

General Information

Year: 2002

1. Legal Name of Respondent:
Qwest Corporation
2. Name Under Which Respondent Does Business:
Qwest Corporation
3. Date of Incorporation:
The Colorado Telephone Company was organized January 10, 1881, consolidated with the Tri-State Telephone and Telegraph Company on July 17, 1911, forming the Mountain States Telephone and Telegraph Company which on July 20, 1911, purchased the Rocky Mountain Telephone Company. On January 1, 1991, the Mountain States Telephone and Telegraph Company was merged with Northwestern Bell and Pacific Northwest Bell to form U S WEST Communications, Inc. On July 1, 2000, U S WEST, Inc., together with all its subsidiaries, including U S WEST Communications, Inc., was merged into Qwest Communications International, Inc.
4. Address to send Correspondence Concerning Report:
441 North Park Avenue, Room 101 - P. O. Box 1716
Helena, Montana 59624
5. Person Responsible for This Report:
Cheryl Gillespie
- 5a. Telephone Number:
(406)441-7144

Control Over Respondent

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

Board of Directors

| Line No. | Name of Director and Address (City, State) (a) | Fees Paid During Year (b) |
|----------|---------------------------------------------------|------------------------------|
| 1 | Richard C. Notebaert Denver, Colorado | None |
| 2 | Oren G. Shaffer Denver, Colorado | None |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | | |
| 12 | | |
| 13 | Chairman of the Board: Richard C. Notebaert | |
| 14 | | |
| 15 | | |

Officers

Year: 2002

| 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 | Chairman, Chief Executive Officer & President | | Richard C. Notebaert, Denver, CO |
| 2 | Vice Chairman & Chief Financial Officer | | Oren G. Shaffer, Denver, CO |
| 3 | Executive Vice President | Consumer Markets | Annette Jacobs, Denver, CO |
| 4 | Senior Vice President | Network Operations | Carol Kline, Littleton, CO |
| 5 | Senior Vice President | Finance | Charles Josenhans, Denver, CO |
| 6 | Vice President-Finance & Assistant Treasurer | | James E. Shields, Denver, CO |
| 7 | Senior Associate General Counsel, Vice President and Secretary | | Yash A. Rana, Denver, CO |
| 8 | Vice President & Assistant Treasurer | | Kevin Welch, Denver, CO |

Qwest Corporation
Notes to Montana Annual Report
Calendar Year 2002

- 1 The company filed its ARMIS Annual Reports with the Federal Communications Commission on December 12, 2003 to reflect the restated results for the calendar year 2002. The footnotes therein are incorporated herein by reference.
- 2 Subsequent to the ARMIS filing, it was determined that the company had not recorded certain transactions. The accompanying report includes the impact of these transactions as they relate to calendar year 2002.
- 3 Qwest Communications International Incorporated filed its Form 10K with the Securities and Exchange Commission on October 16, 2003 and Qwest Corporation filed its Form 10K on January 13, 2004. These reports, covering calendar years 2000, 2001 and 2002 are incorporated herein by reference.
- 4 The regulated intrastate depreciation expense shown on schedules 7, 8, 30 and 35 reflect costs that are based upon forward-looking asset lives consistent with asset lives of other telecommunications carriers.

Total Company Balance Sheet

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|---------------------------------------------------|-------------------|-------------------|
| 1 | | CURRENT ASSETS: | | |
| 2 | 1120 | Cash and Equivalents | 253,683 | 154,215 |
| 3 | 1180 | Telecommunications Accounts Receivable - Net | 1,251,877 | 1,518,742 |
| 4 | 1190 | Other Accounts Receivable - Net | 411,643 | 305,786 |
| 5 | 1200 | Notes Receivable - Net | 1,262 | 85,533 |
| 6 | 1210 | Interest and Dividends Receivable | 169 | 1,077 |
| 7 | 1220 | Materials and Supplies | 152,055 | 181,391 |
| 8 | * 1280 | Prepayments | 178,428 | 162,094 |
| 9 | ^ 1290 | Prepaid Rents | 24 | 0 |
| 10 | ^ 1300 | Prepaid Taxes | 174,497 | 155,680 |
| 11 | ^ 1310 | Prepaid Insurance | 135 | 96 |
| 12 | ^ 1320 | Prepaid Directory Expenses | 0 | 0 |
| 13 | ^ 1330 | Other Prepayments | 3,772 | 6,318 |
| 14 | 1350 | Other Current Assets | 45,063 | 54,844 |
| 15 | | Total Current Assets | 2,294,180 | 2,463,682 |
| 16 | | NONCURRENT ASSETS: | | |
| 17 | 1401 | Investments in Affiliated Companies | (1,481,846) | (533,035) |
| 18 | 1402 | Investments in Nonaffiliated Companies | 25,349 | 28,028 |
| 19 | 1406 | Nonregulated Investments | 0 | 0 |
| 20 | 1407 | Unamortized Debt Issuance Expense | 145,833 | 121,383 |
| 21 | 1408 | Sinking Funds | 0 | 0 |
| 22 | 1410 | Other Noncurrent Assets | 78,242 | 121,599 |
| 23 | 1438 | Deferred Maintenance and Retirements | 0 | 0 |
| 24 | 1439 | Deferred Charges | 862,919 | 912,478 |
| 25 | 1500 | Other Jurisdictional Assets - Net | (71,589) | (35,344) |
| 26 | | Total Noncurrent Assets | (441,092) | 615,109 |
| 27 | | PROPERTY, PLANT, & EQUIPMENT: | | |
| 28 | 2001 | Telecommunications Plant in Service | 43,130,775 | 41,703,640 |
| 29 | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 30 | 2003 | Plant Under Construction - Short Term | 198,146 | 559,800 |
| 31 | 2004 | Plant Under Construction - Long Term | 60,187 | 128,071 |
| 32 | 2005 | Telecommunications Plant Adjustment | 0 | 2,746 |
| 33 | 2006 | Nonoperating Plant | 24,055 | 46,888 |
| 34 | 2007 | Goodwill | 0 | 0 |
| 35 | 3100 | Accumulated Depreciation | (23,174,118) | (20,961,172) |
| 36 | 3200 | Accumulated Depreciation - Held for Future Use | (1,343) | 0 |
| 37 | 3300 | Accumulated Depreciation - Nonoperating | 0 | 0 |
| 38 | 3400 | Accumulated Amortization (Includes 3500 and 3600) | (806,725) | (569,419) |
| 39 | | Net Property, Plant, & Equipment | 19,430,977 | 20,910,554 |
| 40 | | TOTAL ASSETS | 21,284,066 | 23,989,345 |

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^ Subaccount of account marked with a *.

Total Company Balance Sheet

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|-----------------------------------------------------|-------------------|-------------------|
| 41 | | CURRENT LIABILITIES: | | |
| 42 | 4010 | Accounts Payable | 970,549 | 1,180,967 |
| 43 | 4020 | Notes Payable | 0 | 1,011,704 |
| 44 | 4030 | Advance Billing and Payments | 326,010 | 342,010 |
| 45 | 4040 | Customer Deposits | 30,371 | 40,417 |
| 46 | 4050 | Current Maturities - Long Term Debt | 1,182,909 | 360,500 |
| 47 | 4060 | Current Maturities - Capital Leases | (20,480) | 119,847 |
| 48 | 4070 | Income Taxes - Accrued | (60,726) | (8,537) |
| 49 | 4080 | Other Taxes - Accrued | 290,854 | 275,775 |
| 50 | 4100 | Net Current Deferred Operating Income Taxes | (64,422) | (58,036) |
| 51 | 4110 | Net Current Deferred Nonoperating Income Taxes | 3,175 | 318 |
| 52 | 4120 | Other Accrued Liabilities | 1,228,556 | 2,360,873 |
| 53 | 4130 | Other Current Liabilities | 44,532 | 83,743 |
| 54 | | Total Current Liabilities | 3,931,328 | 5,631,750 |
| 55 | | LONG-TERM DEBT: | | |
| 56 | 4210 | Funded Debt | 6,105,636 | 5,757,693 |
| 57 | 4220 | Premium on Long-Term Debt | 1 | 65 |
| 58 | 4230 | Discount on Long-Term Debt | (141,563) | (122,186) |
| 59 | 4240 | Reacquired Debt | 0 | 0 |
| 60 | 4250 | Obligations Under Capital Leases | 99,201 | 75,819 |
| 61 | 4260 | Advances From Affiliated Companies | 0 | 0 |
| 62 | 4270 | Other Long-Term Debt | 33,212 | 57,311 |
| 63 | | Total Long-Term Debt | 6,096,487 | 5,768,702 |
| 64 | | OTHER LIABILITIES AND DEFERRED CREDITS: | | |
| 65 | 4310 | Other Long-Term Liabilities | 2,031,607 | 1,785,735 |
| 66 | 4320 | Unamort. Oper. Invest. Tax Credits - Net | 190,642 | 209,255 |
| 67 | 4330 | Unamort. Nonoper. Invest. Tax Credits - Net | 0 | 0 |
| 68 | 4340 | Net Noncurrent Deferred Oper. Income Taxes | 2,982,986 | 2,967,669 |
| 69 | 4350 | Net Noncurrent Deferred Nonoper. Income Taxes | 13,811 | 13,394 |
| 70 | 4360 | Other Deferred Credits | 1,354,572 | 1,359,048 |
| 71 | 4370 | Other Jurisdictional Liab. and Def. Credits | (73,855) | (71,146) |
| 72 | | Total Other Liabilities and Deferred Credits | 6,499,763 | 6,263,955 |
| 73 | | STOCKHOLDERS' EQUITY: | | |
| 74 | 4510 | Capital Stock | 8,074,805 | 8,051,888 |
| 75 | 4520 | Additional Paid-In Capital | 65,261 | 51,764 |
| 76 | 4530 | Treasury Stock | 0 | 0 |
| 77 | 4540 | Other Capital | 0 | 0 |
| 78 | 4550 | Retained Earnings | (3,383,576) | (1,856,544) |
| 79 | | Total Stockholders' Equity | 4,756,490 | 6,247,108 |
| 80 | | TOTAL LIAB. AND STOCKHOLDERS' EQUITY | 21,284,068 | 23,989,346 |

Total Company Income Statement

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|--------------------------------------------------------------|-------------------|-------------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 5,540,711 | 5,832,813 |
| 3 | 5080 | Network Access Revenues | 4,191,224 | 4,192,760 |
| 4 | * 5100 | Long Distance Message Revenue | 174,586 | 263,820 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue (Note 1) | 174,127 | 263,280 |
| 6 | ^ 5120 | Long Distance Private Network Revenue | 459 | 540 |
| 7 | ^ 5160 | Other Long Distance Revenue | 0 | 0 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | 0 | 0 |
| 9 | * 5200 | Miscellaneous Revenue | 1,504,633 | 1,643,866 |
| 10 | ^ 5230 | Directory Revenue | 80,687 | 83,016 |
| 11 | ^ 5240 | Rent Revenue | 444,969 | 453,878 |
| 12 | ^ 5250 | Corporate Operations Revenue | 78,507 | 37,802 |
| 13 | ^ 5260 | Miscellaneous Revenue | 249,493 | 317,260 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 99,230 | 115,692 |
| 15 | ^ 5280 | Nonregulated Revenue | 551,747 | 636,218 |
| 16 | 5300 | Uncollectible Revenue | 259,188 | 198,362 |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 11,151,966 | 11,734,897 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | 16,832 | 13,959 |
| 20 | 6120 | General Support Expense | 487,326 | 539,389 |
| 21 | 6210 | Central Office Switching Expense | 167,418 | 167,470 |
| 22 | 6220 | Operator Systems Expense | 27 | 725 |
| 23 | 6230 | Central Office Transmission Expense | 113,247 | 161,269 |
| 24 | 6310 | Information Origination/Termination Expense | 148,250 | 173,981 |
| 25 | 6410 | Cable and Wire Facilities Expense | 666,522 | 803,242 |
| 26 | 6431 | Aerial Wire Expense | 3,211 | 1,591 |
| 27 | 6441 | Conduit Systems Expense | 11,098 | 13,479 |
| 28 | 6510 | Other Property, Plant & Equipment Expense | (801) | 6,836 |
| 29 | 6530 | Network Operations Expense | 764,108 | 605,816 |
| 30 | 6540 | Access Expense | 230,400 | 319,303 |
| 31 | 6560 | Depreciation and Amortization Expense | 3,367,539 | 3,151,907 |
| 32 | 6610 | Marketing | 609,159 | 460,918 |
| 33 | 6620 | Services | 901,196 | 915,256 |
| 34 | 6710 | Executive and Planning | 20,106 | 19,145 |
| 35 | 6720 | General and Administrative | 947,443 | 1,144,870 |
| 36 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 8,438,772 | 8,484,086 |
| 38 | 7100 | Other Operating Income and Expense | (233) | (142) |
| 39 | 7200 | Operating Taxes | 1,135,001 | 1,207,908 |
| 40 | | Net Operating Income (L.17-L.37+L.38-L.39) | 1,577,959 | 2,042,761 |
| 41 | 7300 | Nonoperating Income and Expense | (1,124,762) | (286,846) |
| 42 | 7400 | Nonoperating Taxes | (34,660) | 27,199 |
| 43 | 7500 | Interest and Related Items | 568,002 | 519,342 |
| 44 | 7600 | Extraordinary Items | 0 | 0 |
| 45 | 7910 | Effects of Juris. Ratemaking Diff. - Net | (35,472) | (121,710) |
| 46 | 7990 | Nonregulated Net Income | 0 | 0 |
| 47 | | NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46) | (115,617) | 1,087,665 |

^ Subaccount of the account marked with a *.

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

Montana Total State Income Statement

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|-----------------------------------------------------------------------|---------------|---------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 137,931 | 142,028 |
| 3 | 5080 | Network Access Revenues | 116,438 | 106,919 |
| 4 | * 5100 | Long Distance Message Revenue | 4,988 | 6,825 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue (Note 1) | 4,989 | 6,826 |
| 6 | ^ 5120 | Long Distance Private Network Revenue | (1) | (1) |
| 7 | ^ 5160 | Other Long Distance Revenue | 0 | 0 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | 0 | 0 |
| 9 | * 5200 | Miscellaneous Revenue | 15,209 | 14,511 |
| 10 | ^ 5230 | Directory Revenue | 2,088 | 2,017 |
| 11 | ^ 5240 | Rent Revenue | (3,077) | (5,230) |
| 12 | ^ 5250 | Corporate Operations Revenue | 1,407 | 423 |
| 13 | ^ 5260 | Miscellaneous Revenue | 2,383 | 3,522 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 2,387 | 2,620 |
| 15 | ^ 5280 | Nonregulated Revenue | 10,020 | 11,160 |
| 16 | 5300 | Uncollectible Revenue | 5,446 | 4,679 |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 269,121 | 265,605 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | 315 | 214 |
| 20 | 6120 | General Support Expense | 7,758 | 7,998 |
| 21 | 6210 | Central Office Switching Expense | 3,000 | 3,213 |
| 22 | 6220 | Operator Systems Expense | 0 | 0 |
| 23 | 6230 | Central Office Transmission Expense | 2,368 | 2,852 |
| 24 | 6310 | Information Origination/Termination Expense | 2,326 | 2,421 |
| 25 | 6410 | Cable and Wire Facilities Expense | 10,544 | 13,351 |
| 26 | 6431 | Aerial Wire Expense | 80 | 46 |
| 27 | 6441 | Conduit Systems Expense | 39 | 76 |
| 28 | 6510 | Other Property, Plant & Equipment Expense | (16) | (15) |
| 29 | 6530 | Network Operations Expense | 12,409 | 10,147 |
| 30 | 6540 | Access Expense | 4,385 | 6,256 |
| 31 | 6560 | Depreciation and Amortization Expense | 71,660 | 67,634 |
| 32 | 6610 | Marketing | 11,810 | 8,482 |
| 33 | 6620 | Services | 17,960 | 17,860 |
| 34 | 6710 | Executive and Planning | 325 | 360 |
| 35 | 6720 | General and Administrative | 17,236 | 20,769 |
| 36 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 162,081 | 161,543 |
| 38 | 7100 | Other Operating Income and Expense (Includes USF and Link Up America) | 0 | 3 |
| 39 | 7200 | Operating Taxes | 46,583 | 41,650 |
| 40 | | Net Operating Income (L.17-L.37-L.38-L.39) | 60,457 | 62,408 |

^ Subaccount of the account marked with a *.

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

Montana Intrastate Income Statement

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|------------------|-----------------------------------------------------------------------|------------------|------------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 137,931 | 142,028 |
| 3 | 5080 | Network Access Revenues | 26,883 | 26,481 |
| 4 | * 5100 | Long Distance Message Revenue | 4,974 | 6,837 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue (Note 1) | 4,975 | 6,838 |
| 6 | ^ 5120 | Long Distance Private Network Revenue | (1) | (1) |
| 7 | ^ 5160 | Other Long Distance Revenue | 0 | 0 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | 0 | 0 |
| 9 | * 5200 | Miscellaneous Revenue | 3,107 | 1,942 |
| 10 | ^ 5230 | Directory Revenue | 2,088 | 2,017 |
| 11 | ^ 5240 | Rent Revenue | (2,365) | (3,919) |
| 12 | ^ 5250 | Corporate Operations Revenue | 1,037 | 286 |
| 13 | ^ 5260 | Miscellaneous Revenue | 2,000 | 2,812 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 346 | 746 |
| 15 | ^ 5280 | Nonregulated Revenue | (0) | (0) |
| 16 | 5300 | Uncollectible Revenue | 2,173 | 2,925 |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 170,722 | 174,364 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | 215 | 156 |
| 20 | 6120 | General Support Expense | 4,958 | 5,339 |
| 21 | 6210 | Central Office Switching Expense | 1,722 | 1,871 |
| 22 | 6220 | Operator Systems Expense | 0 | 0 |
| 23 | 6230 | Central Office Transmission Expense | 1,522 | 1,851 |
| 24 | 6310 | Information Origination/Termination Expense | 400 | 322 |
| 25 | 6410 | Cable and Wire Facilities Expense | 7,301 | 9,245 |
| 26 | 6431 | Aerial Wire Expense | 55 | 32 |
| 27 | 6441 | Conduit Systems Expense | 27 | 52 |
| 28 | 6510 | Other Property, Plant & Equipment Expense | (10) | (12) |
| 29 | 6530 | Network Operations Expense | 7,680 | 6,250 |
| 30 | 6540 | Access Expense | 1,388 | 3,143 |
| 31 | 6560 | Depreciation and Amortization Expense | 46,662 | 44,091 |
| 32 | 6610 | Marketing | 7,553 | 5,241 |
| 33 | 6620 | Services | 13,274 | 13,265 |
| 34 | 6710 | Executive and Planning | 227 | 247 |
| 35 | 6720 | General and Administrative | 11,795 | 14,233 |
| 36 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 104,686 | 105,244 |
| 38 | 7100 | Other Operating Income and Expense (Includes USF and Link Up America) | (9,901) | (4,088) |
| 39 | 7200 | Operating Taxes | 34,300 | 29,104 |
| 40 | | Net Operating Income (L.17-L.37-L.38-L.39) | 41,638 | 44,104 |

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^ Subaccount of the account marked with a *.

