

General Information

Year: 2000

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 7  
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	Augustine M. Cruciotti Denver, Colorado	None
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

Officers

Year: 2000

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	Senior Vice President	Network Services and Secretary	Robert Tregemba, Littleton, CO
2	Senior Vice President	Qwest Services Corporation	Carol Kline, Denver, CO
3	Assistant Secretary		Kamelia Davidson, Denver, CO
4	Assistant Secretary		Jennifer Pettus, Denver, CO

Qwest Corporation  
Notes to Montana Annual Report  
Calendar Year 2000

- 1 The company filed its ARMIS Annual Reports with the Federal Communications Commission on October 30, 2003 to reflect the restated results for the calendar year 2000. 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 2000.
- 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: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	150,573	42,284
3	1180	Telecommunications Accounts Receivable - Net	1,475,714	1,511,596
4	1190	Other Accounts Receivable - Net	330,133	320,249
5	1200	Notes Receivable - Net	(11)	(10)
6	1210	Interest and Dividends Receivable	752	588
7	1220	Materials and Supplies	131,415	156,194
8	* 1280	Prepayments	21,531	24,240
9	^ 1290	Prepaid Rents	0	0
10	^ 1300	Prepaid Taxes	15,224	10,940
11	^ 1310	Prepaid Insurance	299	2,338
12	^ 1320	Prepaid Directory Expenses	0	0
13	^ 1330	Other Prepayments	6,008	10,962
14	1350	Other Current Assets	60,563	64,778
15		<b>Total Current Assets</b>	<b>2,170,671</b>	<b>2,119,919</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies	(162,495)	182,171
18	1402	Investments in Nonaffiliated Companies	8,548	8,221
19	1406	Nonregulated Investments	0	0
20	1407	Unamortized Debt Issuance Expense	132,356	136,855
21	1408	Sinking Funds	0	0
22	1410	Other Noncurrent Assets	293,536	411,014
23	1438	Deferred Maintenance and Retirements	0	0
24	1439	Deferred Charges	869,211	313,977
25	1500	Other Jurisdictional Assets - Net	206,154	405,039
26		<b>Total Noncurrent Assets</b>	<b>1,347,310</b>	<b>1,457,277</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	38,524,970	35,279,885
29	2002	Property Held for Future Telecommunications Use	0	1,250
30	2003	Plant Under Construction - Short Term	803,619	1,189,684
31	2004	Plant Under Construction - Long Term	189,141	127,415
32	2005	Telecommunications Plant Adjustment	2,746	2,746
33	2006	Nonoperating Plant	53,055	39,488
34	2007	Goodwill	0	0
35	3100	Accumulated Depreciation	(19,317,979)	(18,213,385)
36	3200	Accumulated Depreciation - Held for Future Use	0	0
37	3300	Accumulated Depreciation - Nonoperating	0	(16,785)
38	3400	Accumulated Amortization (Includes 3500 and 3600)	(350,335)	(204,550)
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>19,905,217</b>	<b>18,205,748</b>
40		<b>TOTAL ASSETS</b>	<b>23,423,198</b>	<b>21,782,944</b>

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^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	1,761,036	1,756,668
43	4020	Notes Payable	586,498	217,937
44	4030	Advance Billing and Payments	341,985	301,517
45	4040	Customer Deposits	40,686	40,926
46	4050	Current Maturities - Long Term Debt	238,586	522,000
47	4060	Current Maturities - Capital Leases	117,932	73,488
48	4070	Income Taxes - Accrued	93,704	211,633
49	4080	Other Taxes - Accrued	282,361	247,193
50	4100	Net Current Deferred Operating Income Taxes	(75,721)	(127,618)
51	4110	Net Current Deferred Nonoperating Income Taxes	954	(267)
52	4120	Other Accrued Liabilities	1,152,092	850,458
53	4130	Other Current Liabilities	67,467	81,800
54		<b>Total Current Liabilities</b>	<b>4,607,580</b>	<b>4,175,735</b>
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt	6,107,693	5,290,693
57	4220	Premium on Long-Term Debt	142	924
58	4230	Discount on Long-Term Debt	(124,824)	(123,836)
59	4240	Reacquired Debt	0	0
60	4250	Obligations Under Capital Leases	164,553	92,062
61	4260	Advances From Affiliated Companies	0	0
62	4270	Other Long-Term Debt	67,811	123,469
63		<b>Total Long-Term Debt</b>	<b>6,215,375</b>	<b>5,383,312</b>
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities	1,731,833	1,474,629
66	4320	Unamort. Oper. Invest. Tax Credits - Net	234,619	251,551
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net	0	0
68	4340	Net Noncurrent Deferred Oper. Income Taxes	2,523,059	2,526,463
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes	12,471	9,548
70	4360	Other Deferred Credits	1,472,797	738,365
71	4370	Other Jurisdictional Liab. and Def. Credits	46,706	69,285
72		<b>Total Other Liabilities and Deferred Credits</b>	<b>6,021,485</b>	<b>5,069,841</b>
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	8,046,348	8,067,038
75	4520	Additional Paid-In Capital	60,292	0
76	4530	Treasury Stock	0	0
77	4540	Other Capital	0	0
78	4550	Retained Earnings	(1,527,883)	(912,982)
79		<b>Total Stockholders' Equity</b>	<b>6,578,756</b>	<b>7,154,056</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>23,423,196</b>	<b>21,782,944</b>

## Total Company Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	5,783,645	5,703,825
3	5080	Network Access Revenues	4,061,371	3,848,642
4	* 5100	Long Distance Message Revenue	373,685	560,503
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	372,513	558,509
6	^ 5120	Long Distance Private Network Revenue	1,171	1,994
7	^ 5160	Other Long Distance Revenue	1	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	1,363,196	1,193,732
10	^ 5230	Directory Revenue	90,738	95,732
11	^ 5240	Rent Revenue	188,325	97,947
12	^ 5250	Corporate Operations Revenue	60,389	59,990
13	^ 5260	Miscellaneous Revenue	236,597	201,864
14	^ 5270	Carrier Billing and Collection Revenue	184,718	144,927
15	^ 5280	Nonregulated Revenue	602,429	593,272
16	5300	Uncollectible Revenue	130,610	102,162
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>11,451,287</b>	<b>11,204,540</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	12,746	7,855
20	6120	General Support Expense	569,802	476,883
21	6210	Central Office Switching Expense	201,209	218,650
22	6220	Operator Systems Expense	596	972
23	6230	Central Office Transmission Expense	149,657	140,535
24	6310	Information Origination/Termination Expense	176,671	187,353
25	6410	Cable and Wire Facilities Expense	843,160	751,518
26	6431	Aerial Wire Expense	681	554
27	6441	Conduit Systems Expense	14,150	13,555
28	6510	Other Property, Plant & Equipment Expense	5,433	4,901
29	6530	Network Operations Expense	683,542	683,977
30	6540	Access Expense	344,185	359,314
31	6560	Depreciation and Amortization Expense	2,802,844	2,585,287
32	6610	Marketing	584,063	601,371
33	6620	Services	827,645	833,754
34	6710	Executive and Planning	169,203	90,787
35	6720	General and Administrative	1,491,678	1,205,849
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>8,862,434</b>	<b>8,149,006</b>
38	7100	Other Operating Income and Expense	53	7,746
39	7200	Operating Taxes	1,020,788	1,231,101
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>1,568,118</b>	<b>1,832,179</b>
41	7300	Nonoperating Income and Expense	(576,304)	(185,777)
42	7400	Nonoperating Taxes	(28,816)	2,449
43	7500	Interest and Related Items	564,939	432,703
44	7600	Extraordinary Items	0	0
45	7910	Effects of Juris. Ratemaking Diff. - Net	(176,298)	(144,138)
46	7990	Nonregulated Net Income	0	0
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>279,393</b>	<b>1,067,112</b>

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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 Total State Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	141,536	141,581
3	5080	Network Access Revenues	101,109	97,216
4	* 5100	Long Distance Message Revenue	9,730	17,705
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,731	17,706
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	13,215	10,610
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(7,062)	(8,902)
12	^ 5250	Corporate Operations Revenue	520	1,269
13	^ 5260	Miscellaneous Revenue	3,652	3,120
14	^ 5270	Carrier Billing and Collection Revenue	2,969	2,773
15	^ 5280	Nonregulated Revenue	10,974	10,115
16	5300	Uncollectible Revenue	2,274	2,279
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>263,316</b>	<b>264,833</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	236	223
20	6120	General Support Expense	9,118	6,721
21	6210	Central Office Switching Expense	3,776	4,556
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	2,746	2,668
24	6310	Information Origination/Termination Expense	2,937	3,305
25	6410	Cable and Wire Facilities Expense	12,189	10,637
26	6431	Aerial Wire Expense	11	11
27	6441	Conduit Systems Expense	55	73
28	6510	Other Property, Plant & Equipment Expense	28	(27)
29	6530	Network Operations Expense	11,708	12,750
30	6540	Access Expense	5,151	8,000
31	6560	Depreciation and Amortization Expense	62,018	62,745
32	6610	Marketing	10,931	11,621
33	6620	Services	17,204	18,179
34	6710	Executive and Planning	4,037	2,049
35	6720	General and Administrative	24,858	24,468
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>166,937</b>	<b>167,895</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	0	5
39	7200	Operating Taxes	37,604	46,442
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>58,774</b>	<b>50,491</b>

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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 Income Statement

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	141,536	141,581
3	5080	Network Access Revenues	24,141	23,494
4	* 5100	Long Distance Message Revenue	9,671	17,666
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,672	17,667
6	^ 5120	Long Distance Private Network Revenue	(1)	(1)
7	^ 5160	Other Long Distance Revenue	0	0
8	^ 5169	Other Long Distance Revenue Settlements	0	0
9	* 5200	Miscellaneous Revenue	1,258	93
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(5,213)	(6,551)
12	^ 5250	Corporate Operations Revenue	380	935
13	^ 5260	Miscellaneous Revenue	3,014	2,522
14	^ 5270	Carrier Billing and Collection Revenue	915	688
15	^ 5280	Nonregulated Revenue	(0)	264
16	5300	Uncollectible Revenue	2,449	2,038
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>174,158</b>	<b>180,796</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	161	154
20	6120	General Support Expense	5,925	4,569
21	6210	Central Office Switching Expense	2,180	2,785
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	1,774	1,713
24	6310	Information Origination/Termination Expense	549	469
25	6410	Cable and Wire Facilities Expense	8,405	7,451
26	6431	Aerial Wire Expense	7	8
27	6441	Conduit Systems Expense	38	51
28	6510	Other Property, Plant & Equipment Expense	19	1
29	6530	Network Operations Expense	7,038	7,846
30	6540	Access Expense	3,556	5,950
31	6560	Depreciation and Amortization Expense	40,340	41,817
32	6610	Marketing	6,795	7,417
33	6620	Services	12,996	13,711
34	6710	Executive and Planning	2,758	1,411
35	6720	General and Administrative	16,771	16,026
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>109,266</b>	<b>111,320</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(1,517)	(1,697)
39	7200	Operating Taxes	26,316	34,166
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>40,092</b>	<b>37,007</b>

^ 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: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	139,013	139,218
3	5080	Network Access Revenues	19,322	19,258
4	* 5100	Long Distance Message Revenue	9,670	17,665
5	^ 5110	Unidirectional Long Distance Revenue (Note 1)	9,671	17,666
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	542	554
10	^ 5230	Directory Revenue	2,162	2,235
11	^ 5240	Rent Revenue	(4,936)	(6,258)
12	^ 5250	Corporate Operations Revenue	337	870
13	^ 5260	Miscellaneous Revenue	2,979	2,405
14	^ 5270	Carrier Billing and Collection Revenue	(0)	1
15	^ 5280	Nonregulated Revenue	(0)	1,301
16	5300	Uncollectible Revenue	2,367	1,992
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>166,181</b>	<b>174,704</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	155	149
20	6120	General Support Expense	5,637	4,433
21	6210	Central Office Switching Expense	2,160	2,935
22	6220	Operator Systems Expense	0	0
23	6230	Central Office Transmission Expense	1,569	1,580
24	6310	Information Origination/Termination Expense	535	451
25	6410	Cable and Wire Facilities Expense	8,133	7,201
26	6431	Aerial Wire Expense	7	8
27	6441	Conduit Systems Expense	38	51
28	6510	Other Property, Plant & Equipment Expense	19	(1)
29	6530	Network Operations Expense	6,789	7,780
30	6540	Access Expense	3,556	5,950
31	6560	Depreciation and Amortization Expense	47,505	47,156
32	6610	Marketing	6,121	7,145
33	6620	Services	12,761	13,711
34	6710	Executive and Planning	2,633	1,375
35	6720	General and Administrative	22,076	18,806
36	6790	Provision for Uncollectible Notes Receivable	0	0
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>119,648</b>	<b>118,671</b>
38	7100	Other Operating Income and Expense (Includes USF and Link Up America)	(1,517)	(1,710)
39	7200	Operating Taxes	23,196	29,909
40		<b>Net Operating Income (L.17-L.37-L.38-L.39)</b>	<b>24,854</b>	<b>27,835</b>

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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.

