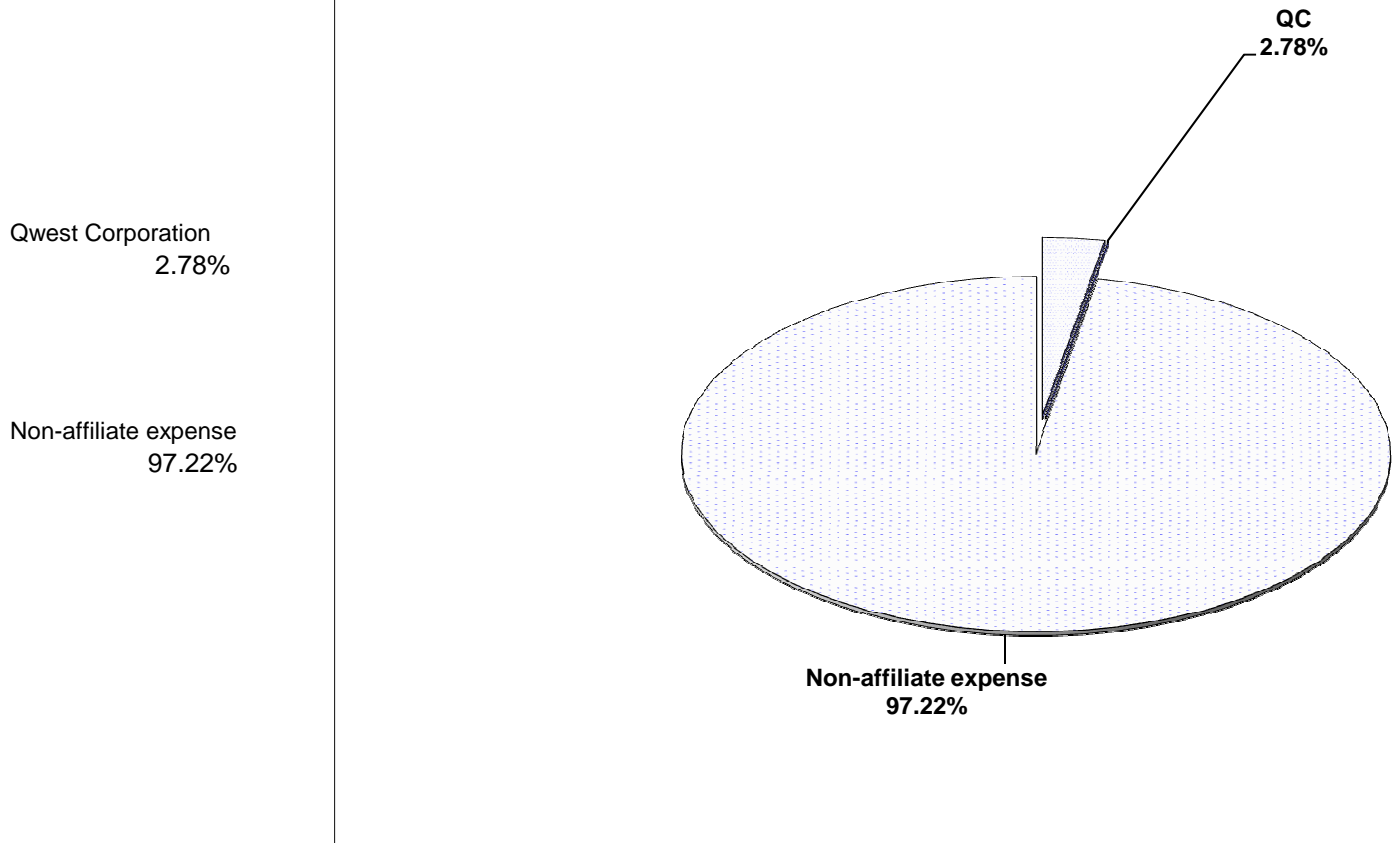
The requirements under this agreement are:

