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STATE OF WASHINGTON
UTIL. AND TRANSP.
COMMISSION

April 30, 2009

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

Dear Ms. Washburn:

Enclosed, as required by WAC 480-120, is the fourth 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, 4th Quarter, 2008

Line No	Account Numbers	Account Description (a)	Washington Per Books October 2008	Washington Per Books November 2008	Washington Per Books December 2008
1		OPERATING REVENUES			
2	5000	Local Network Service	3,460,857	3,417,055	3,250,411
3	5080-5084	Network Access Service	6,467,709	6,380,485	5,559,394
4	5100	Long Distance Service	19,240	19,323	17,146
5	5200	Miscellaneous Revenues	163,549	187,877	126,265
6	5300	Uncollectible Revenue	(152,780)	(184,998)	(182,393)
7		Total Operating Revenues	9,958,575	9,819,742	8,770,823
8		OPERATING EXPENSES			
9	6100-6499	Plant Specific Operations	2,229,304	2,151,171	2,062,115
10		Plant Non Specific Operations:			
11	6560	Depreciation & Amortization	2,735,545	2,763,149	2,776,186
12	6510-6540	Other Plant Non Specific Operations	844,902	826,637	861,766
13		Total Plant Non Specific	3,580,447	3,589,786	3,637,952
14	6610-6620	Customer Operations	842,271	891,668	828,092
15	6710-6790	Corporate Operations	859,716	919,004	929,060
16	7240	Other Operating Income Taxes	572,586	288,736	289,962
17	7200	Operating Income Taxes	680,650	738,572	396,691
20		Total Operating Expenses	8,764,974	8,578,937	8,143,872
21		NET OPERATING INCOME	<u>1,193,601</u>	<u>1,240,805</u>	<u>626,951</u>
22		RATE BASE:			
23		Telephone Plant in Service:			
24	2110	Land Support Assets	29,878,858	29,922,579	30,008,523
25	2210-2230	Central Office	238,145,842	238,460,175	239,020,152
26	2310	Information Origination/Termination	-	-	-
27	2410	Cable and Wire Facilities	368,720,318	369,323,973	370,171,283
28	2680	Amortizable Assets	46,687	46,687	46,687
29		Average Telecommunications Plant in Service	636,791,705	637,753,414	639,246,645
30	2002	Average Property Held for Future Telecomm. Use	-	-	-
31		Less: Accumulated Depreciation	-	-	-
32	3100	Accumulated Depreciation	395,809,415	395,809,415	390,986,056
33	3200	Accum. Depre. - Held for Future Telecomm. Use	-	-	-
34	3400	Accumulated Amortization	46,687	46,687	46,687
35		Average Accum. Depreciation and Amortization	395,856,102	395,856,102	391,032,743
36	4100,4340	Less: End of Period Deferred Income Taxes	53,333,492	53,169,792	53,166,251
38		TOTAL ADJUSTED RATE BASE	<u>187,602,111</u>	<u>188,727,520</u>	<u>195,047,651</u>

CenturyTel of Washington, Inc.
CenturyTel of Inter Island, Inc.
CenturyTel of Cowiche, Inc.
Results of Operations
Twelve Months Ended December, 2008

Line No	Account Numbers	Account Description (a)	Washington Per Books (b)	Adjustments		Total Adjustments (see notes) (c)	Washington Per Books Restated (d)	Washington Restated Intrastate (e)
				(c1)	(c2)			
1		OPERATING REVENUES						
2	5000	Local Network Service	41,939,666			-	41,939,666	41,939,666
3	5080-5084	Network Access Service	77,428,176	(2,803)		(2,803)	77,425,373	24,853,455
4	5100	Long Distance Service	186,550			-	186,550	186,550
5	5200	Miscellaneous Revenues	4,433,641			-	4,433,641	4,433,642
6	5300	Uncollectible Revenue	575,144			-	575,144	575,142
			-			-	-	-
7		Total Operating Revenues	124,563,177	(2,803)		(2,803)	124,560,374	71,988,455
8		OPERATING EXPENSES						
9	6100-6490	Plant Specific Operations	24,363,576			-	24,363,576	17,368,282
10		Plant Non Specific Operations:				-		
11	6560	Depreciation & Amortization	32,883,139		766,713	766,713	33,649,852	23,322,410
12	6510-6590	Other Plant Non Specific Operations	9,730,174			-	9,730,174	5,497,529
13		Total Plant Non Specific	42,613,313	-	766,713	766,713	43,380,026	28,819,938
14	6610-6690	Customer Operations	11,413,931			-	11,413,931	9,493,822
15	6710-6790	Corporate Operations	10,877,302			-	10,877,302	8,056,198
16	7240	Other Operating Income Taxes	3,575,979			-	3,575,979	2,534,118
17	7200	Operating Income Taxes	11,643,110	(981)	(268,350)	(269,331)	11,373,779	2,000,634
18	7910	Jurisdictional Differences	291,554			-	291,554	291,554
20		Total Operating Expenses	104,778,765	(981)	498,363	497,382	105,276,148	68,564,546
21		NET OPERATING INCOME	19,784,412	(1,822)	(498,363)	(500,185)	19,284,226	3,423,909
					(c3)			
22		RATE BASE:						
23		Telephone Plant in Service:						
24	2110	Land Support Assets	30,008,523		677,497	677,497	30,686,020	22,872,776
25	2210-2230	Central Office	239,020,152		5,396,312	5,396,312	244,416,464	162,118,997
26	2310	Information Origination/Termination	-		-	-	-	-
27	2410	Cable and Wire Facilities	370,171,283		8,357,286	8,357,286	378,528,569	277,327,442
28	2680	Amortizable Assets	46,687		-	-	46,687	32,994
29		Average Telecommunications Plant in Service	639,246,645		14,431,095	14,431,095	653,677,740	462,352,209
30	2002	Average Property Held for Future Telecomm. Use	-		-	-	-	-
31		Less: Accumulated Depreciation	-		-	-	-	-
32	3100	Accumulated Depreciation	390,986,056		5,704,815	5,704,815	396,690,871	278,757,055
33	3200	Accum. Depre. - Held for Future Telecomm. Use	-		-	-	-	-
34	3400	Accumulated Amortization	46,687		-	-	46,687	32,994
35		Average Accum. Depreciation and Amortization	391,032,743		5,704,815	5,704,815	396,737,558	278,790,050
36	4100,4340	Less: End of Period Deferred Income Taxes	53,166,251		-	-	53,166,251	37,573,121
37	1500	Jurisdictional differences (Plant in Service)	(1,183,531)				(1,183,531)	(1,183,531)
38		TOTAL ADJUSTED RATE BASE	193,864,120		8,726,280	8,726,280	202,590,400	144,805,507
39		ANNUAL RATE OF RETURN						2