**Average Rate Base - Total State**

(Thousands of Dollars)

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	838,220	793,864
2	3100	Accumulated Depreciation (Note 1)	463,641	412,710
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	797	671
6	4340	Noncurrent Deferred Operating Income Taxes	63,101	66,903
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)	312,276	314,922

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	558,335	533,216
2	3100	Accumulated Depreciation (Note 1)	307,168	275,605
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	537	436
6	4340	Noncurrent Deferred Operating Income Taxes	42,480	44,909
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)	209,223	213,138

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	535,687	523,104
2	3100	Accumulated Depreciation (Note 1)	315,322	251,951
3	2002	Property Held for Future Telecommunications Use	0	0
4	3200	Accumulated Depreciation - 2002	0	0
5	1220	Materials and Supplies	515	422
6	4340	Noncurrent Deferred Operating Income Taxes	28,530	46,009
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)	192,350	225,566

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

## Statement of Cash Flows

(Thousands of Dollars)

Year: 2000

Line No.	Item Description (a)	This Year (b)	Last Year (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income	279,393	1,067,112
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	2,802,844	2,585,287
6	Provision for Accounts Receivable Losses	130,610	102,164
7	Deferred Income Taxes - Net	85,023	(53,888)
8	Unamortized Investment Tax Credits (ITCs) - Net	(17,011)	(5,524)
9	Allowance for Funds Used During Construction (AFUDC)	(51,242)	(27,138)
10	Change in Operating Receivables - Net	(99,818)	(186,734)
11	Change in Materials, Supplies & Inventories - Net	24,780	(31,092)
12	Change in Operating Payables & Accrued Liabilities - Net	492,726	256,961
13	Change in Other Assets & Deferred Charges - Net	246,570	538,510
14	Change in Other Liabilities & Deferred Credits - Net	901,039	198,104
15	Other	13,936	219,884
16	Total Adjustments	4,529,457	3,596,534
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>4,808,850</b>	<b>4,663,646</b>
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of		
20	AFUDC & Capital Lease Related Acquisitions)	(4,308,875)	(3,696,909)
21	Proceeds from Disposals of Property, Plant & Equipment	(83,546)	(38,857)
22	Investments In & Advances to Affiliates	(4,102)	725
23	Proceeds from Repayment of Advances	0	0
24	Other Investing Activities	0	0
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(4,396,523)</b>	<b>(3,735,041)</b>
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./.(Decr.) in Short-Term Debt, Original maturity <= 3 mo.	368,561	94,984
28	Advances from Affiliates	0	0
29	Repayment of Advances from Affiliates	0	0
30	Proceeds from Issuances of Long-Term Debt	1,000,000	783,212
31	Repayment of Long-Term Debt	(522,000)	(225,695)
32	Payment of Capital Lease Obligations	(106,152)	(110,673)
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment	(223,342)	0
34	Repurchase of Treasury Shares	0	0
35	Dividends Paid	(821,104)	(1,495,224)
36	Other Financing Activities	0	0
37	<b>Net Cash Provided by Financing Activities</b>	<b>(304,037)</b>	<b>(953,396)</b>
38	Effect of Exchange Rate Changes on Cash	0	0
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>108,291</b>	<b>(24,791)</b>
40	Cash & Cash Equivalents at Beginning of Period	42,283	67,074
41	Cash & Cash Equivalents at End of Period	150,574	42,283

Receivables and Investments-Affiliated & Nonaffiliated Companies

(Thousands of Dollars)

Year: 2000

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Telecom. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow-Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	QWEST Wireless, LLC		530		66,899					(191,079)	
2	Malheur Home Telephone Company				351			753		12,438	
3	El Paso County Telephone									10,174	
4	Mubeta Development									2,571	
5	QWEST Communications Corporation		343		11,399		286,166				
6	QWEST Communication Services, Inc				9,904						
7	QWEST DEX		141		2,672						
8	QWEST Advanced Technologies, Inc		2		184						
9	QWEST Business Resources, Inc		1		1,118						
10	QWEST Federal Services, Inc				463						
11	QWEST Interprise America		4,197		11,278						
12	QWEST Broadband Services		89		34,510						
13	QWEST Long Distance				220						
14	QWEST Service Corporation				83,565						
15	QWEST Information Technologies, Inc.				25,771						
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
26											
27	All other investments				2,379			537			
28	Non-affiliates	37,056	1,529,304	58,893	161,735		(11)				8,548
29											
30	Totals	37,056	1,534,607	58,893	412,448	0	286,155	0	1,290	(165,896)	8,548

Net Plant in Service - Detail

(Thousands of Dollars)

Year: 2000

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	66,625	3,592	2,264	0	67,953	32,431	35,522
2	^	2111 Land	1,736	0	0		1,736	0	1,736
3	^	2112 Motor Vehicles	10,316	698	579		10,435	8,116	2,319
4	^	2113 Aircraft	0	0	0		0	0	0
5	^	2114 Special Purpose Vehicles	147	0	0		147	101	46
6	^	2115 Garage Work Equipment	260	40	2		298	24	274
7	^	2116 Other Work Equipment	4,539	371	320		4,590	169	4,421
8	^	2121 Buildings	40,109	1,820	427		41,502	18,813	22,689
9	^	2122 Furniture	18	0	2		16	(75)	91
10	^	2123 Office Equipment	2,077	0	495		1,582	1,204	378
11	^	2124 General Purpose Computers	7,423	663	439		7,647	4,079	3,568
12		2211 Analog Electronic Switching	4	5	7		2	(3)	5
13		2212 Digital Electronic Switching	148,880	12,181	(3,511)		164,572	88,199	76,373
14		2215 Electro-Mechanical Switching	(1)	0	(1)		0	0	0
15		2220 Operator Systems	0	0	0		0	0	0
16		2231 Radio Systems	15,937	59	1,084		14,912	8,483	6,429
17		2232 Circuit Equipment	146,378	13,873	420		159,831	104,717	55,114
18	*	2310 Information Orig & Term Equip	8,457	609	186	0	8,880	5,550	3,330
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.	3,417	74	185		3,306	2,816	490
23	^	2362 Other Terminal Equipment	5,040	535	1		5,574	2,734	2,840
24		2411 Poles	6,570	93	16		6,647	9,050	(2,403)
25	*	2420 Cable and Wire Facilities	385,204	15,168	1,528	0	398,844	230,742	168,102
26	^	2421 Aerial Cable	32,817	1,233	161		33,889	27,935	5,954
27	^	2422 Underground Cable	41,905	715	87		42,533	29,613	12,920
28	^	2423 Buried Cable	303,129	12,996	1,274		314,851	168,178	146,673
29	^	2424 Submarine Cable	32	0	0		32	25	7
30	^	2425 Deep Sea Cable	0	0	0		0	0	0
31	^	2426 Intrabuilding Network Cable	7,321	224	6		7,539	4,991	2,548
32		2431 Aerial Wire	1,059	35	6		1,088	1,175	(87)
33		2441 Conduit Systems	20,969	190	0		21,159	8,196	12,963
34		Totals	800,082	45,805	1,999	0	843,888	488,540	355,348

^ Subaccount of the account marked with a \*.

Analysis of Plant Held for Future Use

(Thousands of Dollars)

Year: 2000

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 2000.</i>						
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27							
28							
29							
30	Totals (Sum L.1 to L.29)		0	0	0	0	0

Cost of Long Term Debt

(Thousands of Dollars)

Year: 2000

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												
3	6.375% 07 Year Note	10/15/95	10/15/02	250,000	N/A	247,642	99.06	249,367	6.38%	15,938	344	6.53%
4	5.650% 11 Year Note	10/28/93	11/01/04	100,000	N/A	96,979	96.98	98,772	5.65%	5,650	286	6.01%
5	6.625% 10 Year Note	09/15/95	09/15/05	250,000	N/A	247,661	99.06	248,853	6.63%	16,563	232	6.75%
6	6.125% 12 Year Note	11/15/93	11/15/05	150,000	N/A	149,319	99.55	149,757	6.13%	9,188	56	6.17%
7	7.500% 30 Year Debenture	06/15/93	06/15/23	484,000	N/A	479,693	99.11	480,785	7.50%	36,300	146	7.58%
8	7.250% 30 Year Debenture	09/15/95	09/15/25	250,000	N/A	247,276	98.91	247,708	7.25%	18,125	82	7.35%
9	7.200% 31 Year Debenture	11/10/95	11/10/26	250,000	N/A	245,018	98.01	245,447	7.20%	18,000	117	7.38%
10	8.875% 40 Year Debenture	06/01/91	06/01/31	250,000	N/A	240,477	96.19	241,322	8.88%	22,188	93	9.23%
11	6.875% 40 Year Debenture	09/15/93	09/15/33	1,000,000	N/A	903,417	90.34	908,543	6.88%	68,750	823	7.66%
12	7.250% 40 Year Debenture	10/15/95	10/15/35	250,000	N/A	244,154	97.66	244,551	7.25%	18,125	79	7.44%
13	7.125% 50 Year Debenture	11/15/93	11/15/43	250,000	N/A	247,770	99.11	248,130	7.13%	17,813	50	7.20%
14	5.625% 10 Year Note	11/15/98	11/15/08	320,000	N/A	316,787	99.00	317,243	5.63%	18,000	323	5.78%
15	7.200% 5 Year Note	11/01/99	11/01/04	750,000	N/A	743,935	99.19	745,174	7.20%	54,000	1,063	7.39%
16	7.625% 3 Year Note	06/09/00	06/09/03	1,000,000	N/A	991,896	99.19	993,233	7.63%	76,250	2,388	7.92%
17												
18												
19	EASTERN REGION											
20												
21	6.000% 35 Year Debenture	09/01/66	09/01/01	50,000	N/A	49,777	99.55	49,996	6.00%	3,000	6	6.01%
22	6.250% 39 Year Debenture	01/01/68	01/01/07	89,700	N/A	89,045	99.27	89,599	6.25%	5,606	17	6.28%
23	Refinanced Debenture	02/15/77	02/15/17		N/A			(8,026)			498	-6.20%
24	7.750% 40 Year Debenture	05/01/90	05/01/30	42,883	N/A	33,853	78.94	34,237	7.75%	3,323	54	9.86%
25	Merger Costs							(576)			55	
26												
27	CENTRAL REGION											
28												
29	4.500% 40 Year Debenture	06/01/62	06/01/02	50,000	N/A	50,679	101.36	50,024	4.50%	2,250	(17)	4.46%
30	5.500% 39 Year Debenture	06/01/66	06/01/05	40,760	N/A	40,738	99.95	40,758	5.50%	2,242	1	5.50%
31	6.000% 40 Year Debenture	08/01/67	08/01/07	70,200	N/A	69,768	99.38	70,129	6.00%	4,212	11	6.02%
32	Refinanced Debenture	11/01/76	11/01/16		N/A			(4,920)			311	-6.32%
33	Refinanced Debenture	09/15/77	09/15/17		N/A			(7,173)			429	-5.98%
34	Refinanced Debenture	06/01/83	06/01/23		N/A			(20,152)			899	-4.46%
35	Refinanced Debenture	02/01/85	02/01/25		N/A			(19,592)			813	-4.15%
36	Refinanced Debenture	02/01/77	02/01/17		N/A			(9,258)			575	-6.22%
37	Refinanced Debenture	02/01/77	02/01/17		N/A			(20,529)			1,276	-6.22%
38	7.375% 40 Year Debenture	05/01/90	05/01/30	55,150	N/A	41,484	75.22	42,056	7.38%	4,067	80	9.86%
39	Shelf Registration				N/A			(6)				
40	Merger Costs							(828)			80	
41	Subtotal Page 1 of 3			5,952,693		5,777,368		5,706,028		419,588	11,036	

Cost of Long Term Debt

(Thousands of Dollars)

Year: 2000

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												
3	4.375% 40 Year Debenture	09/01/62	09/01/02	50,000	N/A	50,539	101.08	50,022	4.38%	2,188	(13)	4.35%
4	4.500% 40 Year Debenture	04/01/63	04/01/03	50,000	N/A	50,779	101.56	50,044	4.50%	2,250	(19)	4.46%
5	Refinanced Debenture	05/01/80	05/01/20		N/A			(8,533)			441	-5.17%
6	Merger Costs							(362)			35	
7												
8												
9	MEDIUM TERM NOTE PROGRAM (USWC)											
10												
11	7.100% 10 Year Note	01/19/93	01/20/03	35,000	N/A	34,768	99.34	34,952	7.10%	2,485	23	7.18%
12	7.100% 10 Year Note	01/21/93	01/21/03	12,000	N/A	11,921	99.34	11,984	7.10%	852	8	7.18%
13	7.050% 10 Year Note	01/27/93	01/27/03	15,000	N/A	14,901	99.34	14,979	7.05%	1,058	10	7.13%
14	6.960% 10 Year Note	02/03/93	02/03/03	18,000	N/A	17,881	99.34	17,975	6.96%	1,253	12	7.04%
15	6.970% 10 Year Note	02/03/93	02/03/03	15,000	N/A	14,901	99.34	14,979	6.97%	1,046	10	7.05%
16	6.900% 10 Year Note	02/04/93	02/04/03	10,000	N/A	9,934	99.34	9,986	6.90%	690	7	6.98%
17												
18												
19												
20	STRUCTURED NOTES(USWC)											
21												
22	6.5120% 6 Year Note	11/27/95	11/27/01	133,000	N/A	133,000	100.00	133,000	6.51%	8,661	0	6.51%
23												
24												
25												
26												
27												
28												
29												
30	Subtotal Page 2 of 3			338,000		338,624		329,388		20,481	479	



Cost of Long Term Debt

(Thousands of Dollars)

Year: 2000

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												
2	OTHER LONG TERM DEBT											
3												
4	Nebraska Affordable Housing	12/29/95	04/15/01	86	N/A	N/A	N/A	86	6.00%	5	0	6.00%
5	IBM Note	12/29/95	12/29/00	32,957	N/A	N/A	N/A	32,957	6.03%	1,987	0	6.03%
6	IBM Note	06/24/96	06/30/01	6,702	N/A	N/A	N/A	6,702	6.85%	459	0	6.85%
7	IBM Note	09/27/96	07/01/01	15,841	N/A	N/A	N/A	15,841	6.79%	1,076	0	6.79%
8	IBM Note	12/31/96	01/01/02	5,829	N/A	N/A	N/A	5,829	6.22%	363	0	6.22%
9	IBM Note	03/31/97	01/01/02	4,671	N/A	N/A	N/A	4,671	6.83%	319	0	6.83%
10	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%
11	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%
12	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%
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												
28	Subtotal Page 3 of 3			123,397	N/A	N/A	N/A	123,397		7,647	0	
29												
30	Grand Total			6,414,090		6,115,992		6,158,813		447,716	11,515	

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.

Merger costs are not included in the calculation of the cost of debt.