- Annual Reporting of intrastate amounts paid by QC to affiliates and by affiliates to QC;
- Information regarding creation and dissolution of affiliates whose operations affect Montana, and new or changed affiliate contracts having a Montana intrastate effect of \$250,000 or more;
- A list of intrastate dollar amounts charged to Montana for research performed by Advanced Technologies;
- Information from QC's cost manual pursuant to Part 64 rules; (Due to the FCC forbearance (FCC 08-203), 2007 was the last cost manual filed);
- Annual balance sheets and income statements;
- FCC reports under the Automated Reporting Management Information System (ARMIS) (Due to the FCC forbearance (FCC 08-203), 2007 reports were the last reports filed.

QWEST CORPORATION
2001 AFFILIATED INTEREST REPORT
FOR THE MONTANA PUBLIC SERVICE COMMISSION
TABLE OF CONTENTS

Tab 1	2010 Montana Intrastate Affiliate Transactions - Charts of Payments to Affiliates and Operating Expenses
Tab 2	2010 Montana Intrastate Affiliate Transactions - Payments to Affiliates by Service Category
Tab 3	2010 Montana Intrastate Affiliate Transactions - Payments from Affiliates By Service Category
Tab 4	Year over Year Variance 2009/2010 Montana Intrastate Affiliate Transactions
Tab 5	Affiliated Interest Contract Database
Tab 6	Qwest's Cost Allocation Manual - Sections IV, V and VI
Tab 7	Affiliated Companies' Balance Sheets and Income Statements (Confidential)
Tab 8	ARMIS Reports

**2010 MONTANA INTRASTATE
TOTAL INTRASTATE OPERATING EXPENSE**



AFFILIATED INTEREST PAYMENTS =	\$1,194,802	2.78%
NON-AFFILIATE PAYMENTS =	\$41,745,855	97.22%

NOTE: Non-affiliate expense excludes depreciation.
Source: Summary JR YTD 1990's Report, line 22 - Line 19

**2010 AFFILIATED INTEREST
SUMMARY OF PAYMENTS TO AFFILIATES**

Administrative and other functions of Qwest Services Corporation (QSC) were moved to Qwest Corporation and two wholly owned subsidiaries of QSC were merged into Qwest Corporation: Qwest Information Technologies, Inc. merged into Qwest Business Resources, Inc. and Qwest Business Resources, Inc. merged into Qwest Corporation effective 1/31/2008. With this reorganization of affiliates this chart no longer contains meaningful relationships between the entities since their previous operating relationships no longer exist.

