

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

April 13, 2007

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



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

YEAR = 2006

Lines	Washington 2006
1915 + Interstate Net Return	\$184,090
1090 + Total operating revenues	\$746,883
1290 + Other op inc/losses	\$1,631
1190 - Total operating expenses	\$623,535
1390 - Total non op exp	\$69,845
1590 - Fed income taxes	(\$24,870)
1490 - <u>Total other taxes</u>	\$44,378
= QPAP Net Return	\$219,716

State PAP %age	36%
<u>Annual at State %age, no overlays/adjmts</u>	\$79,098
Monthly	\$6,591