Cost of Preferred Stock

(Thousands of Dollars)

Year: 2000

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	<b><i>QWEST CORPORATION HAS NO PREFERRED STOCK</i></b>											
2												
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26												
27												
28												
29												
30	Totals (Sum L.1 to L.29)					0	0			0	0	0

**Analysis of Common Stock**

(Thousands of Dollars)

Year: 2000

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31, 2000:	1	6,578,756	279,393	894,296	N/M	N/A	N/A	N/A
2									
3									
4									
5									
6									
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23									

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 2000 ARMIS data filed October 30, 2003.
- N/M = Not Meaningful

**Capital Stock and Funded Debt Reacquired or Retired During the Year**

(Thousands of Dollars)

Year: 2000

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	<u>FUNDED DEBT</u>						
2	7 YR 6.56% Due 02-01-00	2/1/00		7,000			
3	(USWC) Medium						
4	40 YR 5.00% Due 04-01-00	4/1/00		40,000			
5	(Central)						
6	10 YR 9.5% Due 05-01-00	5/1/00		100,000			
7	(Central )						
8	10 YR 9.5% Due 05-01-00	5/1/00		75,000			
9	(Eastern)						
10	5 YR 6.125% Due 11-21-00	11/21/00		250,000			
11	(USWC)						
12	37 YR 4.5% Due 12-01-00	12/1/00		50,000			
13	(Western)						
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25	Totals (Sum L.1 to L.24)		0	522,000	0	0	0

Total Company Expense Matrix

Year: 2000

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	6110 Network Support Expense	(60,190)	(156,311)	3,942,527	9,020,744	0	12,746,770
2	^	6112 Motor Vehicle Expense	(26,666)	(133,395)	3,867,360	4,332,927	0	8,040,227
3	^	6113 Aircraft Expense	0	0	10,544	5,936	0	16,480
4	^	6114 Special Purpose Vehicles Expense	841	165	0	43,193	0	44,200
5	^	6115 Garage Work Equipment Expense	2,266	448	4,619	653,451	0	660,784
6	^	6116 Other Work Equipment Expense	(36,632)	(23,530)	60,004	3,985,236	0	3,985,079
7	*	6120 General Support Expense	31,634,978	(3,820,461)	146,532,690	395,454,993	0	569,802,199
8	^	6121 Land and Building Expense	10,888,368	2,128,179	116,911,520	96,945,933	0	226,874,000
9	^	6122 Furniture and Artworks Expense	362,016	70,682	1,771,803	35,149,542	0	37,354,043
10	^	6123 Office Equipment Expense	5,722,941	1,122,921	12,862,767	16,811,528	0	36,520,156
11	^	6124 General Purpose Computers Expense	14,661,653	(7,142,243)	14,986,600	246,547,990	0	269,054,000
12	*	6210 Central Office Switching Expense	113,082,920	22,144,162	28,030,207	37,951,780	0	201,209,069
13	^	6211 Analog Electronic Expense	11,286,841	2,214,455	3,297,901	6,031,767	0	22,830,964
14	^	6212 Digital Electronic Expense	101,476,415	19,867,326	24,732,011	31,899,524	0	177,975,276
15	^	6215 Electro-Mechanical Expense	319,664	62,381	294	20,489	0	402,828
16		6220 Operator Systems Expense	14,611	2,850	(23,430)	602,465	0	596,497
17	*	6230 Central Office Transmission Expense	103,381,966	20,205,838	891,186	25,178,518	0	149,657,508
18	^	6231 Radio Systems Expense	1,994,663	390,162	13,007	1,151,605	0	3,549,436
19	^	6232 Circuit Equipment Expense	101,387,304	19,815,676	878,179	24,026,913	0	146,108,072
20	*	6310 Information Origination/Termination Expense	110,356,601	21,610,557	599,573	44,103,453	0	176,670,183
21	^	6311 Station Apparatus Expense	4,056,803	799,402	22,816	2,314,617	0	7,193,638
22	^	6341 Large Private Branch Exchange Expense	13,993,760	2,738,080	78,161	1,715,565	0	18,525,566
23	^	6351 Public Telephone Terminal Equipment Expense	6,567,698	1,286,912	10,971	12,205,849	0	20,071,431
24	^	6362 Other Terminal Equipment Expense	85,738,339	16,786,163	487,625	27,867,422	0	130,879,549
25	*	6410 Cable and Wire Facilities Expense	427,919,661	87,589,082	22,591,235	305,059,105	0	843,159,083
26	^	6411 Poles Expense	327,599	64,087	13,200,563	1,804,300	0	15,396,548
27	^	6421 Aerial Cable Expense	96,458,588	18,856,934	5,073,586	36,316,993	0	156,706,100
28	^	6422 Underground Cable Expense	33,112,679	6,482,147	838,793	23,667,948	0	64,101,567
29	^	6423 Buried Cable Expense	286,816,997	59,992,914	3,304,752	224,704,077	0	574,818,740
30	^	6424 Submarine Cable Expense	641	124	0	14,009	0	14,774
31	^	6425 Deep Sea Cable Expense	0	0	0	0	0	0
32	^	6426 Intrabuilding Network Cable Expense	10,753,596	2,105,075	74,541	4,357,122	0	17,290,334
33	^	6431 Aerial Wire Expense	49,339	9,855	394	621,294	0	680,882
34		<b>Subtotals</b>	<b>785,930,322</b>	<b>147,497,770</b>	<b>202,465,381</b>	<b>803,797,698</b>	<b>0</b>	<b>1,939,691,171</b>

^ Subaccount of the account marked with a \*.

Total Company Expense Matrix

Year: 2000

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	400,224	77,947	98,606	13,573,361	0	14,150,138
36	6510	Other Property Expenses	(419,211)	(601,295)	0	6,453,481	0	5,432,975
37	* 6530	Network Operations Expense	447,654,189	58,655,105	358,608	176,874,099	0	683,542,000
38	^ 6531	Power Expense	0	0	0	51,920,000	0	51,920,000
39	^ 6532	Network Administration Expense	2,714,558	4,848,592	0	3,140,850	0	10,704,000
40	^ 6533	Testing Expense	128,231,665	25,061,083	0	3,548,253	0	156,841,000
41	^ 6534	Plant Operations Expense	287,064,011	32,224,470	67,683	82,825,837	0	402,182,000
42	^ 6535	Engineering Expense	29,643,956	(3,479,040)	290,925	35,439,159	0	61,895,000
43	6540	Access Expense	0	0	0	344,185,000	0	344,185,000
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	2,577,243,673	0	2,577,243,673
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0	0	0
46	6563	Amortization Expense - Tangible	0	0	0	125,758,935	0	125,758,935
47	6564	Amortization Expense - Intangible	0	0	0	79,239,387	0	79,239,387
48	6565	Amortization - Other	0	0	0	20,602,148	0	20,602,148
49	* 6610	Marketing	184,415,416	24,042,380	2,136	375,603,068	0	584,063,000
50	^ 6611	Product Management	88,116,245	10,469,687	2,127	105,529,941	0	204,118,000
51	^ 6612	Sales	95,586,352	13,413,429	9	165,818,211	0	274,818,000
52	^ 6613	Product Advertising	712,819	159,264	0	104,254,916	0	105,127,000
53	6621	Call Completion Services	14,550,557	2,934,768	0	3,840,676	0	21,326,000
54	6622	Number Services	54,640,247	13,715,529	229	2,977,995	0	71,334,000
55	6623	Customer Services	454,850,983	104,161,850	12,451	175,959,717	0	734,985,000
56	6711	Executive	95,768,009	19,041,430	42	47,575,519	0	162,385,000
57	6712	Planning	2,665,485	468,154	0	3,684,361	0	6,818,000
58	6721	Accounting and Finance	69,158,211	6,851,481	106	35,833,202	0	111,843,000
59	6722	External Relations	37,003,327	8,220,210	4,349,401	89,456,062	0	139,029,000
60	6723	Human Relations	29,655,926	3,449,930	152	51,004,992	0	84,111,000
61	6724	Information Management	(84,665,777)	(34,828,900)	30,583,239	619,463,439	0	530,552,000
62	6725	Legal	0	(57)	0	57,713,728	0	57,713,671
63	6726	Procurement	1,141,194	327,879	0	21,887,655	0	23,356,729
64	6727	Research and Development	0	0	0	72,092	0	72,092
65	6728	Other General and Administrative	(91,177,976)	(13,991,128)	2,965,262	647,203,843	0	545,000,000
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67		<b>Totals</b>	2,001,571,126	340,023,051	240,835,612	6,280,004,128	0	8,862,433,918

^ Subaccount of the account marked with a \*.

Total State Expense Matrix

Year: 2000

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense	156,075	27,473	(9,889)	62,671	0	236,329
2	^ 6112	Motor Vehicle Expense	153,821	27,424	10,319	(42,386)	0	149,178
3	^ 6113	Aircraft Expense	0	0	0	0	0	0
4	^ 6114	Special Purpose Vehicles Expense	453	90	0	4,214	0	4,758
5	^ 6115	Garage Work Equipment Expense	0	0	0	33,265	0	33,265
6	^ 6116	Other Work Equipment Expense	1,801	(42)	(20,209)	67,578	0	49,128
7	* 6120	General Support Expense	675,361	(79,598)	2,124,127	6,396,309	0	9,116,198
8	^ 6121	Land and Building Expense	373,942	73,070	1,136,860	1,239,033	0	2,822,904
9	^ 6122	Furniture and Artworks Expense	0	0	37,009	186,799	0	223,808
10	^ 6123	Office Equipment Expense	10,162	2,003	217,759	118,563	0	348,487
11	^ 6124	General Purpose Computers Expense	291,257	(154,671)	732,499	4,851,915	0	5,721,000
12	* 6210	Central Office Switching Expense	2,702,184	528,960	(11,219)	555,788	0	3,775,714
13	^ 6211	Analog Electronic Expense	177,114	34,655	7	7,201	0	218,978
14	^ 6212	Digital Electronic Expense	2,524,618	494,218	(11,227)	548,557	0	3,556,166
15	^ 6215	Electro-Mechanical Expense	451	88	1	30	0	570
16	6220	Operator Systems Expense	0	0	0	0	0	0
17	* 6230	Central Office Transmission Expense	1,991,127	385,116	7,380	362,194	0	2,745,816
18	^ 6231	Radio Systems Expense	37,877	7,424	216	4,831	0	50,348
19	^ 6232	Circuit Equipment Expense	1,953,250	377,691	7,164	357,363	0	2,695,469
20	* 6310	Information Origination/Termination Expense	1,971,750	385,625	8,245	571,698	0	2,937,319
21	^ 6311	Station Apparatus Expense	21,269	4,153	34	(2,390)	0	23,066
22	^ 6341	Large Private Branch Exchange Expense	133,120	26,051	538	12,719	0	172,428
23	^ 6351	Public Telephone Terminal Equipment Expense	214,059	41,861	235	189,392	0	445,547
24	^ 6362	Other Terminal Equipment Expense	1,603,303	313,561	7,438	371,977	0	2,296,278
25	* 6410	Cable and Wire Facilities Expense	6,575,989	1,392,016	346,651	3,874,732	0	12,189,388
26	^ 6411	Poles Expense	1,552	306	279,973	18,682	0	300,514
27	^ 6421	Aerial Cable Expense	1,546,039	302,456	9,568	397,264	0	2,255,327
28	^ 6422	Underground Cable Expense	371,392	72,858	2,357	136,850	0	583,457
29	^ 6423	Buried Cable Expense	4,493,085	984,273	53,778	3,219,354	0	8,750,489
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	161,598	31,664	968	39,797	0	234,028
33	^ 6431	Aerial Wire Expense	156	32	1	10,363	0	10,553
34		Subtotals	14,070,319	2,639,166	2,465,289	11,770,970	0	30,945,743

^ Subaccount of the account marked with a \*.

## Total State Expense Matrix

Year: 2000

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	2,167	426	6	52,422	0	55,020
36	6510	Other Property Expenses	63,826	2,901	0	(38,231)	0	28,495
37	* 6530	Network Operations Expense	7,586,133	662,849	339	3,458,101	0	11,707,423
38	^ 6531	Power Expense	0	0	0	1,048,601	0	1,048,601
39	^ 6532	Network Administration Expense	(164,130)	70,844	0	49,007	0	(44,279)
40	^ 6533	Testing Expense	2,628,609	513,343	0	83,850	0	3,225,802
41	^ 6534	Plant Operations Expense	4,889,491	104,232	326	1,311,476	0	6,305,524
42	^ 6535	Engineering Expense	232,162	(25,569)	14	965,168	0	1,171,775
43	6540	Access Expense	0	0	0	5,151,125	0	5,151,125
44	6561	Depreciation - Telecomm. Plant in Service	0	0	0	58,093,771	0	58,093,771
45	6562	Depreciation-Prop. for Future Telecom. Use	0	0	0	0	0	0
46	6563	Amortization Expense - Tangible	0	0	0	1,988,236	0	1,988,236
47	6564	Amortization Expense - Intangible	0	0	0	1,941,705	0	1,941,705
48	6565	Amortization - Other	0	0	0	(6,036)	0	(6,036)
49	* 6610	Marketing	3,825,954	486,169	25	6,619,654	0	10,931,803
50	^ 6611	Product Management	1,918,713	226,751	25	2,185,001	0	4,330,490
51	^ 6612	Sales	1,892,253	256,149	0	3,225,937	0	5,374,339
52	^ 6613	Product Advertising	14,989	3,270	0	1,208,716	0	1,226,974
53	6621	Call Completion Services	495,154	113,943	0	105,522	0	714,619
54	6622	Number Services	925,797	224,847	77	46,366	0	1,197,087
55	6623	Customer Services	9,725,282	2,178,603	414	3,387,895	0	15,292,193
56	6711	Executive	2,386,963	427,169	1	1,081,463	0	3,895,596
57	6712	Planning	54,753	9,909	0	77,532	0	142,194
58	6721	Accounting and Finance	1,312,049	147,406	0	686,367	0	2,145,822
59	6722	External Relations	1,138,564	262,173	161	1,436,929	0	2,837,827
60	6723	Human Relations	608,362	72,131	3	1,052,011	0	1,732,507
61	6724	Information Management	(2,116,171)	(820,059)	468,833	10,249,139	0	7,781,741
62	6725	Legal	0	0	0	1,220,014	0	1,220,014
63	6726	Procurement	19,740	5,753	0	454,889	0	480,382
64	6727	Research and Development	0	0	0	1,511	0	1,511
65	6728	Other General and Administrative	(2,169,608)	(297,812)	8,865	11,117,311	0	8,658,756
66	6790	Provision for Uncollectible Notes Receivable	0	0	0	0	0	0
67	8747	Administrative Services Clearing	0	0	0	0	0	0
68		Totals	37,929,284	6,115,574	2,944,012	119,948,664	0	166,937,533

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^ Subaccount of the account marked with a \*.



