

Exhibit No. ____ (PMS-5)
Docket No. UT-061625
Witness: Paula M. Strain

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

DOCKET NO. UT-061625

QWEST CORPORATION

**To be Regulated Under an Alternative
Form of Regulation Pursuant to RCW
80.36.135**

**EXHIBIT TO
TESTIMONY OF**

PAULA M. STRAIN

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**RE: Table of Current and Proposed Accounting and
Reporting Requirements**

January 29, 2007

Qwest Petition for Approval of Alternative Form of Regulation
UTC Commission Staff Summary of Qwest Accounting and Reporting Proposal

	Current Requirements	Qwest Proposal	Staff Proposal
Accounting Records	1998 USOA with UTC modifications – WAC 480-120-359	Same accounting as used to report to the FCC	Accounting used to report to the FCC as of date of transition from MR to JR books
Currently-reported Adjustments:	Calculated at least annually	Calculated if needed for revenue requirement analysis	Calculate as needed for 6-month transition review and maintain ability to calculate in future.
Dex Sale amortization	Maintained/Reported	Continue Reporting	Continue Reporting
Rural Exchange Sale	Maintained/Reported		
Previous AFOR Sharing Adj.	Maintained/Reported		
Deprec. Expense and Reserve Differences	Maintained/Reported (1)	Discontinue calculating and reporting NOI impact. Fix RB amount and continue reporting as standing rate base adjustment(2)	Discontinue calculating and reporting NOI impact. Fix RB amount and continue reporting as standing rate base adjustment(2).
AFUDC	Maintained/Reported		
Flow-through Non-Property Income Tax	Maintained/Reported		
Software Capitalization	Maintained/Reported		
Pension Asset	Maintained/Reported		
Post-Retirement Benefits	Maintained/Reported	Discontinue calculating. However, these adjustments can still be calculated and used in revenue requirement analyses.	Discontinue calculating. Calculate as needed for 6-month transition review and maintain ability to calculate in future.
Disallowed Plant	Maintained/Reported		
Interest Synchronization	Maintained/Reported		
EOP Def Inc Tax	Maintained/Reported		
Annual Report	WAC 480-120-385(1)	WAC 480-120-385 (1) during transition; WAC 480-120-382 thereafter	WAC 480-120-385 (1) during transition; re-evaluate at end of 4-year AFOR term
Quarterly Report	WAC 480-120-385(2)	None (WAC 480-120-385(2) waived)	None

(1) Effect of adjustment on NOI will change if depreciation technical update filed December 27, 2006 takes effect and/or if waiver of depreciation prescription rules is granted.

(2) Amount of standing rate base adjustment would be adjusted to reflect write-off of net plant if waiver of depreciation prescription is granted.