

Qwest Corporation
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Mark S. Reynolds
Senior Director – Regulatory
Policy and Law

April 26, 2006

Ms. Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

Dear Ms. Washburn:

Pursuant to section 12.0 of Qwest's Performance Assurance Plan (PAP), the attachment contains Qwest's recalculation of the annual cap on total payments to be made by Qwest under the PAP.

If you have any questions, please feel free to call me at 503-242-5089.

Sincerely,



For Mark S. Reynolds
Senior Director – Regulatory

Attachment

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION



**FCC 43-01 - 2005 w/ no adjustments
Net Return Calculation**

Lines	Washington <u>2005 \$ (000)</u>
1915 + Interstate Net Return	\$145,888
1090 + Total operating revenues	\$790,506
1290 + Other op inc/losses	\$74
1190 - Total operating expenses	\$778,187
1390 - Total non op exp	(\$40,876)
1590 - Fed income taxes	(\$25,901)
1490 - Total other taxes	<u>\$50,302</u>
= QPAP Net Return	\$174,756

State PAP %age	36%
Annual at State %age, no overlays/admits	<u>\$62,912</u>
Monthly	\$5,243