## Pension Costs

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

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	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	7,508,994	8,123,158	-7.56%
8	Service cost	146,596	166,665	-12.04%
9	Interest Cost	567,059	541,650	4.69%
10	Plan participants' contributions	0	0	0.00%
11	Amendments	0	0	0.00%
12	Actuarial Gain	246,022	(728,245)	133.78%
13	Acquisition	0	0	0.00%
14	Benefits paid	(681,292)	(594,234)	-14.65%
14a	Special termination benefits	(21,979)	0	
15	Benefit obligation at end of year	7,765,400	7,508,994	3.41%
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	12,188,767	10,829,356	12.55%
18	Adjustment to match trust	0	(3,839)	
19	Actual return on plan assets	(279,806)	2,068,920	-113.52%
20	Acquisition	0	(6,963)	
21	Employer contribution	0	0	0.00%
22	Plan participants' contributions	0	0	0.00%
23	420 Transfer	(81,000)	(104,473)	22.47%
24	Benefits paid	(681,292)	(594,234)	-14.65%
25	Fair value of plan assets at end of year	11,146,669	12,188,767	-8.55%
26	<b>Funded Status</b>	3,381,269	4,679,773	-27.75%
27	Unrecognized net actuarial loss	(2,395,953)	(3,819,787)	37.28%
28	Unrecognized prior service cost	(252,398)	(317,091)	20.40%
29	Prepaid (accrued) benefit cost	732,918	542,895	35.00%
30				
31	<b>Weighted-average Assumptions as of Year End</b>			
32	Discount rate	7.75%	8.00%	-3.13%
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	<b>Components of Net Periodic Benefit Costs</b>			
37	Service cost	146,596	166,665	-12.04%
38	Interest cost	567,059	541,650	4.69%
39	Expected return on plan assets	(861,860)	(769,448)	-12.01%
40	Amortization of prior service cost	(62,414)	(63,524)	1.75%
41	Recognized net actuarial loss	(47,090)	0	
42	Net periodic benefit cost	(257,709)	(124,657)	-106.73%
43				
44	<b>Montana Intrastate Costs:</b>			
45	Pension Costs	(2,388)	(1,503)	-58.88%
46	Pension Costs Capitalized	(883)	(227)	-288.99%
47	Accumulated Pension Asset (Liability) at Year End	13,466	10,103	33.29%
48	<b>Number of Company Employees:</b>			
49	Covered by the Plan	82,966	86,326	-3.89%
50	Not Covered by the Plan	0	0	0.00%
51	Active	44,143	47,652	-7.36%
52	Retired	38,823	38,674	0.39%
53	Deferred Vested Terminated	15,139	14,511	4.33%

## Other Post Employment Benefits (OPEBS)

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: 90.12.86			
4	Order number: 5535g			
5	Amount recovered through rates	270	2,255	-88.03%
6	<b>Weighted-average Assumptions as of Year End</b>			
7	Discount rate	7.75%	8.00%	-3.13%
8	Expected return on plan assets	est 9.40%	8.80%	6.82%
9	Medical Cost Inflation Rate	8% 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	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13	VEBA - Yes 420 Transfer - No			
14	Cash - Yes			
15	<b>Describe any Changes to the Benefit Plan:</b> Eliminated coverage for management employees who had less			
16	than 20 years of service or who were not 3 years from being service pension eligible as of 12/31/00. For all			
16a	management retirees after 9/7/2000 future contributions towards medical coverage will be required.			
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
19	Benefit obligation at beginning of year	4,035,371	4,476,410	-9.85%
20	Service cost	38,675	55,184	-29.92%
21	Interest Cost	304,637	299,493	1.72%
22	Plan participants' contributions	-	-	0.00%
23	Amendments	(110,802)	3,311	-3446.48%
24	Actuarial Gain	58,516	(609,716)	109.60%
24a	Curtailment	(45,273)	-	
25	Acquisition	-	-	0.00%
26	Benefits paid	(231,124)	(189,311)	-22.09%
27	Benefit obligation at end of year	4,050,000	4,035,371	0.36%
28	<b>Change in Plan Assets</b>			
29	Fair value of plan assets at beginning of year	2,665,335	2,419,543	10.16%
29a	Adjustment to match trust	116,267	100,011	16.25%
30	Actual return on plan assets	(62,431)	526,787	-111.85%
31	Acquisition	-	(610)	100.00%
32	Employer contribution	16,000	18,000	-11.11%
32a	Life Trust Reimbursement	(282,000)	(209,085)	-34.87%
33	Plan participants' contributions	-	-	0.00%
34	Benefits paid	(231,124)	(189,311)	-22.09%
35	Fair value of plan assets at end of year	2,222,047	2,665,335	-16.63%
36	<b>Funded Status</b>	(1,827,953)	(1,370,036)	-33.42%
37	Unrecognized net actuarial loss	(604,475)	(1,340,018)	54.89%
38	Unrecognized prior service cost	(54,849)	117,077	-146.85%
39	Prepaid (accrued) benefit cost	(2,487,277)	(2,592,977)	4.08%
40	<b>Components of Net Periodic Benefit Costs</b>			
41	Service cost	38,675	55,184	-29.92%
42	Interest cost	304,637	299,493	1.72%
43	Expected return on plan assets	(249,025)	(212,920)	-16.96%
44	Amortization of prior service cost	6,215	13,370	-53.52%
45	Recognized net actuarial loss	(83,393)	(25,906)	-221.91%
46	Net periodic benefit cost	17,109	129,221	-86.76%
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA	16,000	18,000	-11.11%
49	Amount Funded through 401(h)	-	-	0.00%
50	Amount Funded through Other - 420 Transfer	81,000	104,473	-22.47%
51	TOTAL	97,000	122,473	-20.80%
52	Amount that was tax deductible - VEBA	16,000	18,000	-11.11%
53	Amount that was tax deductible - 401(h)	-	-	0.00%
54	Amount that was tax deductible - Other - 420 Transfer	-	-	0.00%
55	TOTAL	16,000	18,000	-11.11%

## Other Post Employment Benefits (OPEBS)Continued

(Thousands of Dollars) - Data as of 4/30/01

Year: 2000

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	85,917	84,464	1.72%
3	Not Covered by the Plan	0	0	0.00%
4	Active	49,197	47,652	3.24%
5	Retired	36,720	36,812	-0.25%
6	Spouses/Dependants covered by the Plan	22,549	22,674	-0.55%
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year	44,508	55,741	-20.15%
10	Service cost	531	736	-27.85%
11	Interest Cost	4,203	3,993	5.26%
12	Plan participants' contributions	0	0	0.00%
13	Amendments	117	178	-34.27%
14	Actuarial Gain	852	(12,316)	106.92%
14a	Curtailement	(651)	0	100.00%
15	Acquisition	0	0	0.00%
16	Benefits paid	(3,365)	(3,824)	12.00%
17	Benefit obligation at end of year	46,195	44,508	3.79%
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year	56,958	51,035	11.61%
19a	Adjustment to match trust	0	2,020	-100.00%
20	Actual return on plan assets	(909)	10,641	-108.54%
21	Acquisition	0	(12)	100.00%
22	Employer contribution	(1,090)	1,322	-182.45%
22a	Life Trust Reimbursement	(4,105)	(4,224)	2.82%
23	Plan participants' contributions	0	0	0.00%
24	Benefits paid	(3,365)	(3,824)	12.00%
25	Fair value of plan assets at end of year	47,489	56,958	-16.62%
26	<b>Funded Status</b>	1,294	12,450	-89.61%
27	Unrecognized net actuarial loss	(8,800)	(27,068)	67.49%
28	Unrecognized prior service cost	(798)	2,365	-133.74%
29	Prepaid (accrued) benefit cost	(8,304)	(12,253)	32.23%
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost	531	736	-27.85%
32	Interest cost	4,203	3,993	5.26%
33	Expected return on plan assets	(5,663)	(4,640)	-22.05%
34	Amortization of prior service cost	2,420	2,512	-3.66%
35	Recognized net actuarial loss	(1,221)	(345)	-253.91%
36	Net periodic benefit cost	270	2,256	-88.03%
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA	0	2,745	-100.00%
39	Amount Funded through 401(h)	0	0	0.00%
40	Amount Funded through other 420 Transfer	0	0	0.00%
41	TOTAL	0	2,745	-100.00%
42	Amount that was tax deductible - VEBA	0	2,745	-100.00%
43	Amount that was tax deductible - 401(h)	0	0	0.00%
44	Amount that was tax deductible - Other	0	0	0.00%
45	TOTAL	0	2,745	-100.00%
46	<b>Montana Intrastate Costs:</b>			
47	Benefit Cost Expensed	229	2,267	-89.90%
48	Benefit Cost Capitalized	41	(12)	441.67%
49	Benefit Payments - Medical	3,015	1,978	52.43%
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan	608	591	2.88%
52	Not Covered by the Plan	0	0	0.00%
53	Active	608	591	2.88%
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: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	ARIZONA DIAMOND BACKS	Advertising and Information Service	2,173		
2	ARNOLD WORLDWIDE INC	Advertising and Information Service	1,174		
3	CALDERA DESIGN	Advertising and Information Service	1,363		
4	CAMPBELL MITHUN ESTY INC	Advertising and Information Service	2,514		
5	CASH PLUS INC	Advertising and Information Service	38,140		
6	CMYK LLC	Advertising and Information Service	2,157		
7	COLORADO ROCKIES	Advertising and Information Service	2,786		
8	COLORADO ROCKIES BASEBALL CLUB	Advertising and Information Service	2,725		
9	CONSUMERWARE INC	Advertising and Information Service	11,863		
10	CRAMER-KRASSETT COMPANY	Advertising and Information Service	8,163		
11	DDB NEEDHAM WORLDWIDE	Advertising and Information Service	25,442		
12	HUNT DDBDIRECT	Advertising and Information Service	2,773		
13	INNOTRAC	Advertising and Information Service	1,935		
14	MEDIA PASSAGE.COM	Advertising and Information Service	14,720		
15	MINN HOCKEY VENTURES GROUP	Advertising and Information Service	1,500		
16	OLYMPIC PROPERTIES OF THE UNIT	Advertising and Information Service	5,000		
17	PEPSI CENTER	Advertising and Information Service	2,000		
18	PHNX SUNS LIMITED PARTNERSHIP	Advertising and Information Service	1,138		
19	PRECISION DIRECT INC	Advertising and Information Service	1,202		
20	SOLIS ADVERTISING & PUBLIC RELATIONS	Advertising and Information Service	1,591		
21	THE CONVERGENCY	Advertising and Information Service	1,868		
22	TMP WORLDWIDE	Advertising and Information Service	1,934		
23	U S WEST DEX	Advertising and Information Service	6,394		
24					
25	TOTAL ADVERTISING AND INFORMATION SERVICES		140,555		
26					
27					
28	ARTHUR ANDERSEN LLP	Audit and Accounting Service	680		
29	REGINAL F WIGHT & ASSOCIATES	Audit and Accounting Service	580		
30					
31	TOTAL AUDIT AND ACCOUNTING SERVICES		1,260		
32					
33					
34	AIMS LOGISTIC	Clerical and Office Service	75,085		
35	INNOTRAC	Clerical and Office Service	2,207		
36	STEELCASE	Clerical and Office Service	1,507		
37					
38	TOTAL CLERICAL AND OFFICE SERVICES		78,799		
39					
40					
41	AIC/TECHWEST ANALYST INTL	Computer and Data Processing Service	13,903		
42	AMERICAN MGMT SYSTEMS INC	Computer and Data Processing Service	5,151		
43	ANDERSEN CONSULTING LLP	Computer and Data Processing Service	4,493		
44	ENTEX INFORMATION SERVICES	Computer and Data Processing Service	3,424		
45	MCKINSEY & COMPANY INC	Computer and Data Processing Service	1,213		
46	NORTEL NETWORKS	Computer and Data Processing Service	1,259		
47	SCC COMMUNICATIONS CORP	Computer and Data Processing Service	9,980		
48	SMS/800 MANAGEMENT TEAM	Computer and Data Processing Service	1,122		
49	U S WEST COMMUNICATIONS	Computer and Data Processing Service	1,077		
50	XPEDIOR INC	Computer and Data Processing Service	1,194		
51					
52	TOTAL COMPUTER AND DATA PROCESSING SERVICES		42,816		
53					
54					
55	A G WASSENAAR INC	Consulting and Research Service	790		
56	AMERICAN MGMT SYSTEMS INC	Consulting and Research Service	1,782		
57	ANDERSEN CONSULTING LLP	Consulting and Research Service	14,077		
58	BELLCORE	Consulting and Research Service	101,781		
59	BOYLE & ASSOCIATES INC	Consulting and Research Service	837		
60	DIAMOND TECHNOLOGIES PARTNERS	Consulting and Research Service	1,857		
61	EYERIS INC	Consulting and Research Service	816		
62	MORRISSEY ENGINEERING INC	Consulting and Research Service	672		
63	POWER ENGINEERS	Consulting and Research Service	700		
64	RNL DESIGN	Consulting and Research Service	5,606		
65	SHG/SW INCORPORATED	Consulting and Research Service	721		
66	TELCORDIA TECHNOLOGIES INC	Consulting and Research Service	16,714		
67	THE ADKINS ASSOCIATION INC	Consulting and Research Service	1,139		
68	THE THOMPSON GROUP	Consulting and Research Service	966		
69	U S WEST INC	Consulting and Research Service	3,009		
70					
71	TOTAL CONSULTING AND RESEARCH SERVICES		151,467		
72					

Payments for Services to Persons Other Than Employees

(Thousands of Dollars)

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
73					
74	ACCENT SERVICE COMPANY INC	Financial Service	5,582		
75	ADVANTAGE RECEIVABLE SOLUTIONS	Financial Service	2,119		
76	BANK ONE ARIZONA - A667	Financial Service	702		
77	BOSTON EQUISERVE	Financial Service	1,476		
78	COLLECTION SERVICE BUREAU	Financial Service	536		
79	CONTINENTAL ALLIANCE INC	Financial Service	1,982		
80	CREDIT BUREAU OF MISSOULA	Financial Service	555		
81	EQUIFAX CREDIT INFORMATION SERVICES	Financial Service	9,941		
82	FIRST DATA CORPORATION	Financial Service	3,993		
83	FIRST SECURITY COMMERCIAL BANK	Financial Service	538		
84	MERRILL CORPORATION	Financial Service	2,115		
85	NATIONWIDE CREDIT INC.	Financial Service	814		
86	NORWEST BANK MINNESOTA NA	Financial Service	1,352		
87	SEAFIRST BANK	Financial Service	577		
88	WCI FINANCIAL SERVICES	Financial Service	1,471		
89					
90	TOTAL FINANCIAL SERVICES		33,753		
91					
92					
93	CITIZENS FOR A SOUND ECONOMY	Membership Fees and Dues	100		
94	CITIZENS VICTORY FUND	Membership Fees and Dues	125		
95	DEMOCRATIC NATIONAL COMMITTEE	Membership Fees and Dues	75		
96	DNVR METRO CHAMBER OF COMMERCE	Membership Fees and Dues	125		
97	GREATER DES MOINES PARTNERSHIP	Membership Fees and Dues	90		
98	GREATER PHOENIX ECON COUNCIL	Membership Fees and Dues	101		
99	GREATER SEATTLE CHAMBER OF COMM	Membership Fees and Dues	62		
100	IOWA TELECOM ASSOCIATION	Membership Fees and Dues	124		
101	MINNESOTA TELEPHONE ASSOCIATION	Membership Fees and Dues	106		
102	REPUBLICAN NATIONAL STATE	Membership Fees and Dues	130		
103	UNITED STATES TELEPHONE ASSN	Membership Fees and Dues	855		
104	WASHINGTON ROUNDTABLE	Membership Fees and Dues	59		
105					
106	TOTAL MEMBERSHIP FEES AND DUES		1,952		
107					
108					
109	SNELLING PERSONNEL SERVICES	Personnel Service	6,279		
110	TECHNOLOGY STAFFING RESOURCES	Personnel Service	1,882		
111					
112	TOTAL PERSONNEL SERVICES		8,161		
113					
114					
115	XEROX CORPORATION	Printing and Design Service	14,717		
116					
117	TOTAL PRINTING AND DESIGN SERVICES		14,717		
118					
119					
120	APG SECURITY INC	Security Service	1,217		
121	BURNS INTERNATIONAL SECURITY	Security Service	3,053		
122					
123	TOTAL SECURITY SERVICES		4,270		
124					
125					
126	CONTRIBUTIONS		775		
127					
128					
129	GRAND TOTAL		478,525		
130					
131					
132					
133					