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

Montana Intrastate Regulated Income Statement

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|------------------|-----------------------------------------------------------------------|------------------|------------------|
| 1 | | REVENUES: | | |
| 2 | 5000 | Basic Local Service Revenues | 137,210 | 141,417 |
| 3 | 5080 | Network Access Revenues | 21,803 | 21,106 |
| 4 | * 5100 | Long Distance Message Revenue | 4,973 | 6,836 |
| 5 | ^ 5110 | Unidirectional Long Distance Revenue (Note 1) | 4,974 | 6,837 |
| 6 | ^ 5120 | Long Distance Private Network Revenue | (1) | (1) |
| 7 | ^ 5160 | Other Long Distance Revenue | 0 | 0 |
| 8 | ^ 5169 | Other Long Distance Revenue Settlements | 0 | 0 |
| 9 | * 5200 | Miscellaneous Revenue | 2,854 | 1,307 |
| 10 | ^ 5230 | Directory Revenue | 2,088 | 2,017 |
| 11 | ^ 5240 | Rent Revenue | (2,195) | (3,715) |
| 12 | ^ 5250 | Corporate Operations Revenue | 1,003 | 239 |
| 13 | ^ 5260 | Miscellaneous Revenue | 1,957 | 2,766 |
| 14 | ^ 5270 | Carrier Billing and Collection Revenue | 0 | 0 |
| 15 | ^ 5280 | Nonregulated Revenue | (0) | 0 |
| 16 | 5300 | Uncollectible Revenue | 2,083 | 2,763 |
| 17 | | Total Revenues (L.2+L.3+L.4+L.9-L.16) | 164,757 | 167,903 |
| 18 | | OPERATING EXPENSES: | | |
| 19 | 6110 | Network Support Expense | 207 | 150 |
| 20 | 6120 | General Support Expense | 4,787 | 5,089 |
| 21 | 6210 | Central Office Switching Expense | 1,706 | 1,853 |
| 22 | 6220 | Operator Systems Expense | 0 | 0 |
| 23 | 6230 | Central Office Transmission Expense | 1,350 | 1,619 |
| 24 | 6310 | Information Origination/Termination Expense | 392 | 311 |
| 25 | 6410 | Cable and Wire Facilities Expense | 7,112 | 8,935 |
| 26 | 6431 | Aerial Wire Expense | 55 | 32 |
| 27 | 6441 | Conduit Systems Expense | 27 | 52 |
| 28 | 6510 | Other Property, Plant & Equipment Expense | (10) | (12) |
| 29 | 6530 | Network Operations Expense | 7,405 | 5,998 |
| 30 | 6540 | Access Expense | 1,388 | 3,143 |
| 31 | 6560 | Depreciation and Amortization Expense | 54,243 | 52,405 |
| 32 | 6610 | Marketing | 7,398 | 4,811 |
| 33 | 6620 | Services | 13,199 | 13,063 |
| 34 | 6710 | Executive and Planning | 219 | 236 |
| 35 | 6720 | General and Administrative | 14,520 | 20,093 |
| 36 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 |
| 37 | | Total Operating Expenses (Sum L.19 to L.36-L.26-L.27) | 113,914 | 117,695 |
| 38 | 7100 | Other Operating Income and Expense (Includes USF and Link Up America) | (9,901) | (4,088) |
| 39 | 7200 | Operating Taxes | 27,385 | 15,901 |
| 40 | | Net Operating Income (L.17-L.37-L.38-L.39) | 33,360 | 38,396 |

^ Subaccount of the account marked with a *.

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

Average Rate Base - Total State

(Thousands of Dollars)

Year: 2002

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|-----------------------------------------------------------|---------------|---------------|
| 1 | 2001 | Telecommunications Plant in Service | 920,453 | 889,828 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 567,844 | 518,755 |
| 3 | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 4 | 3200 | Accumulated Depreciation - 2002 | 0 | 0 |
| 5 | 1220 | Materials and Supplies | 596 | 771 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 62,009 | 59,564 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | 0 | 0 |
| 8 | | Cash Working Capital (if allowed by Commission) | 0 | 0 |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 291,197 | 312,280 |

Average Rate Base - Intrastate

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|-----------------------------------------------------------|---------------|---------------|
| 1 | 2001 | Telecommunications Plant in Service | 613,554 | 595,382 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 375,928 | 345,176 |
| 3 | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 4 | 3200 | Accumulated Depreciation - 2002 | 0 | 0 |
| 5 | 1220 | Materials and Supplies | 401 | 519 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 41,859 | 40,218 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | 0 | 0 |
| 8 | | Cash Working Capital (if allowed by Commission) | 0 | 0 |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 196,168 | 210,507 |

Average Rate Base - Regulated Intrastate

| Line No. | Acct. No. (a) | Description (b) | This Year (c) | Last Year (d) |
|----------|---------------|-----------------------------------------------------------|---------------|---------------|
| 1 | 2001 | Telecommunications Plant in Service | 583,301 | 563,189 |
| 2 | 3100 | Accumulated Depreciation (Note 1) | 398,428 | 353,222 |
| 3 | 2002 | Property Held for Future Telecommunications Use | 0 | 0 |
| 4 | 3200 | Accumulated Depreciation - 2002 | 0 | 0 |
| 5 | 1220 | Materials and Supplies | 387 | 497 |
| 6 | 4340 | Noncurrent Deferred Operating Income Taxes | 15,609 | 22,046 |
| 7 | | Pre-1971 Unamortized Investment Tax Credits | 0 | 0 |
| 8 | | Cash Working Capital (if allowed by Commission) | 0 | 0 |
| 9 | | Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8) | 169,651 | 188,418 |

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

Statement of Cash Flows

(Thousands of Dollars)

Year: 2002

| 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 | (115,617) | 1,087,665 |
| 4 | Reconciliation Adjustments: | | |
| 5 | Depreciation & Amortization | 3,367,539 | 3,151,908 |
| 6 | Provision for Accounts Receivable Losses | 259,188 | 198,362 |
| 7 | Deferred Income Taxes - Net | 16,488 | 438,021 |
| 8 | Unamortized Investment Tax Credits (ITCs) - Net | (18,613) | (25,364) |
| 9 | Allowance for Funds Used During Construction (AFUDC) | (23,358) | (44,030) |
| 10 | Change in Operating Receivables - Net | 377,494 | 66,089 |
| 11 | Change in Materials, Supplies & Inventories - Net | 29,337 | (49,976) |
| 12 | Change in Operating Payables & Accrued Liabilities - Net | (395,884) | (608,155) |
| 13 | Change in Other Assets & Deferred Charges - Net | 1,050,412 | 732,779 |
| 14 | Change in Other Liabilities & Deferred Credits - Net | 240,812 | (590,356) |
| 15 | Other | 48,161 | 72,104 |
| 16 | Total Adjustments | 4,951,575 | 3,341,382 |
| 17 | Net Cash Provided by/(Used in) Operating Activities | 4,835,958 | 4,429,047 |
| 18 | Cash Inflows/Outflows From Investing Activities: | | |
| 19 | Construction/Acquisition of Property, Plant & Equipment (net of | | |
| 20 | AFUDC & Capital Lease Related Acquisitions) | (1,819,361) | (4,223,331) |
| 21 | Proceeds from Disposals of Property, Plant & Equipment | (120,981) | (38,184) |
| 22 | Investments In & Advances to Affiliates | (803,741) | (3,979) |
| 23 | Proceeds from Repayment of Advances | 0 | 0 |
| 24 | Other Investing Activities | 0 | 0 |
| 25 | Net Cash Provided by/(Used in) Investing Activities | (2,744,083) | (4,265,494) |
| 26 | Cash Flows from Financing Activities: | | |
| 27 | Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo. | (869,839) | 425,206 |
| 28 | Advances from Affiliates | 0 | 0 |
| 29 | Repayment of Advances from Affiliates | 0 | 0 |
| 30 | Proceeds from Issuances of Long-Term Debt | 1,476,000 | 0 |
| 31 | Repayment of Long-Term Debt | (361,640) | (238,574) |
| 32 | Payment of Capital Lease Obligations | (106,195) | (129,039) |
| 33 | Proceeds from Issuing Common Stock/Parent Co. Equity Investment | (215,547) | (217,506) |
| 34 | Repurchase of Treasury Shares | 0 | 0 |
| 35 | Dividends Paid | (1,915,184) | 0 |
| 36 | Other Financing Activities | 0 | 0 |
| 37 | Net Cash Provided by Financing Activities | (1,992,405) | (159,913) |
| 38 | Effect of Exchange Rate Changes on Cash | 0 | 0 |
| 39 | Net Increase/(Decrease) in Cash & Cash Equivalents | 99,470 | 3,640 |
| 40 | Cash & Cash Equivalents at Beginning of Period | 154,214 | 150,574 |
| 41 | Cash & Cash Equivalents at End of Period | 253,683 | 154,214 |

Company Name: Qwest Corporation

SCHEDULE 10

Receivables and Investments-Affiliated & Nonaffiliated Companies

(Thousands of Dollars)

Year: 2002

| Line No. | Name of Affiliate or Company (a) | Account 1160 Temporary Investments (b) | Account 1180 Telecom. Accounts Receivable (c) | Account 1181 Accs. Rec. Telecom. Allowance (d) | Account 1190 Other Accounts Receivable (e) | Account 1191 Accounts Receivable Allow-Other (f) | Account 1200 Notes Receivable (g) | Account 1201 Notes Receivable Allowance (h) | Account 1210 Interest and Dividends Receivable (i) | Account 1401 Investments in Affil. Companies (j) | Account 1402 Investments in Nonaffil. Companies (k) |
|----------|--------------------------------------|----------------------------------------|-----------------------------------------------|------------------------------------------------|--------------------------------------------|--------------------------------------------------|-----------------------------------|---------------------------------------------|----------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|
| 1 | QWEST Wireless, LLC | | 1,598 | | 29,239 | | | | | (1,503,699) | |
| 2 | Mailheur Home Telephone Company | | | | 305 | | | | 169 | 12,304 | |
| 3 | El Paso County Telephone | | | | | | | | | 5,808 | |
| 4 | QWEST Communications Corporation | | 104 | | 11,570 | | 286,166 | | | | |
| 5 | QWEST Communications Services, Inc | | | | 3,424 | | | | | | |
| 6 | QWEST DEX | | 84 | | 1,143 | | | | | | |
| 7 | QWEST Advanced Technologies, Inc | | 1 | | 886 | | | | | | |
| 8 | QWEST Business Resources, Inc | | 7 | | 114 | | | | | | |
| 9 | QWEST Federal Services, Inc | | 3 | | 41,553 | | | | | | |
| 10 | QWEST Interprise America | | 12,817 | | 3,643 | | | | | | |
| 11 | QWEST Broadband Services | | 45 | | 302 | | | | | | |
| 12 | QWEST Long Distance | | 1 | | 88,319 | | | | | | |
| 13 | QWEST Service Corporation | | 33 | | 21,369 | | | | | | |
| 14 | QWEST Information Technologies, Inc. | | | | 994 | | | | | | |
| 15 | TW Wireless, LLC | | | | | | | | | | |
| 16 | Western Reinsurance | | | | | | | | | | |
| 17 | QCII | | 3 | | | | | | | | |
| 18 | CYBER | | 12 | | | | | | | | |
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| 25 | | | | | | | | | | | |
| 26 | All other investments | | | | 31,264 | | | | 43,461 | | |
| 27 | Non-affiliates | 165,248 | 1,333,286 | 96,117 | 268,271 | 8,438 | 1,263 | 0 | | | 25,349 |
| 28 | | | | | | | | | | | |
| 29 | Totals | 165,248 | 1,347,994 | 96,117 | 502,396 | 8,438 | 287,429 | 0 | 43,630 | (1,485,687) | 25,349 |

Net Plant in Service - Detail

(Thousands of Dollars)

Year: 2002

| 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 | 69,252 | 2,651 | 2,651 | 0 | 69,252 | 32,961 | 36,291 |
| 2 | 2111 | Land | 1,736 | 0 | 0 | | 1,736 | 0 | 1,736 |
| 3 | 2112 | Motor Vehicles | 10,593 | (46) | 1,479 | | 9,068 | 7,386 | 1,682 |
| 4 | 2113 | Aircraft | 0 | 0 | 0 | | 0 | 0 | 0 |
| 5 | 2114 | Special Purpose Vehicles | 128 | 0 | 0 | | 128 | 113 | 15 |
| 6 | 2115 | Garage Work Equipment | 298 | 0 | 35 | | 263 | 69 | 194 |
| 7 | 2116 | Other Work Equipment | 4,495 | 388 | 378 | | 4,505 | (268) | 4,773 |
| 8 | 2121 | Buildings | 43,374 | 2,291 | 19 | | 45,646 | 20,474 | 25,172 |
| 9 | 2122 | Furniture | 16 | 0 | 0 | | 16 | (71) | 87 |
| 10 | 2123 | Office Equipment | 1,123 | 0 | 494 | | 629 | 399 | 230 |
| 11 | 2124 | General Purpose Computers | 7,489 | 18 | 246 | | 7,261 | 4,859 | 2,402 |
| 12 | 2211 | Analog Electronic Switching | 0 | 0 | 0 | | 0 | 0 | 0 |
| 13 | 2212 | Digital Electronic Switching | 168,839 | 10,099 | 4,697 | | 174,241 | 98,951 | 75,290 |
| 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 | 13,498 | 201 | 1,334 | | 12,365 | 8,299 | 4,066 |
| 17 | 2232 | Circuit Equipment | 174,169 | 9,010 | 2,754 | | 180,425 | 131,123 | 49,302 |
| 18 | 2310 | Information Orig & Term Equip | 9,298 | 409 | 1,188 | 0 | 8,519 | 5,085 | 3,434 |
| 19 | 2311 | Station Apparatus | 0 | 0 | 0 | | 0 | 0 | 0 |
| 20 | 2321 | Customer Premises Wiring | 0 | 0 | 0 | | 0 | 0 | 0 |
| 21 | 2341 | Large Private Branch Exchanges | 0 | 0 | 0 | | 0 | 0 | 0 |
| 22 | 2351 | Public Telephone Term. Equip. | 3,260 | 90 | 13 | | 3,337 | 2,831 | 506 |
| 23 | 2362 | Other Terminal Equipment | 6,038 | 319 | 1,175 | | 5,182 | 2,254 | 2,928 |
| 24 | 2411 | Poles | 6,756 | 153 | 36 | | 6,873 | 10,331 | (3,458) |
| 25 | 2420 | Cable and Wire Facilities | 411,028 | 8,373 | 616 | 0 | 418,785 | 282,956 | 135,829 |
| 26 | 2421 | Aerial Cable | 34,808 | 927 | 147 | | 35,588 | 33,856 | 1,732 |
| 27 | 2422 | Underground Cable | 43,161 | 458 | 5 | | 43,614 | 34,809 | 8,805 |
| 28 | 2423 | Buried Cable | 325,320 | 6,752 | 448 | | 331,624 | 208,658 | 122,966 |
| 29 | 2424 | Submarine Cable | 32 | 0 | 0 | | 32 | 27 | 5 |
| 30 | 2425 | Deep Sea Cable | 0 | 0 | 0 | | 0 | 0 | 0 |
| 31 | 2426 | Intrabuilding Network Cable | 7,707 | 236 | 16 | | 7,927 | 5,606 | 2,321 |
| 32 | 2431 | Aerial Wire | 1,106 | 27 | 6 | | 1,127 | 1,060 | 67 |
| 33 | 2441 | Conduit Systems | 21,294 | 303 | 0 | | 21,597 | 9,090 | 12,507 |
| 34 | | Totals | 875,240 | 31,226 | 13,282 | 0 | 893,184 | 579,856 | 313,328 |

^ Subaccount of the account marked with a *

Company Name: Qwest Corporation

SCHEDULE 12

(Thousands of Dollars) Analysis of Plant Held for Future Use Year: 2002

| 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 2002.</i> | | | | | | |
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| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | Totals (Sum L.1 to L.29) | | 0 | 0 | 0 | 0 | 0 |

Company Name: Qwest Corporation

SCHEDULE 13

(Thousands of Dollars)

Cost of Long Term Debt

Year: 2002

| 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 | 5.650% 11 Year Note | 10/28/93 | 11/01/04 | 100,000 | N/A | 96,979 | 96.98 | 99,385 | 5.65% | 5,650 | 313 | 6.00% |
| 3 | 6.625% 10 Year Note | 09/15/95 | 09/15/05 | 250,000 | N/A | 247,661 | 99.06 | 249,328 | 6.63% | 16,563 | 240 | 6.74% |
| 4 | 6.125% 12 Year Note | 11/15/93 | 11/15/05 | 150,000 | N/A | 149,319 | 99.55 | 149,863 | 6.13% | 9,188 | 52 | 6.17% |
| 5 | 7.500% 30 Year Debenture | 06/15/93 | 06/15/23 | 484,000 | N/A | 479,693 | 99.11 | 481,076 | 7.50% | 36,300 | 146 | 7.58% |
| 6 | 7.250% 30 Year Debenture | 09/15/95 | 09/15/25 | 250,000 | N/A | 247,276 | 98.91 | 247,874 | 7.25% | 18,125 | 83 | 7.35% |
| 7 | 7.200% 31 Year Debenture | 11/10/95 | 11/10/26 | 250,000 | N/A | 245,018 | 98.01 | 245,664 | 7.20% | 18,000 | 114 | 7.37% |
| 8 | 8.875% 40 Year Debenture | 06/01/91 | 06/01/31 | 250,000 | N/A | 240,477 | 96.19 | 241,546 | 8.88% | 22,188 | 110 | 9.23% |
| 9 | 6.875% 40 Year Debenture | 09/15/93 | 09/15/33 | 1,000,000 | N/A | 903,417 | 90.34 | 910,328 | 6.88% | 68,750 | 916 | 7.65% |
| 10 | 7.250% 40 Year Debenture | 10/15/95 | 10/15/35 | 250,000 | N/A | 244,154 | 97.66 | 244,714 | 7.25% | 18,125 | 82 | 7.44% |
| 11 | 7.125% 50 Year Debenture | 11/15/93 | 11/15/43 | 250,000 | N/A | 247,770 | 99.11 | 248,231 | 7.13% | 17,813 | 50 | 7.20% |
| 12 | 5.625% 10 Year Note | 11/15/98 | 11/15/08 | 320,000 | N/A | 316,787 | 99.00 | 317,908 | 5.63% | 18,000 | 334 | 5.77% |
| 13 | 7.200% 05 Year Note | 11/01/99 | 11/01/04 | 750,000 | N/A | 743,935 | 99.19 | 747,490 | 7.20% | 54,000 | 1,172 | 7.38% |
| 14 | 7.625% 03 Year Note | 06/09/00 | 06/09/03 | 1,000,000 | N/A | 991,896 | 99.19 | 998,617 | 7.63% | 76,250 | 2,914 | 7.93% |
| 15 | 8.875% 10 Year Note | 03/12/02 | 03/15/12 | 1,500,000 | N/A | 1,441,581 | 96.11 | 1,443,297 | 8.88% | 136,875 | 2,193 | 9.64% |
| 16 | EASTERN REGION | | | | | | | | | | | |
| 17 | 6.250% 39 Year Debenture | 01/01/68 | 01/01/07 | 89,700 | N/A | 89,045 | 99.27 | 89,633 | 6.25% | 5,606 | 17 | 6.27% |
| 18 | Refinanced Debenture | 02/15/77 | 02/15/17 | | N/A | | | (7,031) | | | 498 | -7.08% |
| 19 | 7.750% 40 Year Debenture | 05/01/90 | 05/01/30 | 42,883 | N/A | 33,853 | 78.94 | 34,360 | 7.75% | 3,323 | 64 | 9.86% |
| 20 | CENTRAL REGION | | | | | | | | | | | |
| 21 | 5.500% 39 Year Debenture | 06/01/66 | 06/01/05 | 40,760 | N/A | 40,738 | 99.95 | 40,759 | 5.50% | 2,242 | 1 | 5.50% |
| 22 | 6.000% 40 Year Debenture | 08/01/67 | 08/01/07 | 70,200 | N/A | 69,768 | 99.38 | 70,151 | 6.00% | 4,212 | 11 | 6.02% |
| 23 | Refinanced Debenture | 11/01/76 | 11/01/16 | | N/A | | | (4,299) | | | 311 | -7.23% |
| 24 | Refinanced Debenture | 09/15/77 | 09/15/17 | | N/A | | | (6,314) | | | 429 | -6.80% |
| 25 | Refinanced Debenture | 06/01/83 | 06/01/23 | | N/A | | | (18,354) | | | 899 | -4.90% |
| 26 | Refinanced Debenture | 02/01/85 | 02/01/25 | | N/A | | | (17,965) | | | 813 | -4.53% |
| 27 | Refinanced Debenture | 02/01/77 | 02/01/17 | | N/A | | | (8,107) | | | 575 | -7.10% |
| 28 | Refinanced Debenture | 05/01/90 | 05/01/30 | 55,150 | N/A | 41,484 | 75.22 | (17,978) | 7.38% | 4,067 | 97 | -7.10% |
| 29 | 7.375% 40 Year Debenture | | | | N/A | | | 42,241 | | | | 9.86% |
| 30 | Subtotal Page 1 of 2 | | | | | | | | | | | |
| 31 | | | | 7,102,693 | | 6,870,851 | | 6,822,415 | | 535,276 | 13,711 | |
| 32 | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | |
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| 40 | | | | | | | | | | | | |
| 41 | | | | | | | | | | | | |

