

FCC Paper Report 43-02
ARMIS USOA Report

COMPANY: QWEST CORPORATION
STUDY AREA: N/A
PERIOD: From: Jan 2006 To: Dec 2006
COSA: USTR

Approved by OMB
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SUBMISSION 01
TABLE I-1

TABLE I-1 - INCOME STATEMENT ACCOUNTS
(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)

REVENUE ACCOUNTS

Local Network Services Revenues

5001	Basic area revenue	2,991,167
5040	Private line revenue	2
5060	Other basic area revenue	1,068,178
520	Local Network Services Revenues	4,059,347

Network Access Services Revenues

5081	End user revenue	1,066,900
5082	Switched access revenue	699,802
5083	Special access revenue	2,301,507
522	Network Access Services Revenues	4,068,209

5100	Long distance message revenue	40,238
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Miscellaneous Revenues

5230	Directory revenue	64,897
526	Miscellaneous revenue	1,031,010
527	Total Miscellaneous Revenue	1,095,907

5280	Nonregulated operating revenue	584,252
5300	Uncollectible revenue	65,190
530	Total Operating Revenues	9,782,763

EXPENSE ACCOUNTS

Plant Specific Operations

615	Account 6112 - Motor vehicles expense	9,641
625	Account 6113 - Aircraft expense	19
635	Account 6114 - Tools and other work equipment expense	1,251
6110	Network Support Expenses	10,911

6121	Land & building expense	197,907
6122	Furniture & artworks expense	6,970
6123	Office equipment expense	15,598
6124	General purpose computers expense	245,739
6120	General Support Expenses	466,214

6211	Non-digital switching expense	0
6212.1	Circuit switching expense	126,089
6212.2	Packet switching expense	210
6212	Digital electronic switching expense	126,299
6210	Central Office Switching Expenses	126,299

6220	Operator systems expense	94
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6231	Radio systems expense	4,022
6232.1	Electronic circuit expense	166,146
6232.2	Optical circuit expense	12
6232	Circuit equipment expense	166,158
6230	Central Office Transmission Expenses	170,180

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(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)
6311	Station apparatus expense	19,874
6341	Large private branch exchanges expense	20,983
6351	Public telephone terminal equipment expense	328
6362	Other terminal equipment expense	101,082
6310	Information Origination/Termination Expenses	142,267
6411	Poles expense	24,241
6421	Aerial cable expense	130,932
6422	Underground cable expense	48,725
6423	Buried cable expense	589,841
6424	Submarine and deep sea cable expense	0
6426	Intrabuilding network cable expense	17,061
6431	Aerial wire expense	3,835
6441	Conduit systems expense	12,268
6410	Cable and Wire Facilities Expenses	826,903
650	Total Plant Specific Operations Expenses	1,742,868
Plant Nonspecific Operations		
6511	PHFTU expense	0
665	Account 6512 - Provisioning expense	1,464
6510	Other Property, Plant and Equipment Expenses	1,464
6531	Power expense	75,059
6532	Network administration expense	13,652
6533	Testing expense	147,722
675	Account 6534 - Plant operating administration expense	287,631
685	Account 6535 - Engineering expense	81,228
6530	Network Operations Expenses	605,292
6540	Access expense	235,678
6561	Depreciation-TPIS expense	1,594,739
6562	Depreciation-PHFTU expense	0
6563	Amortization-tangible expense	11,203
6564	Amortization-intangible expense	259,236
6565	Amortization-other expense	0
6560	Depreciation & Amortization Expense	1,865,178
690	Total Plant Nonspecific Operations Expenses	2,707,612
Customer Operations		
6611	Product management and sales expense	464,097
6613	Product advertising expense	134,323
6610	Marketing Expenses	598,420
6621	Call completion expense	34,779
6622	Number services expense	47,114
6623	Customer services expense	626,698
6620	Service Expense	708,591
700	Total Customer Operations Expenses	1,307,011
6720	General & Administrative	927,380
6790	Provision for uncollectible notes receivable	0
710	Total Corporate Operations Expenses	927,380
720	Total Operating Expenses	6,684,871

TABLE I-1 - INCOME STATEMENT ACCOUNTS

(Dollars in thousands)

Row/ Acct. No.	Account Title (a)	Amount (b)
730	Income Before Other Operating Items and Taxes	3,097,892
7100	Other operating income and expenses	36,178
Operating Taxes		
7210	Operating investment tax credits-net	17,511
7220	Operating federal income taxes	804,234
7230	Operating state and local income taxes	110,369
7240	Operating other taxes	308,403
7250	Provision for deferred operating income taxes-net	-384,022
7200	Operating Taxes	821,473
7300	Nonoperating income and expense	609
7400	Nonoperating taxes	9,569
7500	Interest and related items	641,636
7600	Extraordinary items	0
7910	Income effects of jurisdictional ratemaking differences-net	-321,970
7990	Nonregulated net income	0
790	Net Income	1,340,031
830	Total number of employees at the end of the year	26,197
840	Number of full-time employees	25,679
850	Number of part-time employees	518
860	Total Compensation for the year	1,563,857

TABLE

Table	Row	Col	FN#	Footnote
I1	665	B	19	CHANGE DUE TO 2005 WRITE OFF AND DISPOSAL OF EXCESS MATERIALS.
	690	B	20	REFER TO FOOTNOTES 19, 26 AND 27.
	5280	B	21	CHANGE DUE TO TRANSFER OF INTERNET ACCESS SERVICES (PART 64 PRODUCT) FROM AN AFFILIATE TO QWEST.
	6124	B	22	MAJORITY OF THE CHANGE DUE TO RETIREMENTS AND THE REMAINDER DUE TO THE TRANSFER OF ASSETS TO AN AFFILIATE
	6351	B	23	DUE TO SALE OF PUBLIC TELEPHONES, EXPENSE DECREASED. CERTAIN UNITS REMAIN AND EXPENSES WILL CONTINUE UNTIL THEY ARE FULLY DECOMMISSIONED.
	6510	B	24	CHANGE DUE TO 2005 WRITE OFF AND DISPOSAL OF EXCESS MATERIALS.
	6560	B	25	REFER TO FOOTNOTES 26 AND 27.
	6561	B	26	DEPRECIATION EXPENSE WAS CALCULATED USING REVISED DEPRECIATION RATES FILED DECEMBER 28, 2006 AND AMENDED JANUARY 30, 2007.
	6563	B	27	CHANGE DUE TO EXPIRATION OF COMPUTER LEASES IN 2006 AND LEASEHOLD IMPROVEMENT TRUE UPS BOOKED IN 2005.
	6621	B	28	CHANGE DUE TO RECLASS OF WHOLESALE OPERATOR SERVICES COMMISSIONS FROM ACCOUNT 6623 TO 6621
	7100	B	29	CHANGE DUE TO GAIN ON LAND ASSOCIATED WITH LAND AND BUILDING SALE.
	7300	B	30	CHANGE DUE TO NET DIFFERENCE IN ENTRIES FOR RESTRUCTURE PAYMENTS AND 2005 LOSS ON EARLY RETIREMENT OF DEBT.
	7910	B	31	CHANGE DUE TO ELIMINATION OF JURISDICTIONAL ACCOUNTING IN THREE STATES IN 2006 AND NEW MR DEPRECIATION RATES IMPACT ON JURISDICTIONAL ACCOUNTING.