**2010 AFFILIATED INTEREST - MONTANA ANNUAL REPORT
QWEST CORPORATION PAYMENTS TO AFFILIATES**

AFFILIATE	SERVICE CATEGORY	ACCT	2010 QWEST FCC REGULATED	MONTANA STATE FCC REGULATED	MONTANA INTRASTATE FCC REGULATED
QWEST BROADBAND SERVICES, INC.	CORP GEN & ADMN SERVICES	6121	55,273		
	TOTAL		55,273	-	-
QWEST GOVERNMENT SERVICES, INC.	COMMUNICATIONS SERVICES	6728	8,771	180	128
	CORP GEN & ADMN SERVICES	6122	7,661	158	113
	CORP GEN & ADMN SERVICES	6123	877	18	13
	CORP GEN & ADMN SERVICES	6124	4,987	102	73
	CORP GEN & ADMN SERVICES	6711	52,677	1,085	775
	CORP GEN & ADMN SERVICES	6721	185,418	3,792	2,709
	CORP GEN & ADMN SERVICES	6723	(27)	(1)	(0)
	CORP GEN & ADMN SERVICES	6724	10,770	219	156
	CORP GEN & ADMN SERVICES	6725	34,663	719	513
	CORP GEN & ADMN SERVICES	6728	100,209	2,057	1,470
	MARKETING & SALES	6611	845,295	18,208	12,815
	MARKETING & SALES	6612	3,828,283	83,659	58,882
	MARKETING & SALES	6722	102,483	2,108	1,506
	TOTAL		5,182,066	112,304	79,153
QWEST COMMUNICATIONS CORPORATION	COMMUNICATIONS SERVICES	6121	1,216,128		
	COMMUNICATIONS SERVICES	6728	57,797,933	1,189,422	849,664
	CORP GEN & ADMN SERVICES	6121	2,751		
	CORP GEN & ADMN SERVICES	6728	(173,391)	(3,543)	(2,531)
	LEASED ASSETS & FACILITIES	6121	14,075,745		
	NETWORK SERVICES	2212	1,429		
	NETWORK SERVICES	2232	256		
	NETWORK SERVICES	2422	10,523		
	NETWORK SERVICES	2426	117		
	NETWORK SERVICES	2441	28,562		
	NETWORK SERVICES	3122	20		
	NETWORK SERVICES	6421	(601)		
	NETWORK SERVICES	6422	257,319		
	NETWORK SERVICES	6423	2,005,331		
	NETWORK SERVICES	6728	111,620	2,377	1,698
	TOTAL		75,333,742	1,188,256	848,831
QWEST SERVICES CORPORATION	CORP GEN & ADMN SERVICES	6711	63,174	1,302	930
	CORP GEN & ADMN SERVICES	6728	(569,219)	(11,545)	(8,247)
	TOTAL		(506,045)	(10,244)	(7,318)
Qwest Telecom Software Services Private Limited	CORP GEN & ADMN SERVICES	6724	18,727,626	383,755	274,135
	TOTAL		18,727,626	383,755	274,135
	TOTAL		98,792,662	1,674,071	1,194,802

2010 AFFILIATED INTEREST - MONTANA ANNUAL REPORT
QWEST CORPORATION PAYMENTS FROM AFFILIATES

AFFILIATE	SERVICE CATEGORY	ACCT	2010 QWEST FCC REGULATED	MONTANA STATE FCC REGULATED	MONTANA INTRASTATE FCC REGULATED
QWEST BROADBAND SERVICES, INC	COMMUNICATIONS SERVICES	5250	14,352	34	24
	COMMUNICATIONS SERVICES	5263	184,050	112	98
	COMMUNICATIONS SERVICES	5270	927,987	592	
	CORP GEN & ADMN SERVICES	5240	550,927	11,027	8,471
	CORP GEN & ADMN SERVICES	5250	3,435,755		
	CORP GEN & ADMN SERVICES	5263	878,488		
	LEASED ASSETS & FACILITIES	5240	1,174,023	639	491
	LEASED ASSETS & FACILITIES	5263	1,308,301		
	MARKETING & SALES	5262	518,391		
	NETWORK SERVICES	2311	2,640		
	NETWORK SERVICES	3122	950		
	NETWORK SERVICES	3123	171		
	NETWORK SERVICES	5240	24,119		
	NETWORK SERVICES	5263	1,706,983	14,756	12,916
	NETWORK SERVICES	6232	800,032		
	NETWORK SERVICES	6311	94,687		
	NETWORK SERVICES	6362	220,850		
NETWORK SERVICES	6534	563,667	12,139	8,063	
NETWORK SERVICES	6535	13			
NETWORK SERVICES	8720	117,625			
	TOTAL		12,524,011	39,300	30,063
EL PASO TELEPHONE COMPANY	CORP GEN & ADMN SERVICES	5240	66,372	1,339	1,029
	CORP GEN & ADMN SERVICES	5250	374,319		
	CORP GEN & ADMN SERVICES	5262	296,401		
	CORP GEN & ADMN SERVICES	5263	55,414		
	LEASED ASSETS & FACILITIES	5240	31,440	56	43
	MARKETING & SALES	5082	599		
	NETWORK SERVICES	5240	30,181		
	NETWORK SERVICES	5263	(62,466)	(1,363)	(1,193)
	NETWORK SERVICES	6112	15,773		
	NETWORK SERVICES	6116	6,623		
	NETWORK SERVICES	6534	291,505		
	NETWORK SERVICES	6535	719		
NETWORK SERVICES	8720	168,214			
	TOTAL		1,275,094	33	(121)
QWEST GOVERNMENT SERVICES, INC	COMMUNICATIONS SERVICES	5250	198,713	479	343
	COMMUNICATIONS SERVICES	5263	199,991	4,094	3,583
	CORP GEN & ADMN SERVICES	5240	2,600,305	52,329	40,201
	CORP GEN & ADMN SERVICES	5250	13,222,069		
	CORP GEN & ADMN SERVICES	5263	3,591,043		
	LEASED ASSETS & FACILITIES	5240	3,310,458	3,588	2,757
	NETWORK SERVICES	5240	10,381		
	NETWORK SERVICES	5263	4,255	20	18
	NETWORK SERVICES	5264	1,286	26	23
	NETWORK SERVICES	6534	5,421	120	80
NETWORK SERVICES	6535	27,099			
	TOTAL		23,171,020	60,657	47,004
QWEST COMMUNICATIONS COMPANY, LLC	COMMUNICATIONS SERVICES	2232	(1,451)		
	COMMUNICATIONS SERVICES	5084	8,843	140	140
	COMMUNICATIONS SERVICES	5240	6,595		
	COMMUNICATIONS SERVICES	5250	1,383,704	5,219	3,734
	COMMUNICATIONS SERVICES	5263	524,111	10,729	9,391