Company Name: Qwest Corporation

SCHEDULE 13

(Thousands of Dollars)

Cost of Long Term Debt

Year: 2002

| Line No. | Description (a) | Issue Date (b) | Maturity Date (c) | Principal Amount (d) | Gross Proceeds (e) | Net Proceeds (f) | Net Per \$100 (g) | Outstanding Per Balance Sheet (h) | Yield to Maturity (i) | Annual Net Cost (j) | Amortization of Premium or Discount (k) | Total Cost (%) (l) |
|----------|------------------------------|----------------|-------------------|----------------------|--------------------|------------------|-------------------|-----------------------------------|-----------------------|---------------------|-----------------------------------------|--------------------|
| 1 | WESTERN REGION | | | | | | | | | | | |
| 2 | 4.500% 40 Year Debenture | 04/01/63 | 04/01/03 | 50,000 | N/A | 50,779 | 101.56 | 50,005 (7,650) | 4.50% | 2,250 | (19) 441 | 4.46% |
| 3 | Refinanced Debenture | 05/01/80 | 05/01/20 | | N/A | | | | | | | -5.77% |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |
| 7 | MEDIUM TERM NOTE PROGRAM | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |
| 9 | 7.100% 10 Year Note | 01/19/93 | 01/20/03 | 35,000 | N/A | 34,768 | 99.34 | 34,999 | 7.10% | 2,485 | 23 | 7.17% |
| 10 | 7.100% 10 Year Note | 01/21/93 | 01/21/03 | 12,000 | N/A | 11,921 | 99.34 | 12,000 | 7.10% | 852 | 8 | 7.17% |
| 11 | 7.050% 10 Year Note | 01/27/93 | 01/27/03 | 15,000 | N/A | 14,901 | 99.34 | 14,999 | 7.05% | 1,058 | 10 | 7.12% |
| 12 | 6.960% 10 Year Note | 02/03/93 | 02/03/03 | 18,000 | N/A | 17,881 | 99.34 | 17,999 | 6.96% | 1,253 | 12 | 7.03% |
| 13 | 6.970% 10 Year Note | 02/03/93 | 02/03/03 | 15,000 | N/A | 14,901 | 99.34 | 14,999 | 6.97% | 1,046 | 10 | 7.04% |
| 14 | 6.900% 10 Year Note | 02/04/93 | 02/04/03 | 10,000 | N/A | 9,934 | 99.34 | 9,999 | 6.90% | 690 | 7 | 6.97% |
| 15 | | | | | | | | | | | | |
| 16 | PROMISSORY NOTES | | | | | | | | | | | |
| 17 | | | | | | | | | | | | |
| 18 | 3280 28th St. Boulder CO | 08/01/02 | 12/01/05 | 759 | N/A | N/A | N/A | 670 | N/A | 104 | 0 | 15.52% |
| 19 | 1515 Arapahoe, Denver CO | 09/01/02 | 04/01/04 | 1,713 | N/A | N/A | N/A | 1,894 | N/A | 235 | 0 | 12.41% |
| 20 | 6251 Greenwood, Englewood CO | 12/31/02 | 02/01/04 | 2,404 | N/A | N/A | N/A | 2,393 | N/A | 270 | 0 | 11.28% |
| 21 | 201 3rd St, Albuquerque, NM | 12/31/02 | 04/01/05 | 1,337 | N/A | N/A | N/A | 1,272 | N/A | 150 | 0 | 11.79% |
| 22 | 701 Xenia, Golden Valley MN | 12/31/02 | 05/01/04 | 1,069 | N/A | N/A | N/A | 1,059 | N/A | 120 | 0 | 11.33% |
| 23 | | | | | | | | | | | | |
| 24 | OTHER LONG TERM DEBT | | | | | | | | | | | |
| 25 | IBM Note | 12/01/97 | 01/01/03 | 24,099 | N/A | N/A | N/A | 24,099 | 5.69% | 1,371 | 0 | 5.69% |
| 26 | IBM Note | 06/25/99 | 07/01/04 | 17,285 | N/A | N/A | N/A | 17,285 | 5.95% | 1,028 | 0 | 5.95% |
| 27 | IBM Note | 12/31/99 | 01/01/05 | 15,927 | N/A | N/A | N/A | 15,927 | 6.52% | 1,038 | 0 | 6.52% |
| 28 | Subtotal Page 2 of 2 | | | 219,593 | | 155,085 | | 211,949 | | 13,949 | 482 | |
| 29 | | | | | | | | | | | | |
| 30 | Grand Total | | | 7,322,286 | | 7,025,936 | | 7,034,364 | | 549,224 | 14,203 | |

PAGE 14A

NOTES:

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

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

Company Name: Qwest Corporation

SCHEDULE 14

(Thousands of Dollars)

Cost of Preferred Stock

Year: 2002

| 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 | QWEST CORPORATION | | | | | | | | | | | |
| 2 | HAS NO PREFERRED STOCK | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
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| 29 | | | | | | | | | | | | |
| 30 | Totals (Sum L. 1 to L.29) | | | | | 0 | 0 | | | 0 | 0 | 0 |

Company Name: Qwest Corporation

SCHEDULE 15

(Thousands of Dollars)

Analysis of Common Stock

Year: 2002

| 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 High (g) Low (h) | Price/Earnings Ratio (i) |
|----------|-------------------------------|---------------------------------------|----------------------------|--------------------------|---------------------------|---------------------|---------------------------------|--------------------------|
| 1 | Year Ended December 31, 2002: | 1 | 4,756,490 | (115,617) | 805,031 | N/M | N/A N/A | N/A |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
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Notes:

1. Qwest Corporation is 100% owned by Qwest Communications International, Inc., the parent company. Qwest Corporation has issued one share of stock to its parent company.
2. Because one share of stock is outstanding, all per share figures reflect gross dollar amounts of Book Value, Net Income, and Dividends.
3. Book Value (per share) in column C reflects Total Shareholders Equity and includes both capital stock and retained earnings.
4. Based on 2002 ARMS data filed December 12, 2003

N/M=Not Meaningful

Company Name: Qwest Corporation

SCHEDULE 16

Capital Stock and Funded Debt Reacquired or Retired During the Year
(Thousands of Dollars) Year: 2002

| 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 | 40 YR 4.50% Due 06-01-02 | 6/1/02 | | 50,000 | | | Retirement |
| 3 | (Central) | | | | | | |
| 4 | 40 YR 4.375% Due 09-01-02 | 9/1/02 | | 50,000 | | | Retirement |
| 5 | (Western) | | | | | | |
| 6 | 7 YR 6.375% Due 10-15-02 | 10/15/02 | | 250,000 | | | Retirement |
| 7 | (USWC) | | | | | | |
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| 24 | | | | | | | |
| 25 | Totals (Sum L. 1 to L. 24) | | 0 | 350,000 | 0 | 0 | 0 |

Total Company Expense Matrix

SCHEDULE 17

Page 1 of 2

Year: 2002

| Line No. | Acct. No. | Description (b) | Salaries and Wages (c) | Benefits (d) | Rents (e) | Other Expenses (f) | Clearances (g) | Total (h) |
|----------|-----------|---------------------------------------------|------------------------|--------------------|--------------------|--------------------|----------------|----------------------|
| 1 | 6110 | Network Support Expense | 930,870 | 265,162 | 2,068,621 | 13,566,872 | 0 | 16,831,525 |
| 2 | 6112 | Motor Vehicle Expense | 812,172 | 228,267 | 2,045,105 | 12,139,650 | 0 | 15,225,194 |
| 3 | 6113 | Aircraft Expense | 0 | 0 | 9,020 | (9,020) | 0 | 0 |
| 4 | 6114 | Special Purpose Vehicles Expense | 4,089 | 998 | 0 | 63,667 | 0 | 68,753 |
| 5 | 6115 | Garage Work Equipment Expense | 2,822 | 677 | 5,385 | 395,933 | 0 | 404,817 |
| 6 | 6116 | Other Work Equipment Expense | 111,788 | 35,220 | 9,112 | 976,642 | 0 | 1,132,761 |
| 7 | 6120 | General Support Expense | 26,602,767 | 2,155,700 | 160,731,165 | 297,836,241 | 0 | 487,325,874 |
| 8 | 6121 | Land and Building Expense | 8,934,613 | 2,184,325 | 139,019,325 | 81,902,731 | 0 | 232,040,994 |
| 9 | 6122 | Furniture and Artworks Expense | 80,267 | 13,033 | (654,796) | 2,755,337 | 0 | 2,193,841 |
| 10 | 6123 | Office Equipment Expense | 4,323,757 | 1,060,440 | 9,315,494 | 6,831,882 | 0 | 21,531,573 |
| 11 | 6124 | General Purpose Computers Expense | 13,264,131 | (1,102,098) | 13,051,142 | 206,346,291 | 0 | 231,559,466 |
| 12 | 6210 | Central Office Switching Expense | 103,955,948 | 25,476,848 | 25,294,810 | 12,690,237 | 0 | 167,417,844 |
| 13 | 6211 | Analog Electronic Expense | | | | | 0 | 0 |
| 14 | 6212 | Digital Electronic Expense | 103,955,948 | 25,476,848 | 25,294,810 | 12,690,237 | 0 | 167,417,844 |
| 15 | 6215 | Electro-Mechanical Expense | | | | | 0 | 0 |
| 16 | 6220 | Operator Systems Expense | 6,695 | 1,677 | (16,966) | 35,290 | 0 | 26,694 |
| 17 | 6230 | Central Office Transmission Expense | 107,734,136 | 26,265,461 | 651,020 | (21,403,471) | 0 | 113,241,145 |
| 18 | 6231 | Radio Systems Expense | 1,522,934 | 373,987 | 10,549 | 1,036,394 | 0 | 2,943,864 |
| 19 | 6232 | Circuit Equipment Expense | 106,211,202 | 25,891,474 | 640,471 | (22,439,866) | 0 | 110,303,281 |
| 20 | 6310 | Information Origination/Termination Expense | 106,560,800 | 26,209,117 | 517,225 | 14,962,929 | 0 | 148,250,071 |
| 21 | 6311 | Station Apparatus Expense | 4,900,373 | 1,205,622 | 22,546 | 191,371 | 0 | 6,319,912 |
| 22 | 6341 | Large Private Branch Exchange Expense | 14,121,752 | 3,481,912 | 80,122 | 1,040,604 | 0 | 18,724,390 |
| 23 | 6351 | Public Telephone Terminal Equipment Expense | 6,159,928 | 1,504,230 | 473 | 5,189,085 | 0 | 12,853,717 |
| 24 | 6362 | Other Terminal Equipment Expense | 81,378,748 | 20,017,352 | 414,084 | 8,541,869 | 0 | 110,352,053 |
| 25 | 6410 | Cable and Wire Facilities Expense | 386,932,638 | 97,862,158 | 23,628,448 | 158,099,507 | 0 | 666,522,752 |
| 26 | 6411 | Poles Expense | 341,692 | 80,646 | 14,598,891 | 346,615 | 0 | 15,367,844 |
| 27 | 6421 | Aerial Cable Expense | 83,436,441 | 20,563,180 | 636,770 | 6,764,335 | 0 | 111,400,727 |
| 28 | 6422 | Underground Cable Expense | 27,319,131 | 6,572,297 | (1,097,973) | 13,002,987 | 0 | 45,796,442 |
| 29 | 6423 | Buried Cable Expense | 262,254,870 | 67,322,576 | 9,275,597 | 121,967,531 | 0 | 460,820,574 |
| 30 | 6424 | Submarine Cable Expense | 627 | 160 | 4 | 72 | 0 | 862 |
| 31 | 6425 | Deep Sea Cable Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | 6426 | Intrabuilding Network Cable Expense | 13,294,990 | 3,265,788 | 92,096 | 2,173,434 | 0 | 18,826,308 |
| 33 | 6431 | Aerial Wire Expense | 40,704 | 10,299 | 302 | 3,160,192 | 0 | 3,211,498 |
| 34 | | Subtotals | 732,479,672 | 178,188,911 | 212,751,561 | 465,103,265 | 0 | 1,588,523,409 |

^ Subaccount of the account marked with a *

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Total Company Expense Matrix

Year: 2002

| 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 | 244,183 | 47,212 | 122,761 | 10,684,341 | 0 | 11,098,497 |
| 36 | 6510 | Other Property Expenses | (1,507,021) | (183,159) | 0 | 889,326 | 0 | (800,854) |
| 37 | 6530 | Network Operations Expense | 451,040,045 | 155,918,335 | 53,190 | 157,096,186 | 0 | 764,107,756 |
| 38 | 6531 | Power Expense | 0 | 0 | 0 | 61,351,727 | 0 | 61,351,727 |
| 39 | 6532 | Network Administration Expense | 18,805,246 | 2,240,660 | 0 | 753,087 | 0 | 21,798,993 |
| 40 | 6533 | Testing Expense | 107,215,028 | 26,396,180 | 0 | 2,312,878 | 0 | 135,924,087 |
| 41 | 6534 | Plant Operations Expense | 268,610,299 | 124,980,137 | 51,392 | 57,367,343 | 0 | 451,009,171 |
| 42 | 6535 | Engineering Expense | 56,409,472 | 2,301,358 | 1,798 | 35,311,151 | 0 | 94,023,778 |
| 43 | 6540 | Access Expense | 0 | 0 | 0 | 230,400,488 | 0 | 230,400,488 |
| 44 | 6561 | Depreciation - Telecomm. Plant in Service | 0 | 0 | 0 | 2,930,021,005 | 0 | 2,930,021,005 |
| 45 | 6562 | Depreciation-Prop. for Future Telecom. Use | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | 6563 | Amortization Expense - Tangible | 0 | 0 | 0 | 124,721,818 | 0 | 124,721,818 |
| 47 | 6564 | Amortization Expense - Intangible | 0 | 0 | 0 | 292,194,219 | 0 | 292,194,219 |
| 48 | 6565 | Amortization - Other | 0 | 0 | 0 | 20,602,146 | 0 | 20,602,146 |
| 49 | 6610 | Marketing | 44,153,279 | (3,667,613) | 16 | 568,673,267 | 0 | 609,156,950 |
| 50 | 6611 | Product Management | 16,227,783 | (2,996,092) | 16 | 227,843,903 | 0 | 241,075,610 |
| 51 | 6612 | Sales | 27,925,496 | (671,520) | 0 | 276,678,388 | 0 | 303,932,364 |
| 52 | 6613 | Product Advertising | 0 | 0 | 0 | 64,150,976 | 0 | 64,150,976 |
| 53 | 6621 | Call Completion Services | 15,216,362 | 6,516,610 | 0 | 440,271 | 0 | 22,173,242 |
| 54 | 6622 | Number Services | 40,239,809 | 18,505,813 | 167 | 1,195,536 | 0 | 59,941,324 |
| 55 | 6623 | Customer Services | 380,634,064 | 141,633,237 | 14,469 | 296,799,917 | 0 | 819,081,688 |
| 56 | 6711 | Executive | 490,160 | 526,652 | 787 | 17,130,022 | 0 | 18,147,621 |
| 57 | 6712 | Planning | 0 | 850 | 0 | 1,957,572 | 0 | 1,958,422 |
| 58 | 6721 | Accounting and Finance | 22,461,455 | 3,367,363 | 20,000 | 65,434,668 | 0 | 91,283,486 |
| 59 | 6722 | External Relations | 4,722,307 | 955,519 | 4,093,977 | 45,802,352 | 0 | 55,574,154 |
| 60 | 6723 | Human Relations | 6,366,489 | (480,917) | 107 | 34,973,778 | 0 | 40,856,458 |
| 61 | 6724 | Information Management | (66,934,012) | (26,486,409) | 4,108,468 | 646,231,902 | 0 | 556,919,949 |
| 62 | 6725 | Legal | 0 | 0 | 0 | 93,690,424 | 0 | 93,690,424 |
| 63 | 6726 | Procurement | 0 | 267 | 0 | 14,606,140 | 0 | 14,606,407 |
| 64 | 6727 | Research and Development | 0 | 0 | 0 | 100,988 | 0 | 100,988 |
| 65 | 6728 | Other General and Administrative | (30,730,079) | 38,601 | 6,180,820 | 119,018,578 | 0 | 94,507,920 |
| 66 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| 67 | 8747 | Administrative Services Clearing | 0 | 0 | 0 | (97,905) | 0 | (97,905) |
| 68 | Totals | | 1,598,876,712 | 474,881,273 | 227,346,323 | 6,137,670,303 | 0 | 8,438,774,611 |

Subaccount of the account marked with a *.