**Subscriber Line Usage Data**

(Thousands of Minutes)

Year: 2000

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%	1,927,242	20.46%
3	Interstate, IntraLATA	376	0.00%	729	0.01%
4	<b>Total Interstate Usage</b>	1,778,199	15.83%	1,927,970	20.47%
5	Intrastate, InterLATA	514,429	4.58%	502,930	5.34%
6	Intrastate, IntraLATA	140,527	1.25%	284,210	3.02%
7	<b>Total Intrastate Usage</b>	654,956	5.83%	787,141	8.36%
8	<b>Total Toll Usage</b>	2,433,154	21.66%	2,715,111	28.83%
9	Centrex *				
10	Local	8,802,764	78.34%	6,703,172	71.17%
11	<b>Total Minutes</b>	11,235,918	100.00%	9,418,283	100.00%

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

Central Office and Access Line Statistics

Year: 2000

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%	868
2	ANACONDA	ELECTRIC											100.0%	4,733
3	BELGRADE	ELECTRIC											100.0%	6,801
4	BILLINGS MAIN	ELECTRIC											100.0%	51,106
5	BILLINGS WEST	ELECTRIC											100.0%	23,206
6	BOULDER	ELECTRIC											100.0%	1,007
7	BOZEMAN	ELECTRIC											100.0%	33,714
8	BRIDGER	ELECTRIC											100.0%	673
9	BUTTE	ELECTRIC											100.0%	14,154
10	BUTTE SOUTH	ELECTRIC											100.0%	7,763
11	CANYON FERRY	ELECTRIC	WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY										100.0%	863
12	CASCADE	ELECTRIC											100.0%	1,007
13	CLANCY	ELECTRIC											100.0%	1,157
14	CLYDE PARK	ELECTRIC											100.0%	539
15	COLSTRIP	ELECTRIC											100.0%	1,403
16	COLUMBUS	ELECTRIC											100.0%	2,016
17	CONRAD	ELECTRIC											100.0%	2,256
18	COOKE CITY	ELECTRIC											100.0%	258
19	CORVALLIS	ELECTRIC											100.0%	3,211
20	CUT BANK	ELECTRIC											100.0%	2,475
21	DARBY	ELECTRIC											100.0%	1,923
22	DEER LODGE	ELECTRIC											100.0%	2,619
23	DILLON	ELECTRIC											100.0%	4,440
24	DUTTON	ELECTRIC											100.0%	298
25	EAST GLACIER PARK	ELECTRIC											100.0%	426
26	EAST HELENA	ELECTRIC											100.0%	4,289
27	FAIRVIEW	ELECTRIC											100.0%	209
28	FORSYTH	ELECTRIC											100.0%	1,573
29	FRENCHTOWN	ELECTRIC											100.0%	1,883
30	FROMBERG	ELECTRIC											100.0%	414
31	Subtotal Page 1													177,284

Central Office and Access Line Statistics

Year: 2000

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%	1,156
2	GARDINER	ELECTRIC											100.0%	1,140
3	GLENDIVE	ELECTRIC											100.0%	2,275
4	GREAT FALLS	ELECTRIC											100.0%	44,161
5	HAMILTON	ELECTRIC											100.0%	7,785
6	HARDIN	ELECTRIC											100.0%	2,517
7	HAVRE	ELECTRIC											100.0%	7,523
8	HELENA MAIN	ELECTRIC											100.0%	30,177
9	HELENA NORTH	ELECTRIC											100.0%	3,254
10	JOLIET	ELECTRIC											100.0%	1,092
11	LAUREL	ELECTRIC	WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY										100.0%	4,908
12	LEWISTOWN	ELECTRIC											100.0%	5,920
13	LIVINGSTON	ELECTRIC											100.0%	7,479
14	LOLO	ELECTRIC											100.0%	4,204
15	MANHATTAN	ELECTRIC											100.0%	1,267
16	MILES CITY	ELECTRIC											100.0%	6,797
17	MILLTOWN	ELECTRIC											100.0%	1,422
18	MISSOULA MAIN	ELECTRIC											100.0%	47,352
19	MISSOULA SOUTH	ELECTRIC											100.0%	5,638
20	OPPORTUNITY	ELECTRIC											100.0%	451
21	PARK CITY	ELECTRIC											100.0%	818
22	POWELL	ELECTRIC											100.0%	2
23	PRAY	ELECTRIC											100.0%	917
24	RED LODGE	ELECTRIC											100.0%	3,133
25	ROBERTS	ELECTRIC											100.0%	358
26	SHELBY	ELECTRIC											100.0%	2,185
27	SHEPHERD	ELECTRIC											100.0%	1,617
28	SIDNEY	ELECTRIC											100.0%	3,073
29	ST MARY	ELECTRIC											100.0%	335
30	STEVENSVILLE	ELECTRIC											100.0%	4,830
31	Subtotal Page 2													203,786



Central Office and Access Line Statistics

Year: 2000

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%	79
2	THREE FORKS	ELECTRIC											100.0%	1,747
3	TOWNSEND	ELECTRIC											100.0%	2,038
4	ULM	ELECTRIC											100.0%	386
5	VAUGHN	ELECTRIC											100.0%	1,169
6	VICTOR	ELECTRIC											100.0%	1,708
7	WARM SPRINGS	ELECTRIC											100.0%	245
8	WEST GLACIER	ELECTRIC	WIRE CENTER DETAIL IS PROVIDED UNDER SEPARATE COVER AS PROPRIETARY										100.0%	535
9	WEST YELLOWSTONE	ELECTRIC											100.0%	2,083
10	WHITEHALL	ELECTRIC											100.0%	1,863
11	WIBAUX	ELECTRIC											100.0%	241
12	WILLSALL	ELECTRIC											100.0%	402
13	WOLF CREEK	ELECTRIC											100.0%	338
14														
15														
16														
17														
18														
19														
20	Subtotal Page 3													12,834
21														
22	MONTANA		251,235	8	0	7,170	8,818	11,801	63,605	1,656	2,619	46,992		393,904

## Central Office and Switch Information

Year: 2000

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	845	1993
2	Anaconda	Remote/Helena Host	Digital	ERSN	AXE/RSS	4,703	1992
3	Belgrade	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	6,762	1984
4	Billings Main	Stand Alone	Digital	LUCENT	5ESS	49,629	1994
5	Billings Main	Host Only	Digital	ERSN	AXE	0	1991
6	Billings Main	STP	Digital	ERSN	AXE/STP	0	1992
7	Billings West	Lines/Host	Digital	LUCENT	5ESS	23,045	1985
8	Billings West	Packet (Unreg)	Digital	NTI	DPN100	0	1993
9	Boulder	Remote/Helena Host	Digital	ERSN	AXE/RSS	981	1992
10	Bozeman	Lines/Host	Digital	LUCENT	5ESS	33,297	1984
11	Bozeman	STP	Digital	ERSN	AXE/STP	0	1992
12	Bridger	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	659	1993
13	Butte Main	Lines/Host	Digital	LUCENT	5ESS	13,989	1990
14	Butte South	Remote/Butte	Digital	LUCENT	5ESS/ORM	7,717	1995
15	Canyon Ferry	Remote/Helena Host	Digital	ERSN	AXE/RSS	848	1992
16	Cascade	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	992	1994
17	Clancy	Remote/Helena Host	Digital	ERSN	AXE/RSS	1,129	1992
18	Clyde Park	Remote/Livingston	Digital	ERSN	AXE/RSS	517	1992
19	Colstrip	Remote/Billings	Digital	LUCENT	5ESS/RSM	1,370	1997
20	Columbus	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	1,980	1992
21	Conrad	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	2,230	1994
22	Cooke City	Remote/Livingston	Digital	ERSN	AXE/RSS	243	1992
23	Corvallis	Remote/Hamilton	Digital	ERSN	AXE/RSS	3,186	1991
24	Cut Bank	Remote/Shelby	Digital	ERSN	AXE/RSS	2,454	1994
25	Darby	Remote/Hamilton	Digital	ERSN	AXE/RSS	1,897	1991
26	Deer Lodge	Remote/Helena Host	Digital	ERSN	AXE/RSS	2,579	1990
27	Dillon	Remote/Helena Host	Digital	ERSN	AXE/RSS	4,398	1992
28	Dutton	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	283	1994
29	East Glacier	Remote/Shelby	Digital	ERSN	AXE/RSS	411	1993
30	East Helena	Remote/Helena	Digital	LUCENT	5ESS/RSM	4,269	1988
31	Fairview	Remote/Glendive	Digital	ERSN	AXE/RSS	439	1993
32	Forsyth	Remote/Miles City	Digital	ERSN	AXE/RSS	1,542	1992
33	Frenchtown	Remote/Missoula	Digital	LUCENT	5ESS/RSM	1,863	1990
34	Fromberg	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	392	1993
35	Gallatin Gateway	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,138	1993
36	Gardiner	Remote/Livingston	Digital	ERSN	AXE/RSS	1,115	1991
37	Glendive Main	Lines/Host	Digital	ERSN	AXE	2,133	1992
38	Great Falls	Lines/Host	Digital	LUCENT	5ESS	43,599	1987
39	Great Falls	Packet (Unreg)	Digital	NTI	DPN100	0	1993
40	Hamilton	Lines/Host	Digital	ERSN	AXE	7,719	1991
41	Hardin	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	2,492	1992
42	Havre	Stand Alone	Digital	ERSN	AXE	7,455	1991
43	Helena Main	Lines/Host	Digital	LUCENT	5ESS	28,940	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	Digital	LUCENT	5ESS/RSM	3,242	1988

Central Office and Switch Information

Year: 2000

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 Only	Digital	ERSN	AXE/RSS	1,070	1993
48	Laurel	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	4,848	1992
49	Lewistown	Stand Alone	Digital	ERSN	AXE	5,865	1993
50	Livingston	Lines/Host	Digital	ERSN	AXE	7,407	1992
51	Lolo	Remote/Missoula	Digital	LUCENT	5ESS/RSM	4,179	1993
52	Manhattan	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,249	1993
53	Miles City	Lines/Host	Digital	ERSN	AXE	6,731	1992
54	Milltown	Remote/Missoula	Digital	LUCENT	5ESS/RSM	1,401	1993
55	Missoula Main	Lines/Host	Digital	LUCENT	5ESS	46,019	1986
56	Missoula Main	STP	Digital	ERSN	AXE/STP	0	1992
57	Missoula South	Remote/Missoula	Digital	LUCENT	5ESS/ORM	5,618	1993
58	Opportunity	Remote/Helena Host	Digital	ERSN	AXE/RSS	438	1992
59	Park City	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	794	1992
60	Pray	Remote/Livingston	Digital	ERSN	AXE/RSS	893	1990
61	Red Lodge	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	3,104	1992
62	Roberts	Remote/Billings Host Only	Digital	ERSN	AXE/RSS	334	1993
63	Saint Mary	Remote/Shelby	Digital	ERSN	AXE/RSS	318	1993
64	Shelby	Lines/Host	Digital	ERSN	AXE	2,140	1993
65	Shepherd	Remote/Billings West W/OSPS	Digital	LUCENT	5ESS/RSM	1,593	1985
66	Sidney	Remote/Glendive	Digital	ERSN	AXE/RSS	3,055	1993
67	Stevensville	Remote/Hamilton	Digital	ERSN	AXE/RSS	4,797	1991
68	Terry	Remote/Miles City	Digital	ERSN	AXE/RSS	59	1994
69	Three Forks	Remote/Bozeman	Digital	LUCENT	5ESS/RSM	1,725	1993
70	Townsend	Remote/Helena Host	Digital	ERSN	AXE/RSS	2,010	1992
71	Ulm	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	370	1993
72	Vaughn	Remote/Great Falls	Digital	LUCENT	5ESS/RSM	1,154	1993
73	Victor	Remote/Hamilton	Digital	ERSN	AXE/RSS	1,683	1991
74	Warm Springs	Remote/Helena Host	Digital	ERSN	AXE/RSS	231	1992
75	West Glacier	Remote/Shelby	Digital	ERSN	AXE/RSS	510	1993
76	W. Yellowstone	Remote/Livingston	Digital	ERSN	AXE/RSS	2,051	1991
77	Whitehall	Remote/Helena Host	Digital	ERSN	AXE/RSS	1,838	1992
78	Wibaux	Remote/Glendive	Digital	ERSN	AXE/RSS	228	1994
79	Wilsall	Remote/Livingston	Digital	ERSN	AXE/RSS	381	1992
80	Wolf Creek	Remote/Helena Host	Digital	ERSN	AXE/RSS	319	1992

**Construction Budget-Montana**

(Thousands of Dollars)

Year: 2000

Line No.	Description (a)	Year 2001 (b)
1	<b>Central Office Assets:</b>	
2	Switching	
3	MT Belgrade 5ESS: Replace 5RSM with 5ESS Host Swit	3,768
4	Billings Main C.O.-Add Power Capacity and AC Dist	650
5	MT Billings Main 5ESS add Dual Fabric	523
6	MT Billings Main 5ESS: 100 PRI 140 DS1's	1,058
7	MT Billings West 5ESS: 20 PRI 280 DS1's	1,013
8	UL_MT Billings Main 5ESS: 60 PRI 60 DS1's	518
9	UL_MT Bozeman 5ESS: 80 PRI 80 MSG DS1's	744
10	UL_MT Butte Main 5ESS: 60PRI 60 MSG DS1's	560
11	UL_MT Great Falls 5ESS: 100 PRI 100 DS1's	934
12	MT Helena 5ESS: 120 PRI 140 DS1's	913
13	UP_MT Missoula 5ESS: 80 PRI 280 DS1's	1,003
14	Montana-2001 Capitalization of Plug-in-Equipment	1,000
15	2001 MT/Right-to-Use (RTU) Software State Estimate	2,315
16	Total Switching	14,999
17		
18	Circuit Equipment	
19	BLNGMTMA - GLND OC48 Addition	1,201
20	2001-OC48-BLNGMTMA - to - GLNDMTMA-FUJITSU	948
21	OC 192 MSSSL / GRSNMT01 / & HLNA	1,504
22	Montana-2001 Capitalization of Plug-in Equipment	1,045
23	Total Circuit Equipment	4,698
24	Total Switching and Central Office Projects over \$500,000	19,697
25	Miscellaneous Central Office Projects not over \$500,000	13,613
26	<b>Total Central Office Budget (L.24+L.25)</b>	<b>33,310</b>
27	Other Projects over \$500,000:	
28		
29	Outside Plant	
30	Growth and Preservation	13,300
31	Montana-2001 Capitalization of Plug-In Equipment	1,745
32		
33		
34		
35		
36		
37		
38	Total Other Projects over \$500,000	15,045
39	Miscellaneous Projects not over \$500,000	15,897
40	<b>Total Construction Budget (L.26+L.38+L.39)*</b>	<b>64,252</b>

\*An additional \$1.2 billion is included in the estimated 2001 Capital Expenditures for Qwest Corp but not specifically budgeted to a state.

Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Enterprise Networking Svcs	2	
2	BGS-Finance & Operations	1	
3	BGS-Operations	7	
4	BGS-CCS/Centers for Customer Service		1
5	BGS-CPE Operations		6
6	Center for Customer Service	146	
7	CMC Residence Helena	78	
8	CMC Residence Staff	1	
9	Communications-Merger Related		1
10	Executive	4	2
11	Field Inventory Management	2	
12	Finance		82
13	Fleet Services	6	6
14	GB Alternative Chnl & Gov Mk		3
15	Local Network Operations Staff	110	
16	Network Complex Services	93	100
17	Network Operations		2
18	Network Services ID, MT, IA, ND	119	235
19	Public Policy	10	9
20	Publishing	1	
21	Real Estate	10	10
22	Real Estate Asset Management		2
23	Risk Management	1	1
24	Small Business Service Delivery		148
25	Other Affiliates	0	61
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	Note: At the end of the year, there were 56 construction technicians included in the		
40	Network totals. There is not a job category for splicer.		
41	Totals (Sum L.1 to L.40)	591	669

Compensation of Top 10 Montana Based Employees

Year: 2000

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	<b>THIS INFORMATION IS PROPRIETARY AND FILED UNDER SEPARATE COVER</b>						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	Totals (Sum L.1 to L.10)	0	0	0	0	0	N/A

PROPRIETARY

Compensation of Top 5 Corporate Employees - SEC Information

Year: 2000

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	Joseph P. Nacchio Chairman and Chief Executive Officer	\$854,615	\$1,963,736	\$1,114,158	\$3,932,509	\$4,898,575	-19.7%
2	Afshin Mohebbi President - Worldwide Operations	\$561,058	\$636,414	\$234,404	\$1,431,876	\$935,877	53.0%
3	Stephen M. Jacobsen Executive Vice President - Global Business Markets	\$350,000	\$402,804	\$2,824,480	\$3,577,284	\$459,605	678.3%
4	Lewis O. Wilks Executive Vice President - Internet Business Development and Chief Strategy Officer	\$334,615	\$365,471	\$1,414	\$701,500	\$603,361	16.3%
5	Drake S. Tempest Executive Vice President, General Counsel and Chief Administrative Officer	\$298,077	\$289,387	\$4,284	\$591,748	\$774,984	-23.6%
6	Totals (Sum L.1 to L.5)	\$2,398,365	\$3,657,812	\$4,178,740	\$10,234,917	\$7,672,402	

## Montana Composite Statistics

Year: 2000

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	558,335
3	2003-2004	Construction Work in Progress	9,593
4	2005	Plant Acquisition Adjustments	0
5	2002	Plant Held for Future Use	0
6	1220	Materials & Supplies	537
7		(Less):	
8	3100-3400	Depreciation & Amortization Reserves	307,168
9	4360.2	Contributions in Aid of Construction	(986)
10		NET BOOK COSTS	262,283
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000-5300	Operating Revenues	176,607
13	6560	Depreciation & Amortization Expenses	40,340
14		Federal & State Income Taxes	18,866
15		Other Taxes	7,450
16		Other Operating Expenses	69,858
17		TOTAL Operating Expenses	136,514
18		Net Operating Income	40,092
19		Other Income	(4,630)
20		Other Deductions	4,481
21		NET INCOME	30,981
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	267,231
24		Business Access Lines	104,639
25		PBX Access Lines	17,759
26		Other Access Lines (Public)	4,275
27		Total Number of Access Lines	393,904
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	2,388
30		Toll Calls (Intra- or Interstate)	496
31		Total Number of Calls Per Access Line (L.29 + L.30)	2,884
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	18.41
34		Gross Plant Investment per Access Line	1,443



**Depreciation-Montana Intrastate Regulated**

(Thousands of Dollars)

Year: 2000

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%	19
4	2116	Other Work Equipment	9.4%	249
5	2121	Buildings	3.7%	1,049
6	2122	Furniture	170.4%	19
7	2123.1	Office Support Equipment	18.0%	29
8	2123.2	Company Communications Equipment	121.0%	303
9	2124	General Purpose Computers	19.3%	944
10	2211	Analog Electronic Switching Equipment	0.0%	0
11	2212	Digital Electronic Switching Equipment	13.1%	16,173
12	2220	Operator System	0.0%	0
13	2231	Radio Systems	10.9%	923
14	2232	Circuit DDS	8.5%	67
15	2232	Circuit Digital	10.9%	8,005
16	2232	Circuit Analog	17.0%	1,669
17	2362	Other Terminal Equipment	10.7%	423
18	2411	Poles	11.0%	510
19	2421	Aerial Cable Metallic	11.5%	2,680
20	2421	Aerial Cable Nonmetallic	9.9%	8
21	2422	Underground Cable Metallic	7.3%	1,687
22	2422	Underground Cable Nonmetallic	6.4%	414
23	2423	Buried Cable Metallic	6.3%	11,910
24	2423	Buried Cable Nonmetallic	6.2%	1,714
25	2424	Submarine Cable Metallic	2.2%	0
26	2424	Submarine Cable Nonmetallic	0.0%	0
27	2426	Intrabuilding Network Cable Metallic	3.5%	178
28	2426	Intrabuilding Network Cable Nonmetallic	3.6%	5
29	2431	Aerial Wire	0.0%	0
30	2441	Conduit Systems	2.3%	339
31				
32				
33				
34				
35		<b>COMPOSITE TOTAL</b>		<b>49,321</b>
36				
37	Have these rates been approved by the Commission? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	4.9%	347
2	2114	Special Purpose Vehicles	5.8%	8
3	2115	Garage Work Equipment	10.5%	21
4	2116	Other Work Equipment	5.3%	51
5	2121	Buildings	3.4%	880
6	2122	Furniture	20.8%	(15)
7	2123.1	Office Support Equipment	10.6%	6
8	2123.2	Company Communications Equipment	8.3%	(328)
9	2124	General Purpose Computers	0.2%	(852)
10	2211	Analog Electronic Switching Equipment	0.0%	0
11	2212	Digital Electronic Switching Equipment	7.1%	908
12	2220	Operator System	0.0%	0
13	2231	Radio Systems	11.2%	981
14	2232	Circuit DDS	11.7%	121
15	2232	Circuit Digital	11.2%	8,350
16	2232	Circuit Analog	24.0%	2,084
17	2362	Other Terminal Equipment	13.1%	599
18	2411	Poles	10.1%	427
19	2421	Aerial Cable Metallic	6.8%	525
20	2421	Aerial Cable Nonmetallic	11.6%	8
21	2422	Underground Cable Metallic	6.3%	1,227
22	2422	Underground Cable Nonmetallic	6.6%	439
23	2423	Buried Cable Metallic	4.6%	5,570
24	2423	Buried Cable Nonmetallic	6.2%	1,714
25	2424	Submarine Cable Metallic	2.4%	1
26	2424	Submarine Cable Nonmetallic	0.0%	0
27	2426	Intrabuilding Network Cable Metallic	4.1%	237
28	2426	Intrabuilding Network Cable Nonmetallic	7.8%	15
29	2431	Aerial Wire	0.0%	0
30	2441	Conduit Systems	2.1%	280
31				
32				
33				
34				
35		<b>COMPOSITE TOTAL</b>		23,604
36				
37	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
38				
39	If yes: 96.8.131 <u>Docket Number</u> 5937c <u>Order Number</u>			
40				

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: 2000**

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	<b>Total</b>	<b>100.00%</b>		<b>10.44%</b>
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity (Note 1)	48.22%	12.00%	5.79%
13	Preferred Stock	0.00%	0.00%	0.00%
14	Long Term Debt	45.11%	7.72%	3.48%
15	Other	6.67%	7.00%	0.47%
16	<b>Total</b>	<b>100.00%</b>		<b>9.74%</b>

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

**SCHEDULE 32**

**Network Access - Charges and Revenues**

**(Thousands of Dollars)**

**Year: 2000**

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State	5,151	101,109
2			
3	Montana - Intrastate	3,556	24,141
4			
5	Montana - Intrastate Regulated	3,556	19,322
6			
7			
8			
9			
10			
11			
12			
13			



Affiliate Transactions - Products & Services Provided to Utility

Year: 2000

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	ADVERTISING	FDC	533,676		-
2	Qwest Interprise America	COMMON SUPPORT	FDC	4,620,655		101,471
3	Qwest Interprise America	CORPORATE COMMUNICATIONS	FDC	582,817		13,582
4		<b>FDC</b>		<b>5,737,148</b>		<b>115,053</b>
5	Qwest Interprise America	EQUIPMENT/MATERIEL	PCP	2,080,554		42,003
6		<b>PCP</b>		<b>2,080,554</b>		<b>42,003</b>
7		<b>TOTAL</b>		<b>7,817,702</b>	<b>0.78%</b>	<b>157,056</b>
8	Qwest Advanced Technologies	PLANNING AND SUPPORT	FDC	15,852,858		365,092
9	Qwest Advanced Technologies	POST EMPLOYMENT BENEFITS	FDC	211,280		4,378
10	Qwest Advanced Technologies	SHARED SUPPORT	FDC	21,802		477
11	Qwest Advanced Technologies	TRAINING	FDC	4,781		102
12		<b>FDC</b>		<b>16,090,721</b>		<b>370,049</b>
13		<b>TOTAL</b>		<b>16,090,721</b>	<b>55.66%</b>	<b>370,049</b>
14	Qwest Broadband Services	MARKETING	FDC	30,932		-
15		<b>FDC</b>		<b>30,932</b>		-
16		<b>TOTAL</b>		<b>30,932</b>	<b>0.00%</b>	-
17	Qwest Business Resources	FLIGHT - PROCUREMENT	FDC	1,691,876		23,226
18	Qwest Business Resources	MISCELLANEOUS	FDC	(1,291,157)		(14,872)
19	Qwest Business Resources	POST EMPLOYMENT BENEFITS	FDC	1,233,140		26,779
20	Qwest Business Resources	PROCUREMENT	FDC	34,439,925		779,305
21		<b>FDC</b>		<b>36,073,784</b>		<b>814,438</b>
22	Qwest Business Resources	LEASED SPACE	PCP	4,440,688		73,711
23	Qwest Business Resources	OPERATING EXPENSE	PCP	2,090,970		31,452
24	Qwest Business Resources	SHARED SPACE	PCP	330,105		6,927
25		<b>PCP</b>		<b>6,861,763</b>		<b>112,090</b>
26		<b>TOTAL</b>		<b>42,935,547</b>	<b>55.54%</b>	<b>926,528</b>
27	Qwest Communications Services	ADVERTISING	FDC	4,140		6
28	Qwest Communications Services	MARKETING LB REG	FDC	48,902,820		1,073,885
29	Qwest Communications Services	POST EMPLOYMENT BENEFITS	FDC	300,251		6,522

Part 32 requires that affiliates bill QC at the lower of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending upon the outcome of the pricing audit.

Affiliate Transactions - Products & Services Provided to Utility

Year: 2000

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 Communications Services	SHARED SPACE	FDC	178		3
2		<b>FDC</b>		<b>49,207,389</b>		<b>1,080,416</b>
3	Qwest Communications Services	EQUIPMENT/MATERIEL	PCP	1,185,347		4,802
4	Qwest Communications Services	SHARED SPACE	PCP	95,877		1,701
5		<b>PCP</b>		<b>1,281,224</b>		<b>6,503</b>
6		<b>TOTAL</b>		<b>50,488,613</b>	<b>0.00%</b>	<b>1,086,919</b>
7	Qwest Dex	ADVERTISING	PCP	11,711,282		255,246
8	Qwest Dex	MISCELLANEOUS	PCP	21,114		443
9	Qwest Dex	PHONE SERV PAGES	PCP	1,282,666		28,033
10	Qwest Dex	POST EMPLOYMENT BENEFITS	PCP	27,591		599
11		<b>PCP</b>		<b>13,042,653</b>		<b>284,322</b>
12		<b>TOTAL</b>		<b>13,042,653</b>	<b>0.50%</b>	<b>284,322</b>
13	Qwest Federal Services	DUES/SOFTWARE	FDC	7,495		160
14	Qwest Federal Services	SHARED SUPPORT	FDC	755,522		16,693
15		<b>FDC</b>		<b>763,017</b>		<b>16,853</b>
16		<b>TOTAL</b>		<b>763,017</b>	<b>0.00%</b>	<b>16,853</b>
17	Qwest Services Corporation	AUTO LIABILITY INSURANCE	FDC	2,034,240		43,521
18	Qwest Services Corporation	GENERAL LIABILITY INSURANCE	FDC	1,981,255		42,373
19	Qwest Services Corporation	HEADQUARTERS	FDC	109,651,570		2,332,734
20	Qwest Services Corporation	LEGAL - DIRECT	FDC	27,547,850		583,446
21	Qwest Services Corporation	POST EMPLOYMENT BENEFITS	FDC	329,504		7,034
22	Qwest Services Corporation	WORKERS COMPENSATION	FDC	4,373,966		105,254
23		<b>FDC</b>		<b>145,918,385</b>		<b>3,114,362</b>
24		<b>TOTAL</b>		<b>145,918,385</b>	<b>0.00%</b>	<b>3,114,362</b>
25	Qwest Information Technologies	CORPORATE CALLING CARDS	FDC	165,965		3,522
26	Qwest Information Technologies	INFORMATION MGMT SERVICES	FDC	521,541,260		11,029,706
27		<b>FDC</b>		<b>521,707,225</b>		<b>11,033,228</b>
28	Qwest Information Technologies	SHARED SPACE	FMV	29,652,027		625,967
29		<b>FMV</b>		<b>29,652,027</b>		<b>625,967</b>

Part 32 requires that affiliates bill QC at the lower of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending upon the outcome of the pricing audit.

