

WT-090025-SI



December 29, 2008

Ms. Carole Washburn
Washington Utilities and
Transportation Commission
P. O. Box 47250
1300 Evergreen Park Drive, SW
Olympia, WA 98504

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STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION
COMMISSION
2009 JAN -2 PM 2:43

Dear Ms. Washburn:

Enclosed, as required by WAC 480-120, is the third quarter of 2008 results of operations for CenturyTel of Washington, Inc., CenturyTel of Interisland, Inc., and CenturyTel of Cowiche, Inc. combined.

If you have any questions regarding these reports, please call Ken Buchan at 318-362-1538.

Sincerely,

Leah Dougan
Leah Dougan
Manager,
General Accounting

LD/po
Enclosures

CenturyTel of Washington, Inc.
CenturyTel of Inter Island, Inc.
CenturyTel of Cowiche, Inc.
Results of Operations
Per Month, 3rd Quarter, 2008

Line No	Account Numbers	Account Description (a)	Washington Per Books July 2008	Washington Per Books August 2008	Washington Per Books September 2008
1		OPERATING REVENUES			
2	5000	Local Network Service	3,537,298	3,506,808	3,474,960
3	5080-5084	Network Access Service	6,296,948	6,377,484	6,832,644
4	5100	Long Distance Service	12,951	18,685	20,953
5	5200	Miscellaneous Revenues	442,147	448,668	439,139
6	5300	Uncollectible Revenue	(107,047)	121,094	8,674
7		Total Operating Revenues	10,182,297	10,472,739	10,776,370
8		OPERATING EXPENSES			
9	6100-6499	Plant Specific Operations	1,962,323	2,022,073	1,950,004
10		Plant Non Specific Operations:			
11	6560	Depreciation & Amortization	2,744,509	2,750,180	2,739,378
12	6510-6540	Other Plant Non Specific Operations	836,287	821,306	868,778
13		Total Plant Non Specific	3,580,796	3,571,486	3,608,156
14	6610-6620	Customer Operations	1,013,876	1,058,220	863,243
15	6710-6790	Corporate Operations	842,316	841,742	848,620
16	7240	Other Operating Income Taxes	311,762	287,370	288,719
17	7200	Operating Income Taxes	904,655	987,921	1,169,921
20		Total Operating Expenses	8,615,728	8,768,812	8,728,663
21		NET OPERATING INCOME	1,566,569	1,703,927	2,047,707
22		RATE BASE:			
23		Telephone Plant in Service:			
24	2110	Land Support Assets	29,678,329	29,709,007	29,781,629
25	2210-2230	Central Office	236,024,313	236,524,684	237,375,478
26	2310	Information Origination/Termination	-	-	-
27	2410	Cable and Wire Facilities	367,290,916	367,415,196	367,935,411
28	2680	Amortizable Assets	46,687	46,687	46,687
29		Average Telecommunications Plant in Service	633,040,245	633,695,574	635,139,205
30	2002	Average Property Held for Future Telecomm. Use	-	-	-
31		Less: Accumulated Depreciation	-	-	-
32	3100	Accumulated Depreciation	383,775,123	386,207,349	388,658,200
33	3200	Accum. Depr. - Held for Future Telecomm. Use	-	-	-
34	3400	Accumulated Amortization	(46,687)	(46,687)	(46,687)
35		Average Accum. Depreciation and Amortization	383,728,436	386,160,662	388,611,513
36	4100,4340	Less: End of Period Deferred Income Taxes	53,903,587	53,642,759	53,487,567
38		TOTAL ADJUSTED RATE BASE	195,508,222	193,892,153	193,040,125

CenturyTel of Washington, Inc.
CenturyTel of Inter Island, Inc.
CenturyTel of Cowiche, Inc.

Results of Operations
Twelve Months Ended September, 2008

Line No	Account Numbers	Account Description (a)	Washington Per Books (b)	Adjustments (c1)	Adjustments (c2)	Total Adjustments (see notes) (c)	Washington Per Books Restated (d)	Washington Restated Intrastate (e)
OPERATING REVENUES								
1	5000	Local Network Service	42,645,228				42,645,228	42,645,228
2	5080-5084	Network Access Service	79,318,954	(3,699)		(3,699)	79,314,955	25,596,143
3	5100	Long Distance Service	171,106				171,106	171,107
4	5200	Miscellaneous Revenues	5,188,699				5,188,699	5,188,699
5	5300	Uncollectible Revenue	877,695				877,695	877,695
7		Total Operating Revenues	128,201,383	(3,699)		(3,699)	128,197,684	74,468,872
OPERATING EXPENSES								
8	6100-6490	Plant Specific Operations	24,448,849				24,448,849	17,429,071
9		Plant Non Specific Operations:						
10		Depreciation & Amortization	32,741,010		762,334	762,334	33,503,344	23,220,866
11	6560	Other Plant Non Specific Operations	9,022,963				9,022,963	5,097,956
12	6510-6590	Total Plant Non Specific	41,763,973		762,334	762,334	42,526,307	28,318,822
13		Customer Operations	11,627,105				11,627,105	9,671,135
14	6610-6690	Corporate Operations	10,923,909				10,923,909	8,090,717
15	6710-6790	Other Operating Income Taxes	3,319,160				3,319,160	2,352,123
16	7240	Operating Income Taxes	13,428,986	(1,295)	(266,817)	(268,112)	13,160,874	3,012,451
17	7200	Jurisdictional Differences	188,372				188,372	188,372
18	7910	Total Operating Expenses	105,700,354	(1,295)	495,517	484,222	106,194,577	69,062,691
20		NET OPERATING INCOME	22,501,028	(2,404)	(495,517)	(497,921)	22,003,107	5,406,181
21					(c3)			
RATE BASE:								
22		Telephone Plant in Service:						
23		Land Support Assets	29,533,652		665,384	665,384	30,199,036	22,509,788
24	2110	Central Office	234,438,403		5,281,826	5,281,826	239,720,229	159,004,030
25	2210-2230	Information Origination/Termination						
26	2310	Cable and Wire Facilities	365,812,546		8,241,646	8,241,646	374,054,192	274,049,307
27	2410	Amortizable Assets	46,687				46,687	32,994
28	2680	Average Telecommunications Plant in Service	629,831,288		14,188,856	14,188,856	644,020,144	455,596,120
29		Average Property Held for Future Telecomm. Use						
30	2002	Less: Accumulated Depreciation						
31		Accumulated Depreciation	375,483,695		5,704,815	5,704,815	381,188,511	267,863,454
32	3100	Accum. Depr. - Held for Future Telecomm. Use						
33	3200	Accumulated Amortization	(23,344)				(23,344)	(16,497)
34	3400	Average Accum. Depreciation and Amortization	375,460,352		5,704,815	5,704,815	381,165,167	267,846,956
35		Less: End of Period Deferred Income Taxes	53,720,636				53,720,636	37,964,910
36	4100,4340	Jurisdictional differences (Plant in Service)	(1,177,910)				(1,177,910)	(1,177,910)
37	1500							
38		TOTAL ADJUSTED RATE BASE	199,472,390	8,484,041	8,484,041	8,484,041	207,956,431	148,606,343
39		ANNUAL RATE OF RETURN						3.64%

Adjustment Description:

- (c1) Prior Period Adjustment - To adjust for Out-of-Period revenues and the related tax effect.
- (c2) Depreciation Expense - To record the depreciation expense associated with the allowance for funds used during construction rate base adjustment
- (c3) Allowance for Funds Used During Construction - To adjust for previously capitalized interest on funds used during construction.