Total State Expense Matrix

SCHEDULE 18
Page 1 of 2

Year: 2002

| Line No. | Acct. No. | Description (b) | Salaries and Wages (c) | Benefits (d) | Rents (e) | Other Expenses (f) | Clearances (g) | Total (h) |
|----------|-----------|---------------------------------------------|------------------------|--------------|-----------|--------------------|----------------|------------|
| 1 | 6110 | Network Support Expense | 202,463 | 50,190 | (8,028) | 70,868 | 0 | 315,493 |
| 2 | 6112 | Motor Vehicle Expense | 193,753 | 47,848 | (16,612) | 47,032 | 0 | 272,022 |
| 3 | 6113 | Aircraft Expense | 0 | 0 | 0 | 832 | 0 | 832 |
| 4 | 6114 | Special Purpose Vehicles Expense | 337 | 75 | 0 | 6,940 | 0 | 7,352 |
| 5 | 6115 | Garage Work Equipment Expense | 974 | 208 | 0 | 19,871 | 0 | 21,053 |
| 6 | 6116 | Other Work Equipment Expense | 7,399 | 2,059 | 8,584 | (3,807) | 0 | 14,234 |
| 7 | 6120 | General Support Expense | 605,700 | 63,468 | 1,650,718 | 5,438,493 | 0 | 7,758,378 |
| 8 | 6121 | Land and Building Expense | 337,816 | 83,155 | 1,065,032 | 1,360,980 | 0 | 2,846,983 |
| 9 | 6122 | Furniture and Artworks Expense | 0 | 0 | (13,148) | 10,377 | 0 | (2,772) |
| 10 | 6123 | Office Equipment Expense | 19,414 | 5,043 | 25,114 | 98,686 | 0 | 148,257 |
| 11 | 6124 | General Purpose Computers Expense | 248,470 | (24,730) | 573,720 | 3,968,450 | 0 | 4,765,910 |
| 12 | 6210 | Central Office Switching Expense | 2,207,634 | 543,635 | 152,734 | 96,061 | 0 | 3,000,064 |
| 13 | 6211 | Analog Electronic Expense | | | | | 0 | 0 |
| 14 | 6212 | Digital Electronic Expense | 2,207,634 | 543,635 | 152,734 | 96,061 | 0 | 3,000,064 |
| 15 | 6215 | Electro-Mechanical Expense | | | | | 0 | 0 |
| 16 | 6220 | Operator Systems Expense | 0 | 0 | 0 | 1 | 0 | 1 |
| 17 | 6230 | Central Office Transmission Expense | 1,878,594 | 451,700 | 12,455 | 24,882 | 0 | 2,367,630 |
| 18 | 6231 | Radio Systems Expense | 42,858 | 10,145 | 313 | 3,943 | 0 | 57,258 |
| 19 | 6232 | Circuit Equipment Expense | 1,835,736 | 441,555 | 12,142 | 20,939 | 0 | 2,310,372 |
| 20 | 6310 | Information Origination/Termination Expense | 1,537,353 | 383,906 | 7,634 | 396,728 | 0 | 2,325,620 |
| 21 | 6311 | Station Apparatus Expense | 6,719 | 1,671 | 45 | 19,303 | 0 | 27,738 |
| 22 | 6341 | Large Private Branch Exchange Expense | 156,752 | 38,694 | 1,145 | 13,933 | 0 | 210,525 |
| 23 | 6351 | Public Telephone Terminal Equipment Expense | 170,401 | 42,449 | 0 | 193,200 | 0 | 406,051 |
| 24 | 6362 | Other Terminal Equipment Expense | 1,203,481 | 301,091 | 6,444 | 170,292 | 0 | 1,681,307 |
| 25 | 6410 | Cable and Wire Facilities Expense | 5,524,439 | 1,348,056 | 1,027,253 | 2,644,597 | 0 | 10,544,345 |
| 26 | 6411 | Poles Expense | 3,685 | 949 | 381,421 | (5,851) | 0 | 380,205 |
| 27 | 6421 | Aerial Cable Expense | 1,353,580 | 337,910 | 3,890 | 255,812 | 0 | 1,951,192 |
| 28 | 6422 | Underground Cable Expense | 221,604 | 54,244 | 1,605 | 62,773 | 0 | 340,227 |
| 29 | 6423 | Buried Cable Expense | 3,780,619 | 914,086 | 639,163 | 2,185,542 | 0 | 7,519,411 |
| 30 | 6424 | Submarine Cable Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | 6425 | Deep Sea Cable Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | 6426 | Intrabuilding Network Cable Expense | 162,428 | 40,395 | 1,160 | 30,635 | 0 | 234,619 |
| 33 | 6431 | Aerial Wire Expense | 0 | 0 | 0 | 79,959 | 0 | 79,959 |
| 34 | | Subtotals | 11,953,660 | 2,840,482 | 2,842,754 | 8,635,904 | 0 | 26,272,799 |

^ Subaccount of the account marked with a *.

Total State Expense Matrix

Year: 2002

| Line No. | Acct. No. | Description (b) | Salaries and Wages (c) | Benefits (d) | Rents (e) | Other Expenses (f) | Clearances (g) | Total (h) |
|----------|-----------|----------------------------------------------|------------------------|--------------|-----------|--------------------|----------------|-------------|
| 35 | 6441 | Conduit Systems Expense | 2,523 | 472 | 13 | 35,725 | 0 | 38,733 |
| 36 | 6510 | Other Property Expenses | (48,225) | (7,086) | 0 | 39,021 | 0 | (16,290) |
| 37 | 6530 | Network Operations Expense | 7,121,203 | 1,983,981 | 212 | 3,304,017 | 0 | 12,409,414 |
| 38 | 6531 | Power Expense | 0 | 0 | 0 | 1,150,548 | 0 | 1,150,548 |
| 39 | 6532 | Network Administration Expense | 262,824 | 16,171 | 0 | 14,040 | 0 | 293,035 |
| 40 | 6533 | Testing Expense | 1,988,272 | 488,070 | 0 | 43,004 | 0 | 2,519,346 |
| 41 | 6534 | Plant Operations Expense | 3,909,398 | 1,427,246 | 116 | 1,347,611 | 0 | 6,684,372 |
| 42 | 6535 | Engineering Expense | 960,708 | 52,494 | 96 | 748,814 | 0 | 1,762,112 |
| 43 | 6540 | Access Expense | 0 | 0 | 0 | 4,385,227 | 0 | 4,385,227 |
| 44 | 6561 | Depreciation - Telecomm. Plant in Service | 0 | 0 | 0 | 63,041,204 | 0 | 63,041,204 |
| 45 | 6562 | Depreciation-Prop. for Future Telecom. Use | 0 | 0 | 0 | 0 | 0 | 0 |
| 46 | 6563 | Amortization Expense - Tangible | 0 | 0 | 0 | 1,673,800 | 0 | 1,673,800 |
| 47 | 6564 | Amortization Expense - Intangible | 0 | 0 | 0 | 6,951,004 | 0 | 6,951,004 |
| 48 | 6565 | Amortization - Other | 0 | 0 | 0 | (6,036) | 0 | (6,036) |
| 49 | 6610 | Marketing | 900,988 | (94,725) | 0 | 11,003,435 | 0 | 11,809,698 |
| 50 | 6611 | Product Management | 326,453 | (71,374) | 0 | 3,858,293 | 0 | 4,113,372 |
| 51 | 6612 | Sales | 574,535 | (23,351) | 0 | 6,077,759 | 0 | 6,628,943 |
| 52 | 6613 | Product Advertising | 0 | 0 | 0 | 1,067,383 | 0 | 1,067,383 |
| 53 | 6621 | Call Completion Services | 459,088 | 182,108 | 0 | 10,760 | 0 | 651,955 |
| 54 | 6622 | Number Services | 447,426 | 233,214 | 82 | 8,327 | 0 | 689,049 |
| 55 | 6623 | Customer Services | 7,479,999 | 2,681,517 | 200 | 6,457,521 | 0 | 16,619,236 |
| 56 | 6711 | Executive | (59,186) | 9,254 | 15 | 336,696 | 0 | 286,779 |
| 57 | 6712 | Planning | 0 | 17 | 0 | 38,525 | 0 | 38,542 |
| 58 | 6721 | Accounting and Finance | 434,623 | 62,993 | 0 | 1,298,757 | 0 | 1,796,373 |
| 59 | 6722 | External Relations | 125,976 | 34,495 | 0 | 707,907 | 0 | 868,378 |
| 60 | 6723 | Human Relations | 121,146 | (10,418) | 2 | 687,133 | 0 | 797,863 |
| 61 | 6724 | Information Management | (1,561,793) | (586,403) | 80,085 | 12,084,318 | 0 | 10,016,206 |
| 62 | 6725 | Legal | 0 | 0 | 0 | 2,239,087 | 0 | 2,239,087 |
| 63 | 6726 | Procurement | 0 | 5 | 0 | 287,449 | 0 | 287,454 |
| 64 | 6727 | Research and Development | 0 | 0 | 0 | 1,987 | 0 | 1,987 |
| 65 | 6728 | Other General and Administrative | (607,818) | 6,276 | 11,746 | 1,820,456 | 0 | 1,230,660 |
| 66 | 6790 | Provision for Uncollectible Notes Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| 67 | 8747 | Administrative Services Clearing | 0 | 0 | 0 | (1,927) | 0 | (1,927) |
| 68 | | Totals | 26,769,607 | 7,336,182 | 2,935,110 | 125,040,297 | 0 | 162,081,195 |

^ Subaccount of the account marked with a *.

Pension Costs

(Thousands of Dollars)

Year: 2002

| | | | | |
|-----|----------------------------------------------------|--------------|-------------------------------|----------|
| 1 | Plan Name Qwest Pension Plan | | | |
| 2 | Defined Benefit Plan? Yes | | Defined Contribution Plan? No | |
| 3 | Actuarial Cost Method? Projected Unit Credit | | IRS Code: 005 | |
| 4 | Annual Contribution by Employer: 0 | | Is the Plan Over Funded? Yes | |
| 5 | | | | |
| | Item | Current Year | Last Year | % Change |
| 6 | Change in Benefit Obligation | | | |
| 7 | Benefit obligation at beginning of year | 7,892,500 | 7,765,400 | 1.64% |
| 8 | Service cost | 104,347 | 144,938 | -28.01% |
| 9 | Interest Cost | 408,305 | 530,099 | -22.98% |
| 10 | Plan participants' contributions | 0 | 0 | |
| 11 | Amendments | 0 | 0 | |
| 12 | Actuarial Gain | 487,191 | 827,865 | -41.15% |
| 13 | Acquisition | 0 | 0 | |
| 14 | Benefits paid | (1,355,759) | (1,249,737) | -8.48% |
| 14a | Special termination benefits | (189,784) | (126,065) | -50.54% |
| 15 | Benefit obligation at end of year | 7,346,800 | 7,892,500 | -6.91% |
| 16 | Change in Plan Assets | | | |
| 17 | Fair value of plan assets at beginning of year | 9,118,985 | 11,146,669 | -18.19% |
| 18 | Adjustment to match trust | 0 | 0 | |
| 19 | Actual return on plan assets | (852,979) | (684,687) | -24.58% |
| 20 | Acquisition | 0 | 0 | |
| 21 | Employer contribution | 0 | 0 | |
| 22 | Plan participants' contributions | 0 | 0 | |
| 23 | 420 Transfer | 0 | (93,260) | 100.00% |
| 24 | Benefits paid | (1,355,759) | (1,249,737) | -8.48% |
| 25 | Fair value of plan assets at end of year | 6,910,247 | 9,118,985 | -24.22% |
| 26 | Funded Status | (436,553) | 1,226,485 | -135.59% |
| 27 | Unrecognized net actuarial loss | 1,363,908 | (217,721) | 726.45% |
| 28 | Unrecognized prior service cost | (135,740) | (187,456) | 27.59% |
| 29 | Prepaid (accrued) benefit cost | 791,615 | 821,308 | -3.62% |
| 30 | | | | |
| 31 | Weighted-average Assumptions as of Year End | | | |
| 32 | Discount rate | 6.75% | 7.25% | -6.90% |
| 33 | Expected return on plan assets | 9.40% | 9.40% | 0.00% |
| 34 | Rate of compensation increase | 4.65% | 4.65% | 0.00% |
| 35 | | | | |
| 36 | Components of Net Periodic Benefit Costs | | | |
| 37 | Service cost | 104,347 | 144,938 | -28.01% |
| 38 | Interest cost | 408,305 | 530,099 | -22.98% |
| 39 | Expected return on plan assets | (628,437) | (850,506) | 26.11% |
| 40 | Amortization of prior service cost | (51,716) | (61,196) | 15.49% |
| 41 | Recognized net actuarial loss | 7,410 | (41,145) | 118.01% |
| 42 | Net periodic benefit cost | (160,091) | (277,810) | 42.37% |
| 43 | | | | |
| 44 | Montana Intrastate Costs: | | | |
| 45 | Pension Costs | (2,054) | (3,169) | 35.18% |
| 46 | Pension Costs Capitalized | (417) | (1,434) | 70.92% |
| 47 | Accumulated Pension Asset (Liability) at Year End | 13,612 | 13,082 | 4.05% |
| 48 | Number of Company Employees: | | | |
| 49 | Covered by the Plan | 75,714 | 78,331 | -3.34% |
| 50 | Not Covered by the Plan | 0 | 0 | |
| 51 | Active | 37,197 | 38,816 | -4.17% |
| 52 | Retired | 38,517 | 39,515 | -2.53% |
| 53 | Deferred Vested Terminated | 13,596 | 16,670 | -18.44% |

Other Post Employment Benefits (OPEBS)

(Thousands of Dollars)

Year: 2002

| | 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 | 1,539 | 646 | 138.24% |
| 6 | Weighted-average Assumptions as of Year End | | | |
| 7 | Discount rate | 6.75% | 7.25% | -6.90% |
| 8 | Expected return on plan assets | 9.40% | 9.40% | |
| 9 | Medical Cost Inflation Rate | 10% graded to 5% | 8% graded to 5% | |
| 10 | Actuarial Cost Method | Projected Unit Credit | Projected Unit Credit | |
| 11 | Rate of compensation increase | N/A | N/A | |
| 12 | List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged: | | | |
| 13 | VEBA - Yes 420 Transfer - No | | | |
| 14 | Cash - Yes | | | |
| 15 | Describe any Changes to the Benefit Plan: | | | |
| 16 | | | | |
| 16a | | | | |
| 17 | TOTAL COMPANY | | | |
| 18 | Change in Benefit Obligation | | | |
| 19 | Benefit obligation at beginning of year | 4,230,000 | 4,050,000 | 4.44% |
| 20 | Service cost | 21,434 | 23,773 | -9.84% |
| 21 | Interest Cost | 291,013 | 277,517 | 4.86% |
| 22 | Plan participants' contributions | 0 | 0 | |
| 23 | Amendments | 0 | 0 | |
| 24 | Actuarial Gain | 842,587 | 127,406 | 561.34% |
| 25 | Acquisition | 0 | | |
| 26 | Benefits paid | (306,886) | (248,696) | -23.40% |
| 27 | Benefit obligation at end of year | 5,078,148 | 4,230,000 | 20.05% |
| 28 | Change in Plan Assets | | | |
| 29 | Fair value of plan assets at beginning of year | 1,886,888 | 2,222,047 | -15.08% |
| 30 | Actual return on plan assets | (103,635) | (138,286) | 25.06% |
| 31 | Acquisition | 0 | 0 | |
| 32 | Employer contribution | 33,039 | 78,968 | -58.16% |
| 32a | Life Trust Reimbursement | 0 | (27,145) | 100.00% |
| 33 | Plan participants' contributions | 0 | 0 | |
| 34 | Benefits paid | (306,886) | (248,696) | -23.40% |
| 35 | Fair value of plan assets at end of year | 1,509,406 | 1,886,888 | -20.01% |
| 36 | Funded Status | | | |
| 37 | Unrecognized net actuarial loss | (3,568,742) | (2,343,112) | -52.31% |
| 38 | Unrecognized prior service cost | 1,073,750 | (68,212) | 1674.14% |
| 39 | Prepaid (accrued) benefit cost | (36,450) | (45,650) | 20.15% |
| | | (2,531,442) | (2,456,974) | -3.03% |
| 40 | Components of Net Periodic Benefit Costs | | | |
| 41 | Service cost | 21,434 | 23,773 | -9.84% |
| 42 | Interest cost | 291,013 | 277,517 | 4.86% |
| 43 | Expected return on plan assets | (176,082) | (206,226) | 14.62% |
| 44 | Amortization of prior service cost | (9,199) | (9,199) | |
| 45 | Recognized net actuarial loss | (19,660) | (64,918) | 69.72% |
| 46 | Net periodic benefit cost | 107,506 | 20,947 | 413.23% |
| 47 | Accumulated Post Retirement Benefit Obligation | | | |
| 48 | Amount Funded through VEBA | 0 | 0 | |
| 49 | Amount Funded through 401(h) | 0 | 0 | |
| 50 | Amount Funded through Other - Cash | 33,039 | 0 | 100.00% |
| 51 | TOTAL | 33,039 | 0 | 100.00% |
| 52 | Amount that was tax deductible - VEBA | 0 | 0 | |
| 53 | Amount that was tax deductible - 401(h) | 0 | 0 | |
| 54 | Amount that was tax deductible - Cash | 33,039 | 0 | 100.00% |
| 55 | TOTAL | 33,039 | 0 | 100.00% |

Other Post Employment Benefits (OPEBS) Continued

(Thousands of Dollars)

Year: 2002

| | Item | Current Year | Last Year | % Change |
|-----|-------------------------------------------------------|--------------|-----------|----------|
| 1 | Number of Company Employees: | | | |
| 2 | Covered by the Plan | 80,214 | 81,925 | -2.09% |
| 3 | Not Covered by the Plan | 6,083 | 7,423 | -18.05% |
| 4 | Active | 33,286 | 36,519 | -8.85% |
| 5 | Retired | 40,845 | 37,983 | 7.53% |
| 6 | Spouses/Dependants covered by the Plan | 26,719 | 23,297 | 14.69% |
| 7 | Montana | | | |
| 8 | Change in Benefit Obligation | | | |
| 9 | Benefit obligation at beginning of year | 49,213 | 46,195 | 6.53% |
| 10 | Service cost | 265 | 329 | -19.45% |
| 11 | Interest Cost | 3,599 | 3,904 | -7.81% |
| 12 | Plan participants' contributions | 0 | 0 | |
| 13 | Amendments | 0 | 0 | |
| 14 | Actuarial Gain | 10,818 | 1,735 | 523.52% |
| 15 | Acquisition | 0 | 0 | |
| 16 | Benefits paid | (3,940) | (2,950) | -33.56% |
| 17 | Benefit obligation at end of year | 59,955 | 49,213 | 21.83% |
| 18 | Change in Plan Assets | | | |
| 19 | Fair value of plan assets at beginning of year | 41,824 | 47,489 | -11.93% |
| 20 | Actual return on plan assets | (1,331) | (1,883) | 29.31% |
| 21 | Acquisition | 0 | 0 | |
| 22 | Employer contribution | 0 | 0 | |
| 22a | Life Trust Reimbursement | 0 | (395) | 100.00% |
| 23 | Plan participants' contributions | 0 | 0 | |
| 24 | Benefits paid | (3,940) | (3,387) | -16.33% |
| 25 | Fair value of plan assets at end of year | 36,553 | 41,824 | -12.60% |
| 26 | Funded Status | | | |
| 27 | Unrecognized net actuarial loss | (23,402) | (7,389) | -216.71% |
| 28 | Unrecognized prior service cost | 13,786 | (929) | 1583.96% |
| 29 | Prepaid (accrued) benefit cost | (468) | (622) | 24.76% |
| 29 | | (10,084) | (8,940) | -12.80% |
| 30 | Components of Net Periodic Benefit Costs | | | |
| 31 | Service cost | 265 | 329 | -19.45% |
| 32 | Interest cost | 3,599 | 3,904 | -7.81% |
| 33 | Expected return on plan assets | (4,319) | (4,881) | 11.51% |
| 34 | Amortization of prior service cost | 2,253 | 2,249 | 0.18% |
| 35 | Recognized net actuarial loss | (259) | (955) | 72.88% |
| 36 | Net periodic benefit cost | 1,539 | 646 | 138.24% |
| 37 | Accumulated Post Retirement Benefit Obligation | | | |
| 38 | Amount Funded through VEBA | 0 | 0 | |
| 39 | Amount Funded through 401(h) | 0 | 0 | |
| 40 | Amount Funded through other - Cash | 424 | 0 | 100.00% |
| 41 | TOTAL | 424 | 0 | 100.00% |
| 42 | Amount that was tax deductible - VEBA | 0 | 0 | |
| 43 | Amount that was tax deductible - 401(h) | 0 | 0 | |
| 44 | Amount Funded through other - Cash | 424 | 0 | 100.00% |
| 45 | TOTAL | 424 | 0 | 100.00% |
| 46 | Montana Intrastate Costs: | | | |
| 47 | Benefit Cost Expensed | 1,378 | 561 | 145.63% |
| 48 | Benefit Cost Capitalized | 161 | 85 | 89.41% |
| 49 | Benefit Payments - Medical | 3,540 | 2,950 | 20.00% |
| 50 | Number of Montana Employees: | | | |
| 51 | Covered by the Plan | 448 | 458 | -2.18% |
| 52 | Not Covered by the Plan | N/A | N/A | |
| 53 | Active | 448 | 458 | -2.18% |
| 54 | Retired | N/A | N/A | |
| 55 | Spouses/Dependants covered by the Plan | N/A | N/A | |

Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2002

| Line No. | Name of Recipient (a) | Nature of Service (b) | Total Company Cost (c) | Total State Cost (d) | Intrastate Cost (e) |
|----------|---------------------------------------------|--------------------------------------|------------------------|----------------------|---------------------|
| 1 | CRAMER-KRASSETT COMPANY | Advertising and Information Service | 3,062 | | |
| 2 | DDB NEEDHAM WORLDWIDE | Advertising and Information Service | 4,267 | | |
| 3 | DDB CHICAGO, INC | Advertising and Information Service | 2,304 | | |
| 4 | ECOUNT | Advertising and Information Service | 1,105 | | |
| 5 | HUNT.DDBDIRECT | Advertising and Information Service | 2,540 | | |
| 6 | ICON INTERNATIONAL INC | Advertising and Information Service | 1,160 | | |
| 7 | LTD DIRECT MARKETING INC | Advertising and Information Service | 6,990 | | |
| 8 | MEREDITH CORPORATION | Advertising and Information Service | 1,080 | | |
| 9 | NEWSPAPER SERVICES OF AMERICA | Advertising and Information Service | 11,035 | | |
| 10 | OMD USA INC | Advertising and Information Service | 6,372 | | |
| 11 | PREVISION MARKETING INC | Advertising and Information Service | 1,466 | | |
| 12 | THE INTEGER GROUP | Advertising and Information Service | 1,348 | | |
| 13 | TRAVERSE COMMUNICATIONS, INC | Advertising and Information Service | 1,032 | | |
| 14 | | | | | |
| 15 | TOTAL ADVERTISING AND INFORMATION SERVICES | | 43,761 | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | NONE TO REPORT | Audit and Accounting Service | 0 | | |
| 20 | | | | | |
| 21 | TOTAL AUDIT AND ACCOUNTING SERVICES | | 0 | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | AIMS LOGISTIC | Clerical and Office Service | 41,126 | | |
| 26 | PITNEY BOWES INC | Clerical and Office Service | 1,903 | | |
| 27 | STEELCASE | Clerical and Office Service | 3,130 | | |
| 28 | | | | | |
| 29 | TOTAL CLERICAL AND OFFICE SERVICES | | 46,159 | | |
| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | AIC/TECHWEST ANALYST INTERNATIONAL | Computer and Data Processing Service | 5,095 | | |
| 34 | AMERICAN MGMT SYSTEMS INC | Computer and Data Processing Service | 1,646 | | |
| 35 | INTRADO INC | Computer and Data Processing Service | 7,514 | | |
| 36 | WALLACE CORPORATE HEADQUARTERS | Computer and Data Processing Service | 3,616 | | |
| 37 | | | | | |
| 38 | TOTAL COMPUTER AND DATA PROCESSING SERVICES | | 17,871 | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | | | | | |
| 42 | ARCH COMMUNICATIONS | Consulting and Research Service | 1,000 | | |
| 43 | ANALYSTS INTERNATIONAL | Consulting and Research Service | 1,781 | | |
| 44 | BEAR CREEK TECHNOLOGIES | Consulting and Research Service | 1,100 | | |
| 45 | CADENCE NETWORK INC | Consulting and Research Service | 736 | | |
| 46 | COMMUNICATIONS TEST DESIGN INC | Consulting and Research Service | 6,698 | | |
| 47 | LUCENT TECHNOLOGIES | Consulting and Research Service | 58,168 | | |
| 48 | RNL DESIGN | Consulting and Research Service | 2,076 | | |
| 49 | SHG/SW INCORPORATED | Consulting and Research Service | 1,771 | | |
| 50 | TELCORDIA TECHNOLOGIES | Consulting and Research Service | 85,989 | | |
| 51 | TELLABS OPERATIONS INC | Consulting and Research Service | 2,288 | | |
| 52 | | | | | |
| 53 | TOTAL CONSULTING AND RESEARCH SERVICES | | 161,607 | | |
| 54 | | | | | |
| 55 | | | | | |
| 56 | | | | | |
| 57 | ACCENT SERVICE COMPANY INC | Financial Service | 9,847 | | |
| 58 | COLLECTION SERVICE BUREAU | Financial Service | 615 | | |

Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2002

| Line No. | Name of Recipient (a) | Nature of Service (b) | Total Company Cost (c) | Total State Cost (d) | Intrastate Cost (e) |
|----------|------------------------------------|--------------------------|------------------------|----------------------|---------------------|
| 59 | CONTINENTAL ALLIANCE INC | Financial Service | 795 | | |
| 60 | CREDIT BUREAU OF MISSOULA | Financial Service | 561 | | |
| 61 | ER SOLUTIONS, INC | Financial Service | 1,956 | | |
| 62 | FIRST DATA CORP | Financial Service | 2,261 | | |
| 63 | MARICOPA COUNTY SHERIFF'S OFFICE | Financial Service | 529 | | |
| 64 | NATIONWIDE CREDIT INC | Financial Service | 1,102 | | |
| 65 | OREGON STATE DEPT OF CORRECTIONS | Financial Service | 2,863 | | |
| 66 | OSI COLLECTION SERVICES INC | Financial Service | 928 | | |
| 67 | PORT OF SEATTLE | Financial Service | 1,881 | | |
| 68 | RISK MANAGEMENT ALTERNATIVES INC | Financial Service | 12,475 | | |
| 69 | | | | | |
| 70 | TOTAL FINANCIAL SERVICES | | 35,813 | | |
| 71 | | | | | |
| 72 | | | | | |
| 73 | | | | | |
| 74 | ACCENTURE LLP | Legal Service | 5,430 | | |
| 75 | APPLIED DISCOVERY INC | Legal Service | 693 | | |
| 76 | BROWNSTEIN HYATT & FARBER PC | Legal Service | 612 | | |
| 77 | DORSEY & WHITNEY LLP | Legal Service | 4,094 | | |
| 78 | FENNEMORE CRAIG | Legal Service | 1,778 | | |
| 79 | G C SERVICES LP | Legal Service | 3,623 | | |
| 80 | GREENE ESPEL | Legal Service | 627 | | |
| 81 | HOGAN AND HARTSON | Legal Service | 9,351 | | |
| 82 | KUTAK ROCK LLP | Legal Service | 1,030 | | |
| 83 | LOCKLINE LLC | Legal Service | 6,873 | | |
| 84 | MONTGOMERY & ANDREWS | Legal Service | 681 | | |
| 85 | O'MELVENY & MYERS | Legal Service | 894 | | |
| 86 | PERKINS COIE | Legal Service | 9,114 | | |
| 87 | SHERMAN & HOWARD LLC | Legal Service | 674 | | |
| 88 | STEESE AND ASSOCIATES PC | Legal Service | 572 | | |
| 89 | STERLING ASSOCIATES LLC | Legal Service | 2,825 | | |
| 90 | STOEL RIVES LLP | Legal Service | 1,976 | | |
| 91 | WILMER CUTLER & PICKERING | Legal Service | 7,079 | | |
| 92 | | | | | |
| 93 | TOTAL LEGAL SERVICES | | 57,926 | | |
| 94 | | | | | |
| 95 | | | | | |
| 96 | | | | | |
| 97 | ALLIANCE FOR TELECOMMUNICATIONS | Membership Fees and Dues | 95 | | |
| 98 | CAPITAL SOFTWARE | Membership Fees and Dues | 60 | | |
| 99 | | | | | |
| 100 | TOTAL MEMBERSHIP FEES AND DUES | | 155 | | |
| 101 | | | | | |
| 102 | | | | | |
| 103 | ALDEN SYSTEMS INC | Personnel Service | 4,212 | | |
| 104 | AOI CORPORATION | Personnel Service | 1,252 | | |
| 105 | ATA SERVICES INC | Personnel Service | 1,498 | | |
| 106 | CYDCOR LIMITED | Personnel Service | 1,986 | | |
| 107 | EXPERIAN | Personnel Service | 1,013 | | |
| 108 | MOHAWK LTD | Personnel Service | 1,541 | | |
| 109 | NEUSTAR | Personnel Service | 3,068 | | |
| 110 | OTIS ELEVATOR COMPANY | Personnel Service | 2,407 | | |
| 111 | SKE SUPPORT SERVICES | Personnel Service | 2,770 | | |
| 112 | SNELLING PERSONNEL SERVICES | Personnel Service | 1,295 | | |
| 113 | SOURCE ONE MANAGEMENT | Personnel Service | 9,819 | | |
| 114 | SPRINT UNITED MANAGEMENT CO | Personnel Service | 5,263 | | |
| 115 | STREAM INTERNATIONAL SERVICES CORP | Personnel Service | 2,171 | | |
| 116 | SYKES ENTERPRISES INC | Personnel Service | 2,041 | | |

Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2002

| Line No. | Name of Recipient (a) | Nature of Service (b) | Total Company Cost (c) | Total State Cost (d) | Intrastate Cost (e) |
|----------|------------------------------------|-----------------------------|------------------------|----------------------|---------------------|
| 117 | TELETECH CUSTOMER CARE MANAGEMENT | Personnel Service | 1,316 | | |
| 118 | UNIVERSAL SOLUTIONS INC | Personnel Service | 4,216 | | |
| 119 | | | | | |
| 120 | TOTAL PERSONNEL SERVICES | | 45,868 | | |
| 121 | XEROX CORPORATION | Printing and Design Service | 1,090 | | |
| 122 | | | | | |
| 123 | TOTAL PRINTING AND DESIGN SERVICES | | 1,090 | | |
| 124 | | | | | |
| 125 | | | | | |
| 126 | | | | | |
| 127 | NOTHING TO REPORT | Security Service | 0 | | |
| 128 | | | | | |
| 129 | TOTAL SECURITY SERVICES | | 0 | | |
| 130 | | | | | |
| 131 | | | | | |
| 132 | CONTRIBUTIONS | | 0 | | |
| 133 | | | | | |
| 134 | | | | | |
| 135 | GRAND TOTAL | | 410,250 | | |

Subscriber Line Usage Data**(Thousands of Minutes)****Year: 2002**

| 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% |

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* 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: 2002

| 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% | #REF! |
| 2 | ANACONDA | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 3 | BELGRADE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 4 | BILLINGS MAIN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 5 | BILLINGS WEST | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 6 | BOULDER | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 7 | BOZEMAN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 8 | BRIDGER | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 9 | BUTTE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 10 | BUTTE SOUTH | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 11 | CANYON FERRY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 12 | CASCADE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 13 | CLANCY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 14 | CLYDE PARK | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 15 | COLSTRIP | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 16 | COLUMBUS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 17 | CONRAD | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 18 | COOKE CITY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 19 | CORVALLIS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 20 | CUT BANK | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 21 | DARBY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 22 | DEER LODGE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 23 | DILLON | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 24 | DUTTON | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 25 | EAST GLACIER PARK | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 26 | EAST HELENA | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 27 | FAIRVIEW | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 28 | FORSYTH | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 29 | FRENCHTOWN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 30 | FROMBERG | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 31 | Subtotal Page 1 | | | | | | | | | | | | | #REF! |

Central Office and Access Line Statistics

Year: 2002

| 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% | #REF! |
| 2 | GARDINER | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 3 | GLENDAVE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 4 | GREAT FALLS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 5 | HAMILTON | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 6 | HARDIN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 7 | HAVRE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 8 | HELENA MAIN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 9 | HELENA NORTH | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 10 | JOLIET | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 11 | LAUREL | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 12 | LEWISTOWN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 13 | LIVINGSTON | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 14 | LOLO | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 15 | MANHATTAN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 16 | MILES CITY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 17 | MILLTOWN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 18 | MISSOULA MAIN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 19 | MISSOULA SOUTH | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 20 | OPPORTUNITY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 21 | PARK CITY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 22 | POWELL | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 23 | PRAY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 24 | RED LODGE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 25 | ROBERTS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 26 | SHELBY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 27 | SHEPHERD | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 28 | SIDNEY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 29 | ST MARY | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 30 | STEVENSVILLE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 31 | Subtotal Page 2 | | | | | | | | | | | | | #REF! |

Company Name: Qwest Corporation

SCHEDULE 23

Central Office and Access Line Statistics

Year: 2002

| 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% | #REF! |
| 2 | THREE FORKS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 3 | TOWNSEND | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 4 | ULM | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 5 | VAUGHN | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 6 | VICTOR | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 7 | WARM SPRINGS | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 8 | WEST GLACIER | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 9 | WEST YELLOWSTONE | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 10 | WHITEHALL | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 11 | WIBAUX | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 12 | WILLSALL | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 13 | WOLF CREEK | ELECTRIC | | | | | | | | | | | 100.0% | #REF! |
| 14 | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | |
| 20 | Subtotal Page 3 | | | | | | | | | | | | | #REF! |
| 21 | | | | | | | | | | | | | | |
| 22 | MONTANA | | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | #REF! | | #REF! |

Central Office and Switch Information

Year: 2002

| 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 | 13,296 | 2001 |
| 4 | Billings Main | Stand Alone | Digital | LUCENT | 5ESS | 64,774 | 1994 |
| 5 | Billings Main | Host | Digital | ERSN | AXE | 0 | 1991 |
| 6 | Billings Main | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 7 | Billings Main | Packet (Unreg) | Packet | NTI | DPN100 | 0 | 1993 |
| 8 | Billings West | Lines/Host | Digital | LUCENT | 5ESS | 28,136 | 1985 |
| 9 | Boulder | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,280 | 1992 |
| 10 | Bozeman | Stand Alone | Digital | LUCENT | 5ESS | 44,414 | 1984 |
| 11 | Bozeman | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 12 | Bridger | Remote/Billings Host | Digital | ERSN | AXE/RSS | 768 | 1993 |
| 13 | Butte Main | Stand Alone | Digital | LUCENT | 5ESS | 16,639 | 1990 |
| 14 | Butte South | Remote/Butte Host | Digital | LUCENT | 5ESS/ORM | 9,375 | 1995 |
| 15 | Canyon Ferry | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,024 | 1993 |
| 16 | Cascade | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 1,632 | 1994 |
| 17 | Clancy | Remote/Helena Host | Digital | ERSN | AXE/RSS | 1,280 | 1993 |
| 18 | Clyde Park | Remote/Livingston | Digital | ERSN | AXE/RSS | 640 | 1992 |
| 19 | Colstrip | Remote/Billings Host | Digital | LUCENT | 5ESS/RSM | 2,144 | 1997 |
| 20 | Columbus | Remote/Billings Host | Digital | ERSN | AXE/RSS | 2,302 | 1992 |
| 21 | Conrad | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 2,560 | 1994 |
| 22 | Cooke City | Remote/Livingston | Digital | ERSN | AXE/RSS | 384 | 1992 |
| 23 | Corvallis | Remote/Hamilton | Digital | ERSN | AXE/RSS | 3,712 | 1991 |
| 24 | Cut Bank | Remote/Shelby | Digital | ERSN | AXE/RSS | 2,688 | 1994 |
| 25 | Darby | Remote/Hamilton | Digital | ERSN | AXE/RSS | 2,528 | 1991 |
| 26 | Deer Lodge | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,944 | 1990 |
| 27 | Dillon | Remote/Helena Host | Digital | ERSN | AXE/RSS | 4,735 | 1992 |
| 28 | Dutton | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 512 | 1994 |
| 29 | East Glacier | Remote/Shelby | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 30 | East Helena | Remote/Helena Host | Digital | LUCENT | 5ESS/RSM | 6,872 | 1988 |
| 31 | Fairview | Remote/Glendive | Digital | ERSN | AXE/RSS | 1,024 | 1993 |
| 32 | Forsyth | Remote/Miles City | Digital | ERSN | AXE/RSS | 2,048 | 1992 |
| 33 | Frenchtown | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 2,881 | 1990 |
| 34 | Fromberg | Remote/Billings Host | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 35 | Gallatin Gateway | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 1,888 | 1993 |
| 36 | Gardiner | Remote/Livingston | Digital | ERSN | AXE/RSS | 1,280 | 1991 |
| 37 | Glendive | Stand Alone | Digital | ERSN | AXE | 4,992 | 1992 |
| 38 | Great Falls | Lines/Host | Digital | LUCENT | 5ESS | 53,232 | 1987 |
| 39 | Great Falls | Packet (Unreg) | Packet | NTI | DPN100 | 0 | 1993 |
| 40 | Hamilton | Stand Alone | Digital | ERSN | AXE | 9,312 | 1991 |
| 41 | Hardin | Remote/Billings Host | Digital | ERSN | AXE/RSS | 2,816 | 1992 |
| 42 | Havre | Stand Alone | Digital | ERSN | AXE | 8,448 | 1991 |
| 43 | Helena Main | Lines/Host | Digital | LUCENT | 5ESS | 34,456 | 1988 |
| 44 | Helena Main | Host | Digital | ERSN | AXE | 0 | 1990 |
| 45 | Helena Main | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 46 | Helena North | Remote/Helena Host | Digital | LUCENT | 5ESS/RSM | 5,376 | 1988 |