2010 AFFILIATED INTEREST - MONTANA ANNUAL REPORT
QWEST CORPORATION PAYMENTS FROM AFFILIATES

AFFILIATE	SERVICE CATEGORY	ACCT	2010 QWEST FCC REGULATED	MONTANA STATE FCC REGULATED	MONTANA INTRASTATE FCC REGULATED
	COMMUNICATIONS SERVICES	5264	439,169	9,584	8,389
	COMMUNICATIONS SERVICES	5270	416,213	8,810	56
	CORP GEN & ADMN SERVICES	5240	46,020,553	929,734	714,249
	CORP GEN & ADMN SERVICES	5250	178,223,492		
	CORP GEN & ADMN SERVICES	5262	45,435		
	CORP GEN & ADMN SERVICES	5263	76,700,442	3,111	2,723
	CORP GEN & ADMN SERVICES	6728	182	4	3
	LEASED ASSETS & FACILITIES	5240	89,767,799	180,937	139,001
	MARKETING & SALES	5262	265,614,475		
	MARKETING & SALES	5263	(466)		
	NETWORK SERVICES	2232	1,451		
	NETWORK SERVICES	5240	1,867,544	10,958	8,418
	NETWORK SERVICES	5263	1,899,984	27,934	24,450
	NETWORK SERVICES	5264	5,400	111	97
	NETWORK SERVICES	6212	26,414		
	NETWORK SERVICES	6232	64,975		
	NETWORK SERVICES	6422	9,118		
	NETWORK SERVICES	6423	660		
	NETWORK SERVICES	6532	1,071,839		
	NETWORK SERVICES	6533	965,644		
	NETWORK SERVICES	6534	6,871,336	146,545	97,332
	NETWORK SERVICES	6535	8,058,773	54,644	36,293
	NETWORK SERVICES	8720	14,931,803	58,424	58,424
		TOTAL	694,924,038	1,446,883	1,102,699
QWEST LD CORP	COMMUNICATIONS SERVICES	5084	11,181	160	160
	COMMUNICATIONS SERVICES	5264	2,797,565	63,201	55,318
	COMMUNICATIONS SERVICES	5270	86,384,233	2,047,421	844,494
	CORP GEN & ADMN SERVICES	5240	5,644,788	114,207	87,737
	CORP GEN & ADMN SERVICES	5250	18,828,219		
	CORP GEN & ADMN SERVICES	5263	4,478,711		
	LEASED ASSETS & FACILITIES	5240	4,787,749	7,196	5,528
	MARKETING & SALES	5262	49,648,398		
	MARKETING & SALES	5263	(0)		
	NETWORK SERVICES	5240	16,089		
	NETWORK SERVICES	5263	128,181	897	785
		TOTAL	172,725,114	2,233,081	994,022
QWEST TRANSOCEANIC, INC.	CORP GEN & ADMN SERVICES	5240	127,326	2,534	1,947
	CORP GEN & ADMN SERVICES	5250	997,561		
	CORP GEN & ADMN SERVICES	5263	219,906		
	LEASED ASSETS & FACILITIES	5240	222,569	346	266
	MARKETING & SALES	5262	591,973		
	MARKETING & SALES	5263	(5)		
	NETWORK SERVICES	5240	7,277		
	NETWORK SERVICES	6212	416		
	NETWORK SERVICES	6534	9		
	NETWORK SERVICES	6535	7,340		
	NETWORK SERVICES	8720	205,195		
		TOTAL	2,379,567	2,880	2,213
QWEST WIRELESS, LLC	COMMUNICATIONS SERVICES	5250	239		
	COMMUNICATIONS SERVICES	5270	117,572	2,236	9
		TOTAL	117,810	2,236	9
	GRANDTOTAL		907,116,656	3,785,071	2,175,889