Affiliate Transactions - Products & Services Provided to Utility

Year: 2000

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		<b>TOTAL</b>		<b>551,359,252</b>	<b>90.76%</b>	<b>11,659,195</b>
2	LCI	EXECUTIVE MANAGEMENT	FDC	320,366		4,897
3	LCI	FINANCE	FDC	483,403		7,362
4	LCI	GENERAL SERVICES	FDC	1,293,429		19,636
5	LCI	HUMAN RESOURCES	FDC	33,770		514
6	LCI	INTERIM PRODUCT MGMNT	FDC	1,204,062		18,285
7	LCI	LEGAL	FDC	825,365		14,885
8		<b>FDC TOTAL</b>		<b>4,160,395</b>		<b>65,579</b>
9		<b>TOTAL</b>		<b>4,160,395</b>	<b>0.00%</b>	<b>65,579</b>
10	Qwest Long Distance	MISCELLANEOUS	FDC	6,953		151
11		<b>FDC</b>		<b>6,953</b>		<b>151</b>
12	Qwest Long Distance	CORPORATE COMMUNICATIONS	PCP	11,321,004		237,289
13		<b>PCP</b>		<b>11,321,004</b>		<b>237,289</b>
14		<b>TOTAL</b>		<b>11,327,957</b>	<b>43.00%</b>	<b>237,440</b>
15	National Telecomm Alliance	NATIONAL SECUR EMER PREP	PCP	1,812,839		47,167
16		<b>PCP</b>		<b>1,812,839</b>		<b>47,167</b>
17		<b>TOTAL</b>		<b>1,812,839</b>	<b>0.00%</b>	<b>47,167</b>
18	Qwest Communications Corporation	ADMINISTRATIVE	FDC	23,799		364
19	Qwest Communications Corporation	EXECUTIVE MANAGEMENT	FDC	160,183		2,449
20	Qwest Communications Corporation	FINANCE	FDC	183,707		2,798
21	Qwest Communications Corporation	GENERAL SERVICES	FDC	1,385,375		21,033
22	Qwest Communications Corporation	HUMAN RESOURCES	FDC	26,272		400
23	Qwest Communications Corporation	INFORMATION TECH SERVICES	FDC	4,553,601		69,456
24	Qwest Communications Corporation	INTERIM PRODUCT MGMNT	FDC	1,233,643		18,734
25	Qwest Communications Corporation	LEASE OF FIBER OPTIC	FDC	50,468		-
26	Qwest Communications Corporation	USE OF TEST EQUIPMENT	FDC	63,107		963
27		<b>FDC</b>		<b>7,680,155</b>		<b>116,197</b>
28	Qwest Communications Corporation	AUDIO CONFERENCING	PCP	873,504		13,324
29		<b>PCP</b>		<b>873,504</b>		<b>13,324</b>

Part 32 requires that affiliates bill QC at the lower of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending upon the outcome of the pricing audit.

**Affiliate Transactions - Products & Services Provided to Utility**

**Schedule 33**

**Affiliate Transactions - Products & Services Provided to Utility**

**Year: 2000**

<b>Line No.</b>	<b>Affiliate Name (a)</b>	<b>Products &amp; Services (b)</b>	<b>Method to Determine Price (c)</b>	<b>Charges to Utility (d)</b>	<b>% Total Affil. Revenues (e)</b>	<b>Charges to MT Utility (f)</b>
1		<b>TOTAL</b>		<b>8,553,659</b>		<b>129,521</b>
2	Qwest Wireless, LLC	ISS USAGE	PCP	11,371		-
3	Qwest Wireless, LLC	OCS USAGE	PCP	7,452,730		-
4	Qwest Wireless, LLC	WIRELESS SERVICES	PCP	1,001,374		-
5		<b>PCP</b>		<b>8,465,475</b>		<b>-</b>
6		<b>TOTAL</b>		<b>8,465,475</b>	<b>2.59%</b>	<b>-</b>
7						
8		<b>GRAND TOTAL</b>		<b>862,767,147</b>		<b>18,094,991</b>
9						
10						
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29						
30						

Part 32 requires that affiliates bill QC at the lower of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending upon the outcome of the pricing audit.



**Affiliate Transactions - Products & Services Provided by Utility**

Year: 2000

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	FAIR COMPENSATION	FCP	10,527,892		228,982
2		<b>FCP</b>		<b>10,527,892</b>		<b>228,982</b>
3	Qwest Interprise America	ADMINISTRATIVE	FDC	301,106		(266)
4	Qwest Interprise America	BILLING & COLLECTIONS	FDC	3,243,379		36,119
5	Qwest Interprise America	FINANCE	FDC	442,453		9,367
6	Qwest Interprise America	GENERAL SERVICES	FDC	9,961,193		176,427
7	Qwest Interprise America	HUMAN RESOURCES	FDC	356,640		7,553
8	Qwest Interprise America	INFORMATION TECH SERVICES	FDC	749,774		15,873
9	Qwest Interprise America	MARKETING	FDC	49,646		1,081
10	Qwest Interprise America	MISCELLANEOUS	FDC	968		20
11	Qwest Interprise America	PUBLIC RELATIONS	FDC	66,050		1,398
12	Qwest Interprise America	SECURITY	FDC	990		21
13	Qwest Interprise America	SHARED SPACE	FDC	4,332,304		(38,947)
14		<b>FDC</b>		<b>19,504,503</b>		<b>208,646</b>
15	Qwest Interprise America	INFORMATION TECH SERVICES	FMV	195,240		4,133
16	Qwest Interprise America	PUBLIC RELATIONS	FMV	510,020		10,797
17	Qwest Interprise America	RISK MANAGEMENT	FMV	54,222		1,148
18	Qwest Interprise America	SECURITY	FMV	7,973		169
19	Qwest Interprise America	SHARED SPACE	FMV	193,396		-
20		<b>FMV</b>		<b>960,851</b>		<b>16,247</b>
21	Qwest Interprise America	BILLING & COLLECTIONS	PCP	1,971,870		21,952
22		<b>PCP</b>		<b>1,971,870</b>		<b>21,952</b>
23		<b>TOTAL</b>		<b>32,965,116</b>	<b>N/A</b>	<b>475,827</b>
24	Qwest Advanced Technologies	ADMINISTRATIVE	FDC	51,076		(149)
25	Qwest Advanced Technologies	FINANCE	FDC	172,294		3,647
26	Qwest Advanced Technologies	FLEET SERVICES	FDC	445		-
27	Qwest Advanced Technologies	GENERAL SERVICES	FDC	117,434		2,513
28	Qwest Advanced Technologies	HUMAN RESOURCES	FDC	209,272		4,432
29	Qwest Advanced Technologies	INFORMATION TECH SERVICES	FDC	291,067		6,170

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.

Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

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 Advanced Technologies	PUBLIC RELATIONS	FDC	48,216		1,021
2		<b>FDC</b>		<b>889,804</b>		<b>17,634</b>
3	Qwest Advanced Technologies	FLEET SERVICES	FMV	33		-
4	Qwest Advanced Technologies	INFORMATION TECH SERVICES	FMV	59,245		1,254
5	Qwest Advanced Technologies	PUBLIC RELATIONS	FMV	2,663		56
6	Qwest Advanced Technologies	RISK MANAGEMENT	FMV	24,421		517
7	Qwest Advanced Technologies	SECURITY	FMV	2,619		55
8		<b>FMV</b>		<b>88,981</b>		<b>1,882</b>
9		<b>TOTAL</b>		<b>978,785</b>	<b>N/A</b>	<b>19,516</b>
10	Qwest Broadband Services	ACCRUAL	FDC	6,571		1,544
11	Qwest Broadband Services	ADMINISTRATIVE	FDC	24,183		-
12	Qwest Broadband Services	FINANCE	FDC	89,430		1,893
13	Qwest Broadband Services	GENERAL SERVICES	FDC	10,910,493		149,381
14	Qwest Broadband Services	HUMAN RESOURCES	FDC	33,634		713
15	Qwest Broadband Services	INFORMATION TECH SERVICES	FDC	123,522		1,728
16	Qwest Broadband Services	LEASES	FDC	12,590,122		-
17	Qwest Broadband Services	MARKETING	FDC	516,228		1,649
18	Qwest Broadband Services	NETWORK SERVICES	FDC	84,169,783		23,978
19	Qwest Broadband Services	PUBLIC RELATIONS	FDC	7,009		148
20	Qwest Broadband Services	SECURITY	FDC	347		7
21		<b>FDC</b>		<b>108,471,322</b>		<b>181,041</b>
22	Qwest Broadband Services	GENERAL SERVICES	FMV	422		9
23	Qwest Broadband Services	LEASES	FMV	229,338		-
24	Qwest Broadband Services	PUBLIC RELATIONS	FMV	59,502		1,260
25	Qwest Broadband Services	RISK MANAGEMENT	FMV	1,845		39
26	Qwest Broadband Services	SECURITY	FMV	2,597		55
27		<b>FMV</b>		<b>293,704</b>		<b>1,363</b>
28	Qwest Broadband Services	BILLING & COLLECTIONS	PCP	830,050		12,901
29		<b>PCP</b>		<b>830,050</b>		<b>12,901</b>

## Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges by Utility (d)	% Total Affil. Expense (e)	Payments by MT Utility (f)
1	Qwest Broadband Services	NETWORK SERVICES	PUB	5,924,642		-
2		<b>PUB</b>		<b>5,924,642</b>		-
3		<b>TOTAL</b>		<b>115,519,718</b>	<b>N/A</b>	<b>195,305</b>
4	Qwest Business Resources	ADMINISTRATIVE	FDC	288,770		853
5	Qwest Business Resources	FINANCE	FDC	368,807		7,808
6	Qwest Business Resources	FLEET SERVICES	FDC	12,003		-
7	Qwest Business Resources	GENERAL SERVICES	FDC	304,707		6,451
8	Qwest Business Resources	HUMAN RESOURCES	FDC	323,694		6,854
9	Qwest Business Resources	INFORMATION TECH SERVICES	FDC	1,743,767		36,916
10	Qwest Business Resources	MISCELLANEOUS	FDC	387		8
11	Qwest Business Resources	PUBLIC RELATIONS	FDC	13,476		285
12	Qwest Business Resources	REAL PROPERTY SERVICES	FDC	615,132		-
13	Qwest Business Resources	SECURITY	FDC	6,227		132
14		<b>FDC</b>		<b>3,676,970</b>		<b>59,307</b>
15	Qwest Business Resources	GENERAL SERVICES	FMV	422		9
16	Qwest Business Resources	INFORMATION TECH SERVICES	FMV	307,976		6,520
17	Qwest Business Resources	PUBLIC RELATIONS	FMV	87,828		1,859
18	Qwest Business Resources	RISK MANAGEMENT	FMV	26,195		555
19	Qwest Business Resources	SECURITY	FMV	3,694		78
20		<b>FMV</b>		<b>426,115</b>		<b>9,021</b>
21	Qwest Business Resources	REAL PROPERTY SERVICES	PCP	(12,574)		-
22		<b>PCP</b>		<b>(12,574)</b>		-
23		<b>TOTAL</b>		<b>4,090,511</b>	<b>N/A</b>	<b>68,328</b>
24	Qwest Communications Corporation	ACCURAL	FDC	56,728		848
25	Qwest Communications Corporation	FINANCE	FDC	1,890,493		28,792
26	Qwest Communications Corporation	GENERAL SERVICES	FDC	4,867,051		74,125
27	Qwest Communications Corporation	HUMAN RESOURCES	FDC	1,781,423		28,297
28	Qwest Communications Corporation	INFORMATION TECH SERVICES	FDC	729,291		11,107
29	Qwest Communications Corporation	INTEREST	FDC	165,045		2,514

**Company Name: Qwest Corporation**

**Schedule 34**

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.

## Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

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	LEASES	FDC	420,786		5,471
2	Qwest Communications Corporation	MARKETING	FDC	437,446		6,662
3	Qwest Communications Corporation	MISCELLANEOUS	FDC	1,108,248		16,879
4	Qwest Communications Corporation	NETWORK SERVICES	FDC	287,155		6,079
5	Qwest Communications Corporation	SECURITY	FDC	6,467		98
6	Qwest Communications Corporation	SHARED SPACE	FDC	944,512		-
7	Qwest Communications Corporation	TELECOMMUNICATIONS	FDC	105,443		1,606
8	Qwest Communications Corporation	VOICE OVER IP	FDC	51,987		1,131
9		<b>FDC</b>		<b>12,852,075</b>		<b>183,609</b>
10	Qwest Communications Corporation	FINANCE	FMV	72,774		1,108
11	Qwest Communications Corporation	LEASES	FMV	10,630		-
12		<b>FMV</b>		<b>83,404</b>		<b>1,108</b>
13		<b>TOTAL</b>		<b>12,935,479</b>	<b>N/A</b>	<b>184,717</b>
14	Qwest Communications Services	ADMINISTRATIVE	FDC	599,241		351
15	Qwest Communications Services	FINANCE	FDC	526,940		11,155
16	Qwest Communications Services	FLEET SERVICES	FDC	5,220		-
17	Qwest Communications Services	GENERAL SERVICES	FDC	1,983,309		43,098
18	Qwest Communications Services	HUMAN RESOURCES	FDC	518,744		10,988
19	Qwest Communications Services	INFORMATION TECH SERVICES	FDC	886,537		18,768
20	Qwest Communications Services	MISCELLANEOUS	FDC	145		3
21	Qwest Communications Services	PUBLIC RELATIONS	FDC	13,347		283
22	Qwest Communications Services	REAL PROPERTY SERVICES	FDC	10,982		-
23	Qwest Communications Services	SHARED SPACE	FDC	2,401,792		(443)
24		<b>FDC</b>		<b>6,946,257</b>		<b>84,203</b>
25	Qwest Communications Services	HUMAN RESOURCES	FMV	(11,482)		(243)
26	Qwest Communications Services	INFORMATION TECH SERVICES	FMV	148,357		3,141
27	Qwest Communications Services	NETWORK SERVICES	FMV	2,875,685		37,085
28	Qwest Communications Services	PUBLIC RELATIONS	FMV	93,642		1,982
29	Qwest Communications Services	RISK MANAGEMENT	FMV	65,261		1,382