Central Office and Switch Information

Year: 2002

| Line No. | Wire Center (a) | Office Configuration (Host, Remote, Stand alone) (b) | Type of Switch (c) | Switch Vendor/ Manufacturer (d) | Switch Model No. (e) | Switch Line Capacity (f) | Year Deployed (g) |
|----------|--------------------|------------------------------------------------------------|-----------------------|---------------------------------------|-------------------------|-----------------------------|----------------------|
| 47 | Joliet | Remote/Billings Host | Digital | ERSN | AXE/RSS | 1,408 | 1993 |
| 48 | Laurel | Remote/Billings Host | Digital | ERSN | AXE/RSS | 5,504 | 1992 |
| 49 | Lewistown | Stand Alone | Digital | ERSN | AXE | 7,040 | 1993 |
| 50 | Livingston | Stand Alone | Digital | ERSN | AXE | 8,320 | 1992 |
| 51 | Lolo | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 7,103 | 1993 |
| 52 | Manhattan | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 2,629 | 1993 |
| 53 | Miles City | Stand Alone | Digital | ERSN | AXE | 7,168 | 1992 |
| 54 | Milltown | Remote/Missoula Host | Digital | LUCENT | 5ESS/RSM | 2,112 | 1993 |
| 55 | Missoula Main | Lines/Host | Digital | LUCENT | 5ESS | 58,944 | 1986 |
| 56 | Missoula Main | STP | Digital | ERSN | AXE/STP | 0 | 1992 |
| 57 | Missoula South | Remote/Missoula Host | Digital | LUCENT | 5ESS/ORM | 8,608 | 1993 |
| 58 | Opportunity | Remote/Helena Host | Digital | ERSN | AXE/RSS | 766 | 1992 |
| 59 | Park City | Remote/Billings Host | Digital | ERSN | AXE/RSS | 2,048 | 1992 |
| 60 | Pray | Remote/Livingston | Digital | ERSN | AXE/RSS | 1,280 | 1990 |
| 61 | Red Lodge | Remote/Billings Host | Digital | ERSN | AXE/RSS | 3,456 | 1992 |
| 62 | Roberts | Remote/Billings Host | Digital | ERSN | AXE/RSS | 640 | 1993 |
| 63 | Saint Mary | Remote/Shelby | Digital | ERSN | AXE/RSS | 512 | 1993 |
| 64 | Shelby | Stand Alone | Digital | ERSN | AXE | 2,432 | 1993 |
| 65 | Shepherd | Remote/Billings West | Digital | LUCENT | 5ESS/RSM | 3,392 | 1985 |
| 66 | Sidney | Remote/Glendive | Digital | ERSN | AXE/RSS | 4,608 | 1993 |
| 67 | Stevensville | Remote/Hamilton | Digital | ERSN | AXE/RSS | 6,752 | 1991 |
| 68 | Terry | Remote/Miles City | Digital | ERSN | AXE/RSS | 512 | 1994 |
| 69 | Three Forks | Remote/Bozeman | Digital | LUCENT | 5ESS/RSM | 2,941 | 1993 |
| 70 | Townsend | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,304 | 1992 |
| 71 | Ulm | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 1,600 | 1993 |
| 72 | Vaughn | Remote/Great Falls | Digital | LUCENT | 5ESS/RSM | 2,624 | 1993 |
| 73 | Victor | Remote/Hamilton | Digital | ERSN | AXE/RSS | 2,048 | 1991 |
| 74 | Warm Springs | Remote/Helena Host | Digital | ERSN | AXE/RSS | 383 | 1992 |
| 75 | West Glacier | Remote/Shelby | Digital | ERSN | AXE/RSS | 640 | 1993 |
| 76 | W. Yellowstone | Remote/Livingston | Digital | ERSN | AXE/RSS | 2,816 | 1991 |
| 77 | Whitehall | Remote/Helena Host | Digital | ERSN | AXE/RSS | 2,048 | 1992 |
| 78 | Wibaux | Remote/Glendive | Digital | ERSN | AXE/RSS | 639 | 1994 |
| 79 | Wilsall | Remote/Livingston | Digital | ERSN | AXE/RSS | 512 | 1992 |
| 80 | Wolf Creek | Remote/Helena Host | Digital | ERSN | AXE/RSS | 512 | 1992 |

Construction Budget-Montana

(Thousands of Dollars)

Year: 2002

| Line No. | Description (a) | Year 2003 (b) |
|----------|------------------------------------------------------------|---------------------|
| 1 | Central Office Assets: | |
| 2 | Switching | |
| 3 | 2003 MT - Capitalization of Plug-In Equipment | 585 |
| 4 | Great Falls R2 - Engine | 736 |
| 5 | 2003 MT Right-To-Use Software State Estimate | 1,357 |
| 6 | Livingston AXE Replacement w Remotes | 1,886 |
| 7 | Total Switching | 4,564 |
| 8 | | |
| 9 | | |
| 10 | | |
| 11 | Circuit Equipment | |
| 12 | 2003 - OC48 Cisco - Billings to Bozeman | 563 |
| 13 | 2003 - OC48 DWDM-Cisco @ Bozeman | 987 |
| 14 | 2003 MT - Capitalization of Plug-In Equipment | 1,113 |
| 15 | Total Circuit Equipment | 2,663 |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | Total Switching and Central Office Projects over \$500,000 | 7,227 |
| 25 | Miscellaneous Central Office Projects not over \$500,000 | 3,020 |
| 26 | Total Central Office Budget (L.24+L.25) | 10,247 |
| 27 | Other Projects over \$500,000: | |
| 28 | | |
| 29 | Outside Plant | |
| 30 | 2003 Capitalization of Plug-In Equipment | 1,617 |
| 31 | | |
| 32 | | |
| 33 | | |
| 34 | | |
| 35 | | |
| 36 | | |
| 37 | | |
| 38 | Total Other Projects over \$500,000 | 1,617 |
| 39 | Miscellaneous Projects not over \$500,000 | 16,860 |
| 40 | Total Construction Budget (L.26+L.38+L.39)* | 28,724 |

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*The Construction Budget Plant Additions include amounts specifically identified to Montana plus a portion of approximately \$900 Million of capital expenditures that Qwest Corporation projects for 2003 but has not specifically identified to a particular state.

Montana Employee Counts

Year: 2002

| Line No. | Category (a) | Beginning of Year (b) | End of Year (c) |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|
| 1 | BGS-CCS/Centers for Customer Service | | 1 |
| 2 | BGS-CPE Operations | 6 | 5 |
| 3 | Consumer Marketing Operations | 2 | 10 |
| 4 | Consumer Mountain Customer Care | 12 | |
| 5 | Communications-Merger Related | 1 | 1 |
| 6 | Executive | | |
| 7 | Finance | 3 | 3 |
| 8 | Fleet Services | 6 | 6 |
| 9 | GB Alternative Chnl & Gov Mk | 3 | 3 |
| 10 | Network Complex Services | 34 | |
| 11 | Network Operations | | |
| 12 | Network Services ID, MT, IA, ND | 220 | 237 |
| 13 | Network Services AZ, CO, NM, WY, UT | 6 | |
| 14 | Local Network | 35 | 36 |
| 15 | Public Policy | 1 | 1 |
| 16 | Real Estate | 9 | 8 |
| 17 | Real Estate Asset Management | 2 | 1 |
| 18 | Risk Management | | |
| 19 | Small Business Service Delivery | 117 | 115 |
| 20 | Other Affiliates | 53 | 49 |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| 29 | | | |
| 30 | | | |
| 31 | | | |
| 32 | | | |
| 33 | | | |
| 34 | | | |
| 35 | | | |
| 36 | | | |
| 37 | | | |
| 38 | | | |
| 39 | Note: At the end of the year, there were 44 construction technicians included in the Network totals. There is not a job category for splicer. | | |
| 40 | | | |
| 41 | Totals (Sum L.1 to L.40) | 510 | 476 |

Compensation of Top 10 Montana Based Employees

Year: 2002

| Line No. | Name/Title (a) | Base Salary (b) | Bonuses (c) | Other Compensation (d) | Total Compensation (e) | Total Compensation Last Year (f) | % Increase Total Compensation (g) |
|----------|--------------------------------------------------------------------------|--------------------|----------------|---------------------------|---------------------------|-------------------------------------|--------------------------------------|
| 1 | THIS INFORMATION IS PROPRIETARY AND PROVIDED UNDER SEPARATE COVER | | | | | | |
| 2 | | | | | | | |
| 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: 2002

| Line No. | Name/Title (a) | Base Salary (b) | Bonuses (c) | Other Compensation (d) | Total Compensation (e) | Total Compensation Last Year (f) | % Increase Total Compensation (g) |
|----------|--------------------------------------------------------------------------------------|--------------------|----------------|---------------------------|---------------------------|-------------------------------------|--------------------------------------|
| 1 | Richard C. Notebaert Chairman and Chief Executive Officer | \$613,462 | \$825,000 | \$1,255,936 | \$2,694,398 | N/A | |
| 2 | Oren G. Shaffer Vice Chairman and Chief Financial Officer | \$369,231 | \$600,000 | \$58,603 | \$1,027,834 | N/A | |
| 3 | Clifford S. Holtz Executive Vice President, Business Markets Group | \$427,885 | \$0 | \$1,149,272 | \$1,577,157 | \$661,847 | 138.3% |
| 4 | Richard N. Baer Executive Vice President, General Counsel and Corporate Secretary | \$353,654 | \$617,500 | \$31,368 | \$1,002,522 | N/A | |
| 5 | Annette M. Jacobs Former Executive Vice President, Consumer Markets Group | \$364,423 | \$0 | \$53,569 | \$417,992 | N/A | |
| 6 | Totals (Sum L.1 to L.5) | \$2,128,655 | \$2,042,500 | \$2,548,748 | \$6,719,903 | \$661,847 | |

Montana Composite Statistics

Year: 2002

| Line No. | Account No. | Description (a) | Amount (b) |
|----------|-------------|----------------------------------------------------------------|------------|
| 1 | | Plant (Intrastate Only) (000 Omitted) | |
| 2 | 2001 | Plant in Service | 613,554 |
| 3 | 2003-2004 | Construction Work in Progress | 3,936 |
| 4 | 2005 | Plant Acquisition Adjustments | 0 |
| 5 | 2002 | Plant Held for Future Use | 0 |
| 6 | 1220 | Materials & Supplies | 401 |
| 7 | | (Less): | |
| 8 | 3100-3400 | Depreciation & Amortization Reserves | 375,928 |
| 9 | 4360.2 | Contributions in Aid of Construction | (192) |
| 10 | | NET BOOK COSTS | 242,155 |
| 11 | | Revenues & Expenses (Intrastate Only) (000 Omitted) | |
| 12 | 5000-5300 | Operating Revenues | 172,895 |
| 13 | 6560 | Depreciation & Amortization Expenses | 46,662 |
| 14 | | Federal & State Income Taxes | 24,209 |
| 15 | | Other Taxes | 10,091 |
| 16 | | Other Operating Expenses | 50,295 |
| 17 | | TOTAL Operating Expenses | 131,257 |
| 18 | | Net Operating Income | 41,638 |
| 19 | | Other Income | (13,039) |
| 20 | | Other Deductions | 4,754 |
| 21 | | NET INCOME | 23,845 |
| 22 | | Access Lines in Service (Intrastate Only) | |
| 23 | | Residential Access Lines | 254,049 |
| 24 | | Business Access Lines | 109,563 |
| 25 | | PBX Access Lines | 15,995 |
| 26 | | Other Access Lines (Public) | 3,679 |
| 27 | | Total Number of Access Lines | 383,286 |
| 28 | | Average Number of Calls Per Access Line | |
| 29 | | Local Calls | 2,165 |
| 30 | | Toll Calls (Intra- or Interstate) | 447 |
| 31 | | Total Number of Calls Per Access Line (L.29 + L.30) | 2,613 |
| 32 | | Other Statistics (Intrastate Only) | |
| 33 | | Average Residential Monthly Bill | 16.11 |
| 34 | | Gross Plant Investment per Access Line | 1,612 |

Depreciation-Montana Intrastate Regulated

(Thousands of Dollars)

Year: 2002

| Line No. | Acct No. (a) | Description (b) | Composite Rate % (c) | Total Expense \$ (d) |
|----------|---------------------------------------------------------------------------------|----------------------------------|----------------------------|----------------------------|
| 1 | 2112 | Motor Vehicles | 0.0% | 0 |
| 2 | 2114 | Special Purpose Vehicles | 4.2% | 4 |
| 3 | 2115 | Garage Work Equipment | 9.8% | 20 |
| 4 | 2116 | Other Work Equipment | 9.4% | 285 |
| 5 | 2121 | Buildings | 3.7% | 1,172 |
| 6 | 2122 | Furniture | 170.4% | 20 |
| 7 | 2123.1 | Office Equipment | 18.0% | 30 |
| 8 | 2123.2 | Company Communications Equipment | 121.0% | 338 |
| 9 | 2124 | General Purpose Computers | 19.3% | 992 |
| 10 | 2212 | Digital Switching Equipment | 13.1% | 18,402 |
| 11 | 2220 | Operator Systems | 0.0% | 0 |
| 12 | 2231 | Radio Systems | 10.9% | 728 |
| 13 | 2232 | Circuit DDS | 8.5% | 62 |
| 14 | 2232 | Circuit Digital | 10.9% | 9,043 |
| 15 | 2232 | Circuit Analog | 17.0% | 1,514 |
| 16 | 2362 | Other Terminal Equipment | 10.7% | 436 |
| 17 | 2411 | Pole Lines | 11.0% | 519 |
| 18 | 2421 | Aerial Cable Metallic | 11.5% | 2,792 |
| 19 | 2421 | Aerial Cable Nonmetallic | 9.9% | 8 |
| 20 | 2422 | Underground Cable Metallic | 7.3% | 1,711 |
| 21 | 2422 | Underground Cable Nonmetallic | 6.4% | 424 |
| 22 | 2423 | Buried Cable Metallic | 6.3% | 12,720 |
| 23 | 2423 | Buried Cable Nonmetallic | 6.2% | 1,716 |
| 24 | 2424 | Submarine Cable Metallic | 2.2% | 0 |
| 25 | 2424 | Submarine Cable Nonmetallic | 0.0% | 0 |
| 26 | 2426 | Intrabuilding Cable Metallic | 3.5% | 183 |
| 27 | 2426 | Intrabuilding Cable Nonmetallic | 3.6% | 6 |
| 28 | 2431 | Aerial Wire | 0.0% | 0 |
| 29 | 2441 | Conduit Systems | 2.3% | 341 |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | COMPOSITE TOTAL | | 53,466 |
| 36 | | | | |
| 37 | Have these rates been approved by the Commission? <u> </u> Yes <u> x </u> No | | | |
| 38 | | | | |
| 39 | If yes: <u> Docket Number </u> <u> Order Number </u> | | | |
| 40 | | | | |

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

Depreciation-Montana Intrastate Regulated

(Thousands of Dollars)

Year: 2002

| Line No. | Acct No. (a) | Description (b) | Composite Rate % (c) | Total Expense \$ (d) |
|----------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------|----------------------------|
| 1 | 2112 | Motor Vehicles | 0.9% | 344 |
| 2 | 2114 | Special Purpose Vehicles | 0.9% | 5 |
| 3 | 2115 | Garage Work Equipment | 8.2% | 22 |
| 4 | 2116 | Other Work Equipment | 8.3% | 158 |
| 5 | 2121 | Buildings | 3.6% | 1,066 |
| 6 | 2122 | Furniture | 68.8% | 2 |
| 7 | 2123.1 | Office Equipment | 13.3% | 18 |
| 8 | 2123.2 | Company Communications Equipment | 0.0% | 23 |
| 9 | 2124 | General Purpose Computers | 11.8% | 11 |
| 10 | 2212 | Digital Switching Equipment | 5.4% | 9,329 |
| 11 | 2220 | Operator Systems | 0.0% | 0 |
| 12 | 2231 | Radio Systems | 5.2% | 743 |
| 13 | 2232 | Circuit DDS | 0.0% | 84 |
| 14 | 2232 | Circuit Digital | 5.1% | 9,094 |
| 15 | 2232 | Circuit Analog | 0.7% | 0 |
| 16 | 2362 | Other Terminal Equipment | 5.5% | 541 |
| 17 | 2411 | Pole Lines | 3.9% | 474 |
| 18 | 2421 | Aerial Cable Metallic | 5.9% | 1,641 |
| 19 | 2421 | Aerial Cable Nonmetallic | 9.5% | 10 |
| 20 | 2422 | Underground Cable Metallic | 4.3% | 1,470 |
| 21 | 2422 | Underground Cable Nonmetallic | 5.5% | 434 |
| 22 | 2423 | Buried Cable Metallic | 4.1% | 9,126 |
| 23 | 2423 | Buried Cable Nonmetallic | 4.2% | 1,707 |
| 24 | 2424 | Submarine Cable Metallic | 1.2% | 1 |
| 25 | 2424 | Submarine Cable Nonmetallic | 0.0% | 0 |
| 26 | 2426 | Intrabuilding Cable Metallic | 2.9% | 213 |
| 27 | 2426 | Intrabuilding Cable Nonmetallic | 6.5% | 14 |
| 28 | 2431 | Aerial Wire | 8.6% | 0 |
| 29 | 2441 | Conduit Systems | 2.1% | 310 |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | COMPOSITE TOTAL | | 36,840 |
| 36 | | | | |
| 37 | Have these rates been approved by the Commission? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | |
| 38 | | | | |
| 39 | If yes: <u>Docket Number</u> <u>Order Number</u> | | | |
| 40 | 96.8.131 5937c | | | |

PAGE 34A

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

Montana Regulatory Capital Structure & Costs

Year: 2002

| Line No. | Description (a) | % Cap. Str. (b) | % Cost Rate (c) | Weighted Cost (d) |
|----------|------------------------------------------|-----------------|-----------------|-------------------|
| | <u>Commission Accepted - Most Recent</u> | | | |
| 1 | Docket Number <u>88.12.55</u> | | | |
| 2 | Order Number <u>5398a</u> | | | |
| 3 | | | | |
| 4 | Common Equity | 50.00% | 12.00% | 6.00% |
| 5 | Preferred Stock | 0.00% | 0.00% | 0.00% |
| 6 | Long Term Debt | 50.00% | 8.88% | 4.44% |
| 7 | Other | 0.00% | 0.00% | 0.00% |
| 8 | Total | 100.00% | | 10.44% |
| 9 | | | | |
| 10 | <u>Actual at Year End</u> | | | |
| 11 | | | | |
| 12 | Common Equity (Note 1) | 39.71% | 12.00% | 4.77% |
| 13 | Preferred Stock | 0.00% | 0.00% | 0.00% |
| 14 | Long Term Debt | 50.14% | 8.30% | 4.16% |
| 15 | Other | 10.15% | 7.68% | 0.78% |
| 16 | Total | 100.00% | | 9.71% |

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

SCHEDULE 32

Network Access - Charges and Revenues

(Thousands of Dollars)

Year: 2002

| Line No. | Description (a) | Access Charges Paid (b) | Access Revenues Received (c) |
|----------|--------------------------------|-------------------------|------------------------------|
| 1 | Montana - Total State | 4,385 | 116,438 |
| 2 | | | |
| 3 | Montana - Intrastate | 1,388 | 26,883 |
| 4 | | | |
| 5 | Montana - Intrastate Regulated | 1,388 | 21,803 |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 | | | |
| 11 | | | |
| 12 | | | |
| 13 | | | |