**2010 AFFILIATED INTEREST
MONTANA ANNUAL REPORT
PAYMENTS TO AFFILIATES**

2009/2010 VARIANCE

Affiliate	2009 MONTANA INTRASTATE REGULATED	2010 MONTANA INTRASTATE REGULATED	2009/2010 MONTANA INTRASTATE VARIANCE %	Explanation of Variance 2010 vs 2009
Qwest Communications Company, LLC	1,003,258	848,831	-15.39%	Decrease in billing for Communication Services
Qwest Government Services	83,687	79,153	-5.42%	Decrease in Marketing & Sales billing
Qwest Services Corporation	(27,321)	(7,318)	-73.22%	Decrease SCAP billing Account 6728
Self Service Software Services Private LTD.	282,871	274,135	-3.09%	Decrease in billing Account 6724
GRAND TOTAL	\$1,342,495	\$1,194,802	-11.00%	

Affiliated Interest 2010 Contracts

2010 Affiliated Interest contracts or Summary of Affiliate Transactions have been provided by electronic media.

Agreements:

Qwest Broadband Services (BBND):

Affiliate Equipment Lease QC-QBSI executed 8.19.10
Affiliate Office Lease QC-QBSI executed 8.19.10
QC-QBSI office lease amd1 executed 11.17.10

Qwest Communications Company, LLC (QCC)

Affiliate Columbus MT spec const executed 12.30.10
AMD 1 discounts executed 4.27.10
AMD 2 Collo executed 7.29.10
BC AMD 3 executed 8.18.10
QC AMD 23 executed 8.26.10
QC AMD 24 IPE-2 executed 10.20.10
QC AMD 25 T-2 Correction executed 10.26.10
QC Amd 26 Ex-XOCN 1 All signatures 12.15.10
QC Amd IPE VPN extension executed 10.20.10
QC Collo Amd 1 executed 7.26.10
QC WSA Amd 22 IPE-2 T-2 executed 8.5.10
QCC QDSA Amd 3 (SST SHNS) executed 3.10.10
QCC-QC QDSA Promo Amd 5 Executed 6.18.10
QCC-QC QDSA revised promo Amd 6
QC-QBSI office lease amd1 executed 11.17.10
QC_QCC office lease Amd 1 executed 11.17.10
QC-QCC Pricing Flex Plan Amd 1 executed 1.22.10 Not Effective
QC-QCC Pricing Flex Plan Amd 1 executed 1.22.10
QC-QCC QWB Amd 2 executed 6.2.10
QC-QCC Wholesale BroadBand Agree executed 1.29.10
QC-QLDC Amd2 executed 8.16.10
Qwest HIS Host Agree executed 12.08.10
WDSA QC-QCC Amd 4 executed 4.9.10
Wholesale Broadband Amd1 executed 4.27.10