**Company Name: Qwest Corporation**

**Schedule 34**

## Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

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 Services	SECURITY	FMV	10,061		213
2	Qwest Communications Services	SHARED SPACE	FMV	2,115,390		42,550
3		<b>FMV</b>		<b>5,296,914</b>		<b>86,110</b>
4		<b>TOTAL</b>		<b>12,243,171</b>		<b>170,313</b>
5	Qwest Dex	ADMINISTRATIVE	FDC	22,923		-
6	Qwest Dex	BILLING & COLLECTIONS	FDC	1,382,255		(8,315)
7	Qwest Dex	FINANCE	FDC	600,271		12,708
8	Qwest Dex	GENERAL SERVICES	FDC	41,006		868
9	Qwest Dex	HUMAN RESOURCES	FDC	398,565		8,444
10	Qwest Dex	INFORMATION TECH SERVICES	FDC	66,489		1,408
11	Qwest Dex	MISCELLANEOUS	FDC	632		13
12	Qwest Dex	PUBLIC RELATIONS	FDC	4,555		96
13	Qwest Dex	SECURITY	FDC	28,957		613
14		<b>FDC</b>		<b>2,545,653</b>		<b>15,835</b>
15	Qwest Dex	BILLING & COLLECTIONS	FMV	4,445,583		165,058
16	Qwest Dex	EXPANDED USE	FMV	352,259		10,003
17	Qwest Dex	FINANCE	FMV	211		4
18	Qwest Dex	INFORMATION TECH SERVICES	FMV	237,923		5,037
19	Qwest Dex	LEASES	FMV	(359)		-
20	Qwest Dex	PUBLIC RELATIONS	FMV	62,147		1,316
21	Qwest Dex	RISK MANAGEMENT	FMV	250,738		5,308
22	Qwest Dex	SECURITY	FMV	37,132		786
23	Qwest Dex	SHARED SPACE	FMV	62,441		-
24		<b>FMV</b>		<b>5,448,075</b>		<b>187,512</b>
25	Qwest Dex	BILLING & COLLECTIONS	PCP	703,490		13,247
26	Qwest Dex	EXPANDED USE	PCP	39,700		1,072
27	Qwest Dex	OTHER PUBLISHER-ODA	PCP	556,137		4,668
28		<b>PCP</b>		<b>1,299,327</b>		<b>18,987</b>
29		<b>TOTAL</b>		<b>9,293,055</b>	<b>N/A</b>	<b>222,334</b>

Company Name: Qwest Corporation

Schedule 34

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.

## Affiliate Transactions - Products & Services Provided by Utility

Year: 2000

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 Federal Services	ADMINISTRATIVE	FDC	28,194		-
2	Qwest Federal Services	FINANCE	FDC	96,302		2,039
3	Qwest Federal Services	FLEET SERVICES	FDC	18,965		257
4	Qwest Federal Services	GENERAL SERVICES	FDC	283,374		6,150
5	Qwest Federal Services	HUMAN RESOURCES	FDC	90,986		1,926
6	Qwest Federal Services	INFORMATION TECH SERVICES	FDC	124,495		2,636
7	Qwest Federal Services	PUBLIC RELATIONS	FDC	2,145		45
8	Qwest Federal Services	SHARED SPACE	FDC	7,497		(72)
9		<b>FDC</b>		<b>651,958</b>		<b>12,981</b>
10	Qwest Federal Services	FLEET SERVICES	FMV	375		-
11	Qwest Federal Services	INFORMATION TECH SERVICES	FMV	40,201		851
12	Qwest Federal Services	PUBLIC RELATIONS	FMV	3,900		83
13	Qwest Federal Services	RISK MANAGEMENT	FMV	11,098		235
14	Qwest Federal Services	SECURITY	FMV	1,765		37
15	Qwest Federal Services	SHARED SPACE	FMV	7,896		-
16		<b>FMV</b>		<b>65,235</b>		<b>1,206</b>
17		<b>TOTAL</b>		<b>717,193</b>	<b>N/A</b>	<b>14,187</b>
18	Qwest Services Corporation	ADMINISTRATIVE	FDC	294,237		(396)
19	Qwest Services Corporation	FINANCE	FDC	344,602		7,295
20	Qwest Services Corporation	FLEET SERVICES	FDC	(32,690)		(679)
21	Qwest Services Corporation	GENERAL SERVICES	FDC	271,591		5,750
22	Qwest Services Corporation	HUMAN RESOURCES	FDC	257,515		5,453
23	Qwest Services Corporation	INFORMATION TECH SERVICES	FDC	1,248,254		26,426
24	Qwest Services Corporation	MISCELLANEOUS	FDC	15,558		332
25	Qwest Services Corporation	PUBLIC RELATIONS	FDC	36,894		781
26	Qwest Services Corporation	SECURITY	FDC	795		17
27	Qwest Services Corporation	SHARED SPACE	FDC	5,171,855		-
28		<b>FDC</b>		<b>7,608,611</b>		<b>44,979</b>
29	Qwest Services Corporation	GENERAL SERVICES	FMV	3,380		72

**Affiliate Transactions - Products & Services Provided by Utility**

Year: 2000

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	INFORMATION TECH SERVICES	FMV	125,510		2,657
2	Qwest Services Corporation	PUBLIC RELATIONS	FMV	660,515		13,983
3	Qwest Services Corporation	RISK MANAGEMENT	FMV	49,113		1,040
4	Qwest Services Corporation	SECURITY	FMV	5,094		108
5	Qwest Services Corporation	SHARED SPACE	FMV	886,908		-
6		<b>FMV</b>		<b>1,730,520</b>		<b>17,860</b>
7		<b>TOTAL</b>		<b>9,339,131</b>	<b>N/A</b>	<b>62,839</b>
8	Qwest Information Technologies	INFORMATION TECH SERVICES	FCP	8,537,113		180,731
9		<b>FCP</b>		<b>8,537,113</b>		<b>180,731</b>
10	Qwest Information Technologies	ADMINISTRATIVE	FDC	156,066		3,304
11	Qwest Information Technologies	FINANCE	FDC	1,251,340		26,491
12	Qwest Information Technologies	FLEET SERVICES	FDC	2,222		47
13	Qwest Information Technologies	GENERAL SERVICES	FDC	818,290		17,323
14	Qwest Information Technologies	HUMAN RESOURCES	FDC	2,241,902		47,461
15	Qwest Information Technologies	INFORMATION TECH SERVICES	FDC	5,682,893		120,307
16	Qwest Information Technologies	MISCELLANEOUS	FDC	28,874		611
17	Qwest Information Technologies	PUBLIC RELATIONS	FDC	28,769		609
18	Qwest Information Technologies	SECURITY	FDC	10,898		231
19	Qwest Information Technologies	SHARED SPACE	FDC	13,257,346		-
20		<b>FDC</b>		<b>23,478,600</b>		<b>216,384</b>
21	Qwest Information Technologies	GENERAL SERVICES	FMV	21,177		448
22	Qwest Information Technologies	PUBLIC RELATIONS	FMV	490,624		10,387
23	Qwest Information Technologies	RISK MANAGEMENT	FMV	432,130		9,148
24	Qwest Information Technologies	SECURITY	FMV	39,378		834
25	Qwest Information Technologies	SHARED SPACE	FMV	18,328,107		-
26		<b>FMV</b>		<b>19,311,416</b>		<b>20,817</b>
27		<b>TOTAL</b>		<b>51,327,129</b>	<b>N/A</b>	<b>417,932</b>
28	Qwest Long Distance	ADMINISTRATIVE	FDC	26,676		(21)
29	Qwest Long Distance	FINANCE	FDC	19,375		410

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.

**Affiliate Transactions - Products & Services Provided by Utility**

Year: 2000

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 Long Distance	GENERAL SERVICES	FDC	106,404		2,503
2	Qwest Long Distance	HUMAN RESOURCES	FDC	8,468		179
3	Qwest Long Distance	INFORMATION TECH SERVICES	FDC	59,751		1,265
4		<b>FDC</b>		<b>220,674</b>		<b>4,336</b>
5	Qwest Long Distance	INFORMATION TECH SERVICES	FMV	14,526		308
6	Qwest Long Distance	LEASES	FMV	785,732		-
7	Qwest Long Distance	PUBLIC RELATIONS	FMV	11,234		239
8		<b>FMV</b>		<b>811,492</b>		<b>547</b>
9	Qwest Long Distance	BILLING & COLLECTIONS	PCP	409,335		6,615
10	Qwest Long Distance	GENERAL SERVICES	PCP	14,915		316
11		<b>PCP</b>		<b>424,250</b>		<b>6,931</b>
12		<b>TOTAL</b>		<b>1,456,416</b>	<b>N/A</b>	<b>11,814</b>
13	Malheur Home Telephone	GENERAL SERVICES	MAL	1,616,584		31,819
14	Malheur Home Telephone	NETWORK SERVICES	MAL	34,273		479
15	Malheur Home Telephone	REAL PROPERTY SERVICES	MAL	779		-
16		<b>MAL</b>		<b>1,651,636</b>		<b>32,298</b>
17		<b>TOTAL</b>		<b>1,651,636</b>	<b>N/A</b>	<b>32,298</b>
18	Qwest Wireless	ADMINISTRATIVE	FDC	425,663		(45)
19	Qwest Wireless	BILLING & COLLECTIONS	FDC	3,705		-
20	Qwest Wireless	FINANCE	FDC	888,152		18,802
21	Qwest Wireless	FLEET SERVICES	FDC	7,267		(780)
22	Qwest Wireless	GENERAL SERVICES	FDC	1,672,588		4,440
23	Qwest Wireless	HUMAN RESOURCES	FDC	1,437,607		30,440
24	Qwest Wireless	INFORMATION TECH SERVICES	FDC	1,816,063		38,446
25	Qwest Wireless	MARKETING	FDC	9,371,383		203,819
26	Qwest Wireless	NETWORK SERVICES	FDC	4,142,510		1,363
27	Qwest Wireless	PUBLIC RELATIONS	FDC	8,282		176
28	Qwest Wireless	REAL PROPERTY SERVICES	FDC	3,919,790		234,810
29	Qwest Wireless	SECURITY	FDC	27,274		166

Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.



**Affiliate Transactions - Products & Services Provided by Utility**

Year: 2000

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	SHARED SPACE	FDC	8,804,409		(48,920)
2		<b>FDC</b>		<b>32,524,693</b>		<b>482,717</b>
3	Qwest Wireless	FLEET SERVICES	FMV	460		-
4	Qwest Wireless	FLOOR SPACE	FMV	28,080		-
5	Qwest Wireless	GENERAL SERVICES	FMV	1,637		3
6	Qwest Wireless	INFORMATION TECH SERVICES	FMV	228,095		4,829
7	Qwest Wireless	MARKETING	FMV	28,696		-
8	Qwest Wireless	PUBLIC RELATIONS	FMV	135,538		2,943
9	Qwest Wireless	RISK MANAGEMENT	FMV	106,421		2,253
10	Qwest Wireless	SECURITY	FMV	17,045		361
11	Qwest Wireless	SHARED SPACE	FMV	2,255,317		-
12		<b>FMV</b>		<b>2,801,289</b>		<b>10,389</b>
13	Qwest Wireless	BILLING & COLLECTIONS	PCP	66,216,405		32,665
14		<b>PCP</b>		<b>66,216,405</b>		<b>32,665</b>
15	Qwest Wireless	NETWORK SERVICES	PUB	1,577,311		-
16		<b>PUB</b>		<b>1,577,311</b>		<b>-</b>
17		<b>TOTAL</b>		<b>103,119,698</b>		<b>525,771</b>
18						
19						
20		<b>GRAND TOTAL</b>		<b>355,637,038</b>		<b>2,401,181</b>
21						
22						
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Part 32 requires that Qwest bill affiliates at the higher of FDC or FMV. Therefore, Column C, Methods To Determine Price, can change depending on the outcome of the pricing audit.

**Montana Intrastate Regulated Earned Rate of Return**

(Thousands of Dollars)

Year: 2000

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	535,687	523,104	2.41%
3	2002 Prop. Held for Future Telecommunications Use	0	0	
4	3100-3200 (Less) Accumulated Depreciation	315,322	251,951	25.15%
5	<b>NET Plant in Service</b>	<b>220,365</b>	<b>271,153</b>	<b>-18.73%</b>
6				
7	<u>Additions</u>			
8	1220 Materials & Supplies	515	422	22.10%
9	1280 Prepayments	0	0	
10	Other Additions	0	0	
11	<b>TOTAL Additions</b>	<b>515</b>	<b>422</b>	<b>22.10%</b>
12				
13	<u>Deductions</u>			
14	4100 Current Deferred Operating Income Taxes	3,332	(1,195)	378.85%
15	4320 Unamortized Operating Investment Tax Credits	3,215	3,667	-12.32%
16	4340 Noncurrent Deferred Operating Income Taxes	28,530	46,009	-37.99%
17	Customer Advances for Construction			
18	Other Deductions	0	0	
19	<b>TOTAL Deductions</b>	<b>35,077</b>	<b>48,481</b>	<b>-27.65%</b>
20	<b>TOTAL Rate Base</b>	<b>185,803</b>	<b>223,094</b>	<b>-16.72%</b>
21				
22	<b>Net Earnings</b>	<b>24,854</b>	<b>27,835</b>	<b>-10.71%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>13.376%</b>	<b>12.477%</b>	<b>7.21%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>19.550%</b>	<b>16.742%</b>	<b>16.77%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	<u>Ratemaking adjustments to Utility Operations</u>			
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	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>13.404%</b>	<b>12.497%</b>	<b>7.26%</b>
44				
45	<b>Adjusted Rate of Return on Average Equity</b>	<b>19.607%</b>	<b>16.780%</b>	<b>16.85%</b>

Other Taxes Paid

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax **	3,082,398	758,250
2	Montana Public Service Commission Tax	454,727	444,112
3	Montana Consumer Counsel Tax	172,900	142,137
4	911 Emergency Telephone Fee	2,141,269	2,147,483
5	Montana Telecommunications Access Service (TDD)	426,445	428,525
6	Montana Corporate License Tax	2,717,813	2,089,000
7	Personal Property Tax	18,684,736	14,764,863
8	Real Property Tax	999,172	807,965
9	Montana Excise Tax **	N/A	5,494,525
10			
11			
12	Total	28,679,460	27,076,860

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

Universal Service Funds Received

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	139,913	0
14	Funds received from Federal Sources	1,633,020	1,542,614
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	Total	1,772,933	1,542,614