Affiliate Transactions - Products & Services Provided to Utility

Year: 2002

| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges to Utility (d) | % Total Affil. Revenues (e) | Charges to MT Utility (f) |
|----------|---------------------------------|----------------------------|----------------------------------|---------------------------|--------------------------------|------------------------------|
| 1 | Qwest Interprise America, Inc. | EQUIPMENT/MATERIEL | PCP | (450,538) | | (21,085) |
| 2 | Qwest Interprise America, Inc. | INTERNAL COMMUNICATIONS | PCP | 60,932 | | 1,134 |
| 3 | Qwest Interprise America, Inc. | TECHNICAL SUPPORT | PCP | 264,750 | | - |
| 4 | | PCP | | (124,856) | | (19,951) |
| 5 | | TOTAL | | (124,856) | | (19,951) |
| 6 | Qwest Business Resources, Inc. | POST EMPLOYMENT BENEFITS | FDC | 1,243,791 | | 24,457 |
| 7 | Qwest Business Resources, Inc. | PROCUREMENT | FDC | 32,754,069 | | 660,652 |
| 8 | Qwest Business Resources, Inc. | SPACE & FURNITURE RENTAL | FDC | 326,509 | | - |
| 9 | Qwest Business Resources, Inc. | FDC | | 34,324,369 | | 685,109 |
| 10 | | SPACE & FURNITURE RENTAL | FMV | 565 | | - |
| 11 | Qwest Business Resources, Inc. | FMV | | 565 | | - |
| 12 | | LEASED SPACE | PCP | 4,448,892 | | 31,847 |
| 13 | Qwest Business Resources, Inc. | SHARED SPACE | PCP | 2,343 | | 1 |
| 14 | Qwest Business Resources, Inc. | SPACE & FURNITURE RENTAL | PCP | 33,247 | | - |
| 15 | Qwest Business Resources, Inc. | PCP | | 4,484,482 | | 31,848 |
| 16 | | TOTAL | | 38,809,416 | | 716,957 |
| 17 | | | | | | |
| 18 | Qwest Government Services, Inc. | CORP & SHARED SERVICES | FDC | 4,373,013 | | 85,959 |
| 19 | Qwest Government Services, Inc. | POST EMPLOYMENT BENEFITS | FDC | 297,379 | | 6,603 |
| 20 | | FDC | | 4,670,392 | | 92,562 |
| 21 | | EQUIPMENT/MATERIEL | PCP | (385,863) | | (9,817) |
| 22 | Qwest Government Services, Inc. | SPACE & FURNITURE RENTAL | PCP | 1,584 | | - |
| 23 | Qwest Government Services, Inc. | TECHNICAL SUPPORT | PCP | 529 | | 11 |
| 24 | Qwest Government Services, Inc. | PCP | | (383,750) | | (9,806) |
| 25 | | TOTAL | | 4,286,642 | | 82,756 |
| 26 | | | | | | |
| 27 | | | | | | |
| 28 | Qwest DEX, Inc. | MARKETING & SALES | PCP | 9,610,816 | | 193,393 |
| 29 | Qwest DEX, Inc. | POST EMPLOYMENT BENEFITS | PCP | 27,327 | | 607 |
| 30 | | | | | | |

Company Name: Qwest Corporation

Schedule 33

Affiliate Transactions - Products & Services Provided to Utility

Year: 2002

| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges to Utility (d) | % Total Affil. Revenues (e) | Charges to MT Utility (f) |
|----------|--------------------------------------|---------------------------|-------------------------------|------------------------|-----------------------------|---------------------------|
| 1 | | | | | | |
| 2 | | PCP | | 9,638,143 | | 194,000 |
| 3 | | TOTAL | | 9,638,143 | | 194,000 |
| 4 | | | | | | |
| 5 | Qwest Information Technologies, Inc. | INFORMATION TECH SERVICES | FDC | 425,617,475 | | 8,453,444 |
| 6 | | FDC | | 425,617,475 | | 8,453,444 |
| 7 | | TOTAL | | 425,617,475 | | 8,453,444 |
| 8 | | | | | | |
| 9 | Qwest Communications Corporation | INFORMATION TECH SERVICES | FDC | 63,847 | | 1,257 |
| 10 | Qwest Communications Corporation | INTERNAL COMMUNICATIONS | FDC | 26,490,732 | | 525,276 |
| 11 | Qwest Communications Corporation | LEASED ASSETS | FDC | 61,436 | | 1,448 |
| 12 | Qwest Communications Corporation | MANAGEMENT SERVICES | FDC | 7,237 | | 170 |
| 13 | Qwest Communications Corporation | SPACE & FURNITURE RENTAL | FDC | 374,120 | | - |
| 14 | | FDC | | 26,997,372 | | 528,151 |
| 15 | Qwest Communications Corporation | EQUIPMENT/MATERIEL | FMV | 282,066 | | - |
| 16 | | FMV | | 282,066 | | - |
| 17 | Qwest Communications Corporation | INTERNAL COMMUNICATIONS | PCP | (2,008,480) | | (39,726) |
| 18 | Qwest Communications Corporation | LEASED ASSETS | PCP | 44,637 | | - |
| 19 | Qwest Communications Corporation | LEASED NETWORK FACILITIES | PCP | 669,165 | | - |
| 20 | | PCP | | (1,294,678) | | (39,726) |
| 21 | | TOTAL | | 25,984,760 | | 488,425 |
| 22 | Qwest Services Corporation | CORP & SHARED SERVICES | FDC | 14,725,241 | | 295,417 |
| 23 | Qwest Services Corporation | CORP COMMUNICATIONS | FDC | 3,258,263 | | 65,190 |
| 24 | Qwest Services Corporation | CORPORATE FINANCE | FDC | 46,025,662 | | 915,825 |
| 25 | Qwest Services Corporation | EXECUTIVE MANAGEMENT | FDC | 40,416,585 | | 803,305 |
| 26 | Qwest Services Corporation | FED REG & POLICY & LAW | FDC | 45,840,891 | | 1,265,066 |
| 27 | Qwest Services Corporation | HUMAN RESOURCES | FDC | 11,041,442 | | 218,363 |
| 28 | Qwest Services Corporation | LEGAL | FDC | 19,236,120 | | 381,516 |
| 29 | | | | | | |
| 30 | Qwest Services Corporation | | | | | |

Company Name: Qwest Corporation

Schedule 33

Affiliate Transactions - Products & Services Provided to Utility

Year: 2002

| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges to Utility (d) | % Total Affil. Revenues (e) | Charges to MT Utility (f) |
|----------|----------------------------|----------------------------|----------------------------------|---------------------------|--------------------------------|------------------------------|
| 1 | Qwest Services Corporation | MANAGEMENT SERVICES | FDC | (3,907,614) | | (77,644) |
| 2 | Qwest Services Corporation | MARKETING AND SALES | FDC | 338,218,987 | | 7,441,119 |
| 3 | Qwest Services Corporation | POST EMPLOYMENT BENEFITS | FDC | 534,821 | | 10,717 |
| 4 | Qwest Services Corporation | PRODUCT PLANNING | FDC | 24,307,197 | | 532,297 |
| 5 | Qwest Services Corporation | TECHNICAL SUPPORT | FDC | 65,093,023 | | 1,488,378 |
| 6 | Qwest Services Corporation | TREASURY | FDC | 1,471,321 | | 29,317 |
| 7 | Qwest Services Corporation | TRUST | FDC | (104,362) | | (2,060) |
| 8 | Qwest Services Corporation | | | | | |
| 9 | | | | | | |
| 10 | | FDC TOTAL | | 606,157,577 | | 13,366,806 |
| 11 | | | | 606,157,577 | | 13,366,806 |
| 12 | Qwest Wireless, LLC | MARKETING AND SALES | FDC | 120,672 | | 2,640 |
| 13 | Qwest Wireless, LLC | FDC | | 120,672 | | 2,640 |
| 14 | Qwest Wireless, LLC | EQUIPMENT/MATERIEL | PCP | 194,263 | | - |
| 15 | Qwest Wireless, LLC | INTERNAL COMMUNICATIONS | PCP | 4,802,114 | | 16 |
| 16 | | PCP TOTAL | | 4,996,377 | | 16 |
| 17 | | | | 5,117,049 | | 2,656 |
| 18 | | | | | | |
| 19 | | | | | | |
| 20 | | TOTAL | | 1,115,486,206 | | 23,285,093 |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | | | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
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| 29 | | | | | | |
| 30 | | | | | | |

Company Name: Qwest Corporation

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Interprise America, Inc. | ADMINISTRATIVE | FDC | 5,797 | | 114 |
| 2 | Qwest Interprise America, Inc. | CORP & SHARED SERVICES | FDC | 52 | | - |
| 3 | Qwest Interprise America, Inc. | FINANCE | FDC | 61,077 | | 1,202 |
| 4 | Qwest Interprise America, Inc. | HUMAN RESOURCES | FDC | 2,826 | | 56 |
| 5 | Qwest Interprise America, Inc. | INFORMATION TECH SERVICES | FDC | 1,041 | | 20 |
| 6 | Qwest Interprise America, Inc. | INTERNAL COMMUNICATIONS | FDC | 99,242 | | 1,784 |
| 7 | Qwest Interprise America, Inc. | MANAGEMENT SERVICES | FDC | 49,811 | | 1,093 |
| 8 | Qwest Interprise America, Inc. | MARKETING AND SALES | FDC | 158,202 | | 3,261 |
| 9 | Qwest Interprise America, Inc. | NETWORK SERVICES | FDC | 1,108,335 | | 22,983 |
| 10 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 11 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 12 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 13 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 14 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 15 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 16 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 17 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 18 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 19 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 20 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 21 | Qwest Interprise America, Inc. | SPACE & FURNITURE RENTAL | FDC | 497,846 | | - |
| 22 | Qwest Broadband Services, Inc. | ADMINISTRATIVE | FDC | 1,455 | | 29 |
| 23 | Qwest Broadband Services, Inc. | CORP & SHARED SERVICES | FDC | 104 | | 2 |
| 24 | Qwest Broadband Services, Inc. | FINANCE | FDC | 194,078 | | 3,819 |
| 25 | Qwest Broadband Services, Inc. | HUMAN RESOURCES | FDC | 810 | | 16 |
| 26 | Qwest Broadband Services, Inc. | INFORMATION TECH SERVICES | FDC | 15,274 | | 301 |
| 27 | Qwest Broadband Services, Inc. | INTERNAL COMMUNICATIONS | FDC | 34,165 | | 588 |
| 28 | Qwest Broadband Services, Inc. | LEASED ASSETS | FDC | 9,647,277 | | - |
| 29 | Qwest Broadband Services, Inc. | LEASED ASSETS | FDC | 9,647,277 | | - |
| | | PCP TOTAL | | 6,280,917 | | 72,965 |
| | | FMV TOTAL | | 8,671,595 | | 103,478 |

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| Line No. | Affiliate Name (a) | Products & Services (b) | Method to Determine Price (c) | Charges by Utility (d) | % Total Affil. Expense (e) | Payments by MTR Utility (f) |
|----------|--------------------------------|----------------------------|----------------------------------|---------------------------|-------------------------------|--------------------------------|
| 1 | Qwest Broadband Services, Inc. | NETWORK SERVICES | FDC | 8,045,731 | | 11,137 |
| 2 | Qwest Broadband Services, Inc. | SPACE & FURNITURE RENTAL | FDC | 400,573 | | - |
| 3 | Qwest Broadband Services, Inc. | FDC | | 18,339,467 | | 15,892 |
| 4 | Qwest Broadband Services, Inc. | SPACE & FURNITURE RENTAL | FMV | 59,334 | | - |
| 5 | Qwest Broadband Services, Inc. | FMV | | 59,334 | | - |
| 6 | Qwest Broadband Services, Inc. | BILLING & COLLECTIONS | PCP | 506,015 | | - |
| 7 | Qwest Broadband Services, Inc. | FINANCE | PCP | 42,724 | | 841 |
| 8 | Qwest Broadband Services, Inc. | HUMAN RESOURCES | PCP | 202 | | 4 |
| 9 | Qwest Broadband Services, Inc. | INTERNAL COMMUNICATIONS | PCP | 13,600 | | 268 |
| 10 | Qwest Broadband Services, Inc. | LEASED ASSETS | PCP | 47,463 | | - |
| 11 | Qwest Broadband Services, Inc. | SPACE & FURNITURE RENTAL | PCP | 74,964 | | - |
| 12 | Qwest Broadband Services, Inc. | PCP | | 684,968 | | 1,113 |
| 13 | Qwest Broadband Services, Inc. | LEASED NETWORK FACILITIES | PUB | 3,492,517 | | 12,387 |
| 14 | Qwest Broadband Services, Inc. | NETWORK SERVICES | PUB | 676,848 | | - |
| 15 | Qwest Broadband Services, Inc. | PUB | | 4,169,365 | | 12,387 |
| 16 | | TOTAL | | 23,253,134 | | 29,392 |
| 17 | | | | | | |
| 18 | Qwest Business Resources, Inc. | ADMINISTRATIVE | FDC | 8,192 | | 161 |
| 19 | Qwest Business Resources, Inc. | CORP & SHARED SERVICES | FDC | 1,118 | | - |
| 20 | Qwest Business Resources, Inc. | FINANCE | FDC | 87,878 | | 1,729 |
| 21 | Qwest Business Resources, Inc. | HUMAN RESOURCES | FDC | 5,485 | | 108 |
| 22 | Qwest Business Resources, Inc. | INFORMATION TECH SERVICES | FDC | 1,196,813 | | 23,553 |
| 23 | Qwest Business Resources, Inc. | INTERNAL COMMUNICATIONS | FDC | 164,552 | | 2,656 |
| 24 | Qwest Business Resources, Inc. | SPACE & FURNITURE RENTAL | FDC | 1,170,198 | | - |
| 25 | Qwest Business Resources, Inc. | FDC | | 2,634,236 | | 28,207 |
| 26 | Qwest Business Resources, Inc. | SPACE & FURNITURE RENTAL | FMV | 879,099 | | - |
| 27 | Qwest Business Resources, Inc. | FMV | | 879,099 | | 0 |
| 28 | Qwest Business Resources, Inc. | FINANCE | PCP | 88,348 | | 1,739 |
| 29 | Qwest Business Resources, Inc. | | | | | |

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Business Resources, Inc. | HUMAN RESOURCES | PCP | 1,751 | | 34 |
| 2 | Qwest Business Resources, Inc. | INTERNAL COMMUNICATIONS | PCP | 114,702 | | 2,257 |
| 3 | Qwest Business Resources, Inc. | SPACE & FURNITURE RENTAL | PCP | 288,504 | | - |
| 4 | | PCP | | 493,305 | | 4,030 |
| 5 | | TOTAL | | 4,006,640 | | 32,237 |
| 6 | | | | | | |
| 7 | Qwest Government Services, Inc. | ADMINISTRATIVE | FDC | 9,968 | | 196 |
| 8 | Qwest Government Services, Inc. | CORP & SHARED SERVICES | FDC | 104 | | - |
| 9 | Qwest Government Services, Inc. | FINANCE | FDC | 86,727 | | 1,707 |
| 10 | Qwest Government Services, Inc. | HUMAN RESOURCES | FDC | 8,029 | | 158 |
| 11 | Qwest Government Services, Inc. | INFORMATION TECH SERVICES | FDC | 16,887 | | 332 |
| 12 | Qwest Government Services, Inc. | INTERNAL COMMUNICATIONS | FDC | 216,202 | | 4,223 |
| 13 | Qwest Government Services, Inc. | LEASED ASSETS | FDC | 9 | | - |
| 14 | Qwest Government Services, Inc. | MANAGEMENT SERVICES | FDC | 54,451 | | 1,195 |
| 15 | Qwest Government Services, Inc. | NETWORK SERVICES | FDC | 225 | | - |
| 16 | Qwest Government Services, Inc. | SPACE & FURNITURE RENTAL | FDC | 336,715 | | - |
| 17 | | FDC | | 729,317 | | 7,811 |
| 18 | Qwest Government Services, Inc. | NETWORK SERVICES | FMV | 9,125,783 | | 32,681 |
| 19 | Qwest Government Services, Inc. | SPACE & FURNITURE RENTAL | FMV | 210,130 | | - |
| 20 | | FMV | | 9,335,913 | | 32,681 |
| 21 | Qwest Government Services, Inc. | BILLING & COLLECTIONS | PCP | 2,227,397 | | 41,665 |
| 22 | Qwest Government Services, Inc. | FINANCE | PCP | 46,978 | | 925 |
| 23 | Qwest Government Services, Inc. | HUMAN RESOURCES | PCP | 1,846 | | 36 |
| 24 | Qwest Government Services, Inc. | INTERNAL COMMUNICATIONS | PCP | 107,971 | | 2,125 |
| 25 | Qwest Government Services, Inc. | SPACE & FURNITURE RENTAL | PCP | 45,684 | | - |
| 26 | | PCP | | 2,429,876 | | 44,751 |
| 27 | | TOTAL | | 12,495,106 | | 85,243 |
| 28 | Qwest DEX, Inc. | ADMINISTRATIVE | FDC | 54,309 | | 1,069 |
| 29 | Qwest DEX, Inc. | BILLING & COLLECTIONS | FDC | 201,265 | | 3,478 |

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 DEX, Inc. | CORP & SHARED SERVICES | FDC | 286 | | - |
| 2 | Qwest DEX, Inc. | FINANCE | FDC | 204,410 | | 4,023 |
| 3 | Qwest DEX, Inc. | HUMAN RESOURCES | FDC | 326,831 | | 6,432 |
| 4 | Qwest DEX, Inc. | INFORMATION TECH SERVICES | FDC | (99,583) | | (1,960) |
| 5 | Qwest DEX, Inc. | INTERNAL COMMUNICATIONS | FDC | 21,286 | | 152 |
| 6 | Qwest DEX, Inc. | SPACE & FURNITURE RENTAL | FDC | (121,653) | | 634 |
| 7 | Qwest DEX, Inc. | | | | | |
| 8 | Qwest DEX, Inc. | FDC | | 587,151 | | 13,828 |
| 9 | Qwest DEX, Inc. | PUBLISHER LISTS | FMV | 573,326 | | 16,709 |
| 10 | Qwest DEX, Inc. | SPACE & FURNITURE RENTAL | FMV | 336,695 | | 12,123 |
| 11 | Qwest DEX, Inc. | FMV | | 910,021 | | 28,832 |
| 12 | Qwest DEX, Inc. | BILLING & COLLECTIONS | PCP | 3,146,273 | | 106,166 |
| 13 | Qwest DEX, Inc. | FINANCE | PCP | 116,125 | | 2,285 |
| 14 | Qwest DEX, Inc. | HUMAN RESOURCES | PCP | 11,324 | | 223 |
| 15 | Qwest DEX, Inc. | INFORMATION TECH SERVICES | PCP | 16,692 | | 329 |
| 16 | Qwest DEX, Inc. | MANAGEMENT SERVICES | PCP | 120 | | - |
| 17 | Qwest DEX, Inc. | PUBLISHER LISTS | PCP | 3,338,701 | | 63,656 |
| 18 | Qwest DEX, Inc. | SPACE & FURNITURE RENTAL | PCP | 148,536 | | 2,066 |
| 19 | Qwest DEX, Inc. | | | | | |
| 20 | | PCP TOTAL | | 6,777,771 8,274,943 | | 174,725 217,385 |
| 21 | Qwest Information Technologies, Inc. | INFORMATION TECH SERVICES | FCP | 5,625,167 | | 110,703 |
| 22 | Qwest Information Technologies, Inc. | FCP | | 5,625,167 | | 110,703 |
| 23 | Qwest Information Technologies, Inc. | ADMINISTRATIVE | FDC | 105,474 | | 2,076 |
| 24 | Qwest Information Technologies, Inc. | CORP & SHARED SERVICES | FDC | 3,511 | | - |
| 25 | Qwest Information Technologies, Inc. | FINANCE | FDC | 766,698 | | 15,089 |
| 26 | Qwest Information Technologies, Inc. | HUMAN RESOURCES | FDC | 70,622 | | 1,390 |
| 27 | Qwest Information Technologies, Inc. | INFORMATION TECH SERVICES | FDC | 27,319,191 | | 519,901 |
| 28 | Qwest Information Technologies, Inc. | INTERNAL COMMUNICATIONS | FDC | 1,150,990 | | 5,155 |
| 29 | Qwest Information Technologies, Inc. | NETWORK SERVICES | FDC | 2,327 | | 1,376 |