Qwest Government Services(QGS):

Affiliate Equipment lease QC-QGSI executed 8.19.10
Affiliate Office Lease QC-QGSI executed 8.19.10
Affiliate Office Lease QC-QGSI Executed 8.19.10

Qwest Wireless, LLC (QW):

Qwest Wireless Bill of Sale revised executed 7.23.10

Qwest Corporation COST ALLOCATION MANUAL

SECTION IV: Chart of Corporate Affiliates

SECTION V: Statement of Transactions with Affiliates

SECTION V1: Cost Allocation Tables

(as filed with FCC on December 31, 2007)

**THE ABOVE WERE FILED IN ELECTRONIC FORM ONLY WITH THE
QWEST CORPORATION 2007 ANNUAL REPORT.
AS A RESULT OF THE FOREBEARANCE ORDER OF THE FCC
(FCC-08-203) THAT IS THE LAST COST ALLOCATION MANUAL.**

2010

AFFILIATED COMPANIES

BALANCE SHEETS

AND

INCOME STATEMENTS

ARE PROPRIETARY

CONFIDENTIAL/PROPRIETARY INFORMATION CLASSIFICATION RATIONALE

STATE: Montana

DESCRIPTION/TITLE OF INFORMATION:	Subsidiaries Balance Sheet & Income Statement Information
--	--

Confidential/Proprietary Designation Rationale:

Knowledge of detailed balance sheet and income statement information for each subsidiary is limited to employees who have a business need to know each of the respective subsidiaries and at corporate headquarters. Specific measures to guard the confidentiality of this information cover not only disclosure, but also transmission, reproduction, and destruction of this proprietary information.

Disclosure of balance sheet and income statement information for individual subsidiaries is not made available outside of Qwest unless it is for business reasons such as financial loan or contractual requirements. In these cases, the information is required to be kept confidential. Disclosure of financial information to the public is generally limited to the consolidated Qwest Services Corporation level, in accordance with SEC regulations. The individual subsidiary financial statements may be considered material insider information under Federal and State Securities laws.

The revenue, expenses and balance sheet information is tantamount in many instances to line of business data that can give competitors valuable insights into specific Qwest subsidiaries and their activities regarding pricing and expenditure strategies and give them an unfair advantage to attract Qwest customers. This information discloses line of business profitability, sales and investment data. In other instances, the corporation could be negatively affected in its competitive environment if information regarding its cost structure and R&D activity is released publicly.

Significant expenditures have been made in the design, development, and maintenance of systems that initiate process and collect financial data. The need to protect confidential information is stressed throughout the process and is the ongoing subject of internal audit review.

Qwest Corporation – Montana

Calendar Year 2010 ARMIS Reports

By orders FCC 08-120, FCC 08-203 and FCC 08-271, the Federal Communications Commission (FCC) granted AT&T, Verizon and Qwest forbearance from most ARMIS reporting requirements. Consequently, beginning with calendar year 2008, and with limited exceptions, Qwest no longer files ARMIS reports. The exceptions include the ARMIS Operating Data Report, Table III, cols. FC, FD, FE (FCC 08-203 ¶19) and FI (FCC 08-203 ¶20). In addition, Qwest must collect data required for the ARMIS Service Quality and Customer Satisfaction Reports until September 6, 2010 and make the data publicly available. (FCC 08-203 ¶¶12, 21 and ¶48)

All ARMIS data that Qwest files with the FCC can be obtained at the FCC's ARMIS website: <http://www.fcc.gov/wcb/armis/>