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Information Technologies, Inc. | SPACE & FURNITURE RENTAL | FDC | 14,641,772 | | 4,464 |
| 2 | | FDC | | 44,060,585 | | 549,451 |
| 3 | Qwest Information Technologies, Inc. | LEASED ASSETS | FMV | 241 | | - |
| 4 | Qwest Information Technologies, Inc. | SPACE & FURNITURE RENTAL | FMV | 7,426,605 | | 2,506 |
| 5 | | FMV | | 7,426,846 | | 2,506 |
| 6 | Qwest Information Technologies, Inc. | FINANCE | PCP | 189,398 | | 3,727 |
| 7 | Qwest Information Technologies, Inc. | HUMAN RESOURCES | PCP | 22,476 | | 442 |
| 8 | Qwest Information Technologies, Inc. | INFORMATION TECH SERVICES | PCP | (40,164) | | 185 |
| 9 | Qwest Information Technologies, Inc. | INTERNAL COMMUNICATIONS | PCP | 792,311 | | 15,593 |
| 10 | Qwest Information Technologies, Inc. | SPACE & FURNITURE RENTAL | PCP | 5,354,274 | | 2,485 |
| 11 | | PCP | | 6,318,295 | | 22,432 |
| 12 | | TOTAL | | 63,430,893 | | 685,092 |
| 13 | | | | | | |
| 14 | LCI | HUMAN RESOURCES | FDC | 239 | | 5 |
| 15 | LCI | INTERNAL COMMUNICATIONS | FDC | 998,495 | | 19,662 |
| 16 | LCI | SPACE & FURNITURE RENTAL | FDC | (139,415) | | - |
| 17 | | FDC | | 859,319 | | 19,667 |
| 18 | | TOTAL | | 859,319 | | 19,667 |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | Qwest Long Distance, Inc. | FINANCE | FDC | 527 | | 10 |
| 22 | | FDC | | 527 | | 10 |
| 23 | | TOTAL | | 527 | | 10 |
| 24 | Malheur Home Telephone Company | MANAGEMENT SERVICES | MAL | 1,453,814 | | 28,904 |
| 25 | Malheur Home Telephone Company | NETWORK SERVICES | MAL | 51,024 | | - |
| 26 | Malheur Home Telephone Company | TELECOMMUNICATIONS | MAL | 669 | | - |
| 27 | | MAL | | 1,505,507 | | 28,904 |
| 28 | | TOTAL | | 1,505,507 | | 28,904 |
| 29 | | | | | | |

Company Name: Qwest Corporation

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Communications Corporation | ADMINISTRATIVE | FDC | 3,552,943 | | 69,922 |
| 2 | Qwest Communications Corporation | FINANCE | FDC | 2,776,477 | | 54,641 |
| 3 | Qwest Communications Corporation | HUMAN RESOURCES | FDC | 44,252 | | 871 |
| 4 | Qwest Communications Corporation | INFORMATION TECH SERVICES | FDC | 17,517 | | 345 |
| 5 | Qwest Communications Corporation | INTERNAL COMMUNICATIONS | FDC | 2,148,548 | | 40,622 |
| 6 | Qwest Communications Corporation | LEASED ASSETS | FDC | 426,486 | | 8,393 |
| 7 | Qwest Communications Corporation | MARKETING AND SALES | FDC | 5,489,516 | | 120,575 |
| 8 | Qwest Communications Corporation | SPACE & FURNITURE RENTAL | FDC | 764,396 | | (139) |
| 9 | Qwest Communications Corporation | WHOLESALE OPERATOR SERV | FDC | 2,528,025 | | 55,490 |
| 10 | Qwest Communications Corporation | FDC | | 17,748,160 | | 350,720 |
| 11 | Qwest Communications Corporation | FINANCE | FMV | 194,065 | | 3,819 |
| 12 | Qwest Communications Corporation | LEASED ASSETS | FMV | 66,150 | | 1,302 |
| 13 | Qwest Communications Corporation | SPACE & FURNITURE RENTAL | FMV | 54,958 | | (9) |
| 14 | Qwest Communications Corporation | FMV | | 315,173 | | 5,112 |
| 15 | Qwest Communications Corporation | ADMINISTRATIVE | PCP | 4,691,262 | | 92,324 |
| 16 | Qwest Communications Corporation | BILLING & COLLECTION | PCP | 422,300 | | 7,180 |
| 17 | Qwest Communications Corporation | FINANCE | PCP | 975,180 | | 19,192 |
| 18 | Qwest Communications Corporation | HUMAN RESOURCES | PCP | 11,928 | | 235 |
| 19 | Qwest Communications Corporation | INFORMATION TECH SERVICES | PCP | 6,043 | | 119 |
| 20 | Qwest Communications Corporation | INTERNAL COMMUNICATIONS | PCP | 696,445 | | 13,706 |
| 21 | Qwest Communications Corporation | LEASED ASSETS | PCP | 133,121 | | 2,244 |
| 22 | Qwest Communications Corporation | MARKETING AND SALES | PCP | 665,120 | | 14,599 |
| 23 | Qwest Communications Corporation | NETWORK SERVICES | PCP | 4,880 | | 96 |
| 24 | Qwest Communications Corporation | SPACE & FURNITURE RENTAL | PCP | 591,132 | | (14) |
| 25 | Qwest Communications Corporation | WHOLESALE OPERATOR SERV | PCP | 1,041,970 | | 22,871 |
| 26 | Qwest Communications Corporation | PCP | | 9,239,381 | | 172,552 |
| 27 | Qwest Communications Corporation | TOTAL | | 27,302,714 | | 528,384 |
| 28 | Qwest Internet Solution, Inc. | FINANCE | FDC | 11,402 | | 224 |

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Internet Solutions, Inc. | HUMAN RESOURCES | FDC | 5,337 | | 105 |
| 2 | Qwest Internet Solutions, Inc. | INTERNAL COMMUNICATIONS | FDC | 311,071 | | 6,122 |
| 3 | Qwest Internet Solutions, Inc. | MANAGEMENT SERVICES | FDC | 2,956 | | 65 |
| 4 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | FDC | 812,014 | | - |
| 5 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | FDC | 1,142,780 | | 6,516 |
| 6 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | FMV | 53,461 | | - |
| 7 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | FMV | 53,461 | | - |
| 8 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | FMV | 53,461 | | - |
| 9 | Qwest Internet Solutions, Inc. | FINANCE | PCP | 2,997 | | 59 |
| 10 | Qwest Internet Solutions, Inc. | HUMAN RESOURCES | PCP | 768 | | 15 |
| 11 | Qwest Internet Solutions, Inc. | INTERNAL COMMUNICATIONS | PCP | 45,381 | | 893 |
| 12 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | PCP | 154,884 | | - |
| 13 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | PCP | 154,884 | | - |
| 14 | Qwest Internet Solutions, Inc. | SPACE & FURNITURE RENTAL | PCP | 154,884 | | - |
| 15 | Qwest LD Corp. | ADMINISTRATIVE | PCP | 444 | | 9 |
| 16 | Qwest LD Corp. | BILLING & COLLECTION | PCP | 806,428 | | 17,420 |
| 17 | Qwest LD Corp. | FINANCE | PCP | 57,960 | | 1,141 |
| 18 | Qwest LD Corp. | HUMAN RESOURCES | PCP | 54 | | 1 |
| 19 | Qwest LD Corp. | INTERNAL COMMUNICATIONS | PCP | 3,216 | | 48 |
| 20 | Qwest LD Corp. | MARKETING AND SALES | PCP | 308,179 | | 6,764 |
| 21 | Qwest LD Corp. | SPACE & FURNITURE RENTAL | PCP | 18,515 | | 1 |
| 22 | Qwest LD Corp. | SPACE & FURNITURE RENTAL | PCP | 18,515 | | 1 |
| 23 | Qwest LD Corp. | SPACE & FURNITURE RENTAL | PCP | 18,515 | | 1 |
| 24 | Qwest Services Corporation | ADMINISTRATIVE | FDC | 569,899 | | 3,805 |
| 25 | Qwest Services Corporation | CORP & SHARED SERVICES | FDC | 3,225 | | 26 |
| 26 | Qwest Services Corporation | FINANCE | FDC | 1,676,885 | | 33,001 |
| 27 | Qwest Services Corporation | HUMAN RESOURCES | FDC | 120,063 | | 2,363 |
| 28 | Qwest Services Corporation | INFORMATION TECH SERVICES | FDC | 593,960 | | 11,689 |
| 29 | Qwest Services Corporation | INTERNAL COMMUNICATIONS | FDC | 4,424,449 | | 74,059 |
| | | PCP TOTAL | | 1,194,796 | | 25,384 |
| | | FDC TOTAL | | 1,194,796 | | 25,384 |
| | | FMV TOTAL | | 1,400,271 | | 7,483 |

Company Name: Qwest Corporation

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Services Corporation | LEASED ASSETS | FDC | 48,510 | | - |
| 2 | Qwest Services Corporation | MANAGEMENT SERVICES | FDC | 52,949 | | 1,162 |
| 3 | Qwest Services Corporation | NETWORK SERVICES | FDC | 45,307 | | 295 |
| 4 | Qwest Services Corporation | SPACE & FURNITURE RENTAL | FDC | 21,871,980 | | 6,652 |
| 5 | Qwest Services Corporation | FDC | | 29,407,227 | | 133,052 |
| 6 | Qwest Services Corporation | LEASED ASSETS | FMV | 4,581 | | - |
| 7 | Qwest Services Corporation | SPACE & FURNITURE RENTAL | FMV | 7,746,817 | | 47,136 |
| 8 | Qwest Services Corporation | FMV | | 7,751,398 | | 47,136 |
| 9 | Qwest Services Corporation | FINANCE | PCP | 692,026 | | 13,619 |
| 10 | Qwest Services Corporation | HUMAN RESOURCES | PCP | 36,278 | | 714 |
| 11 | Qwest Services Corporation | INFORMATION TECH SERVICES | PCP | 2,458 | | 48 |
| 12 | Qwest Services Corporation | INTERNAL COMMUNICATIONS | PCP | 2,185,299 | | 43,007 |
| 13 | Qwest Services Corporation | SPACE & FURNITURE RENTAL | PCP | 8,228,763 | | 5,048 |
| 14 | Qwest Services Corporation | PCP | | 11,144,824 | | 62,436 |
| 15 | Qwest Services Corporation | TOTAL | | 48,303,449 | | 242,624 |
| 16 | USLD | FINANCE | FDC | 31,970 | | 629 |
| 17 | USLD | HUMAN RESOURCES | FDC | 161 | | 3 |
| 18 | USLD | INTERNAL COMMUNICATIONS | FDC | 5,341 | | 105 |
| 19 | USLD | MANAGEMENT SERVICES | FDC | 7,487 | | 164 |
| 20 | USLD | WHOLESALE OPERATOR SRVS | FDC | 16,281,133 | | 330,067 |
| 21 | USLD | FDC | | 16,326,092 | | 330,968 |
| 22 | USLD | FINANCE | PCP | 45,421 | | 894 |
| 23 | USLD | WHOLESALE OPERATOR SRVS | PCP | 5,634,244 | | 123,672 |
| 24 | USLD | PCP | | 5,679,665 | | 124,566 |
| 25 | USLD | TOTAL | | 22,005,757 | | 456,534 |
| 26 | Qwest Wireless, LLC | ADMINISTRATIVE | FDC | 19,208 | | 378 |
| 27 | Qwest Wireless, LLC | BILLING & COLLECTIONS | FDC | 282 | | - |
| 28 | Qwest Wireless, LLC | CORP & SHARED SERVICES | FDC | 1,301 | | - |
| 29 | Qwest Wireless, LLC | | | | | |

Affiliate Transactions - Products & Services Provided by Utility

Schedule 34

Affiliate Transactions - Products & Services Provided by Utility

Year: 2002

| 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 Wireless, LLC | FINANCE | FDC | 797,482 | | 15,694 |
| 2 | Qwest Wireless, LLC | HUMAN RESOURCES | FDC | 10,777 | | 212 |
| 3 | Qwest Wireless, LLC | INFORMATION TECH SERVICES | FDC | 63,389 | | 1,247 |
| 4 | Qwest Wireless, LLC | INTERNAL COMMUNICATIONS | FDC | 394,819 | | 6,704 |
| 5 | Qwest Wireless, LLC | LEASED ASSETS | FDC | 227 | | - |
| 6 | Qwest Wireless, LLC | MARKETING AND SALES | FDC | 388,557 | | 1,196 |
| 7 | Qwest Wireless, LLC | NETWORK SERVICES | FDC | 6,570,295 | | 21,216 |
| 8 | Qwest Wireless, LLC | SPACE & FURNITURE RENTAL | FDC | 4,161,390 | | 3,376 |
| 9 | Qwest Wireless, LLC | | | | | |
| 10 | | FDC | | 12,407,727 | | 50,023 |
| 11 | Qwest Wireless, LLC | LEASED ASSETS | FMV | 71,380 | | - |
| 12 | Qwest Wireless, LLC | SPACE & FURNITURE RENTAL | FMV | 2,231,174 | | 27,456 |
| 13 | | FMV | | 2,302,554 | | 27,456 |
| 14 | Qwest Wireless, LLC | BILLING & COLLECTIONS | PCP | 13,585,658 | | 186,056 |
| 15 | Qwest Wireless, LLC | FINANCE | PCP | 115,609 | | 2,275 |
| 16 | Qwest Wireless, LLC | HUMAN RESOURCES | PCP | 2,456 | | 48 |
| 17 | Qwest Wireless, LLC | INFORMATION TECH SERVICES | PCP | 24,025 | | 473 |
| 18 | Qwest Wireless, LLC | INTERNAL COMMUNICATIONS | PCP | 148,286 | | 2,918 |
| 19 | Qwest Wireless, LLC | NETWORK SERVICES | PCP | 129,800 | | - |
| 20 | Qwest Wireless, LLC | SPACE & FURNITURE RENTAL | PCP | 852,169 | | - |
| 21 | | PCP | | 14,858,003 | | 191,770 |
| 22 | Qwest Wireless, LLC | NETWORK SERVICES | PUB | 3,687,690 | | - |
| 23 | | PUB | | 3,687,690 | | - |
| 24 | | TOTAL | | 33,255,974 | | 269,249 |
| 25 | | | | | | |
| 26 | | TOTAL | | 255,960,625 | | 2,730,066 |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | | | | | | |

Montana Intrastate Regulated Earned Rate of Return

(Thousands of Dollars)

Year: 2002

| Line No. | Description Rate Base (a) | This Year (b) | Last Year (c) | Percent Change (d) |
|----------|-----------------------------------------------------|---------------------|---------------------|--------------------------|
| 1 | | | | |
| 2 | 2001 Plant in Service | 583,301 | 563,189 | 3.57% |
| 3 | 2002 Prop. Held for Future Telecommunications Use | 0 | 0 | |
| 4 | 3100-3200 (Less) Accumulated Depreciation | 398,428 | 353,222 | 12.80% |
| 5 | NET Plant in Service | 184,874 | 209,967 | -11.95% |
| 6 | | | | |
| 7 | <u>Additions</u> | | | |
| 8 | 1220 Materials & Supplies | 387 | 497 | -22.22% |
| 9 | 1280 Prepayments | 0 | 0 | |
| 10 | Other Additions | 0 | 0 | |
| 11 | TOTAL Additions | 387 | 497 | -22.22% |
| 12 | | | | |
| 13 | <u>Deductions</u> | | | |
| 14 | 4100 Current Deferred Operating Income Taxes | (705) | (3,478) | 79.72% |
| 15 | 4320 Unamortized Operating Investment Tax Credits | 2,380 | 2,798 | -14.94% |
| 16 | 4340 Noncurrent Deferred Operating Income Taxes | 15,609 | 22,046 | -29.20% |
| 17 | Customer Advances for Construction | | | |
| 18 | Other Deductions | 0 | 0 | |
| 19 | TOTAL Deductions | 17,284 | 21,366 | -19.11% |
| 20 | TOTAL Rate Base | 167,976 | 189,098 | -11.17% |
| 21 | | | | |
| 22 | Net Earnings | 33,360 | 38,396 | -13.12% |
| 23 | | | | |
| 24 | Rate of Return on Average Rate Base | 19.860% | 20.305% | -2.19% |
| 25 | | | | |
| 26 | Rate of Return on Average Equity | 37.569% | 35.543% | 5.70% |
| 27 | | | | |
| 28 | Major Normalizing Adjustments & Commission | | | |
| 29 | Ratemaking adjustments to Utility Operations | | | |
| 30 | Earnings from Docket 93.7.25 - () reduces earnings | | | |
| 31 | | | | |
| 32 | Advertising | 95 | 95 | 0.00% |
| 33 | Contributions/Legal Advocacy | 8 | 8 | 0.00% |
| 34 | Miscellaneous Dues | 18 | 18 | 0.00% |
| 35 | Uncollectibles Accrual To Write Off | (131) | (131) | 0.00% |
| 36 | Interest on Customer Deposits | (37) | (37) | 0.00% |
| 37 | Total Net Income Adjustments | (47) | (47) | 0.00% |
| 38 | Rate Base Adjustments | | | |
| 39 | Customer Deposits | 453 | 453 | 0.00% |
| 40 | Land Development Agreements | 283 | 283 | 0.00% |
| 41 | Total Rate Base Adjustments | 736 | 736 | 0.00% |
| 42 | | | | |
| 43 | Adjusted Rate of Return on Average Rate Base | 19.919% | 20.359% | -2.16% |
| 44 | | | | |
| 45 | Adjusted Rate of Return on Average Equity | 37.718% | 35.660% | 5.77% |

Company Name: Qwest Corporation

SCHEDULE 36

Other Taxes Paid

Year: 2002

| Line No. | Description (a) | Last Year (b) | This Year (c) |
|----------|-------------------------------------------------|---------------|---------------|
| 1 | Montana Telephone Company License Tax ** | 0 | 0 |
| 2 | Montana Public Service Commission Tax | 490,619 | 377,738 |
| 3 | Montana Consumer Counsel Tax | 140,194 | 137,300 |
| 4 | 911 Emergency Telephone Fee | 2,086,309 | 1,978,512 |
| 5 | Montana Telecommunications Access Service (TDD) | 416,722 | 395,614 |
| 6 | Montana Corporate License Tax | 1,807,443 | 3,215,189 |
| 7 | Personal Property Tax | 11,502,816 | 11,823,059 |
| 8 | Real Property Tax | 614,450 | 629,483 |
| 9 | Montana Excise Tax ** | 6,177,198 | 6,001,001 |
| 10 | | | |
| 11 | | | |
| 12 | Total | 23,235,751 | 24,557,896 |

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

Company Name: Qwest Corporation

SCHEDULE 37

Universal Service Funds Received

Year: 2002

| Line No. | Description (a) | Last Year (b) | This Year (c) |
|----------|-------------------------------------|---------------|---------------|
| 13 | Funds received from Montana Sources | 0 | 0 |
| 14 | Funds received from Federal Sources | 4,221,772 | 10,159,713 |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 | | | |
| 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | Total | 4,221,772 | 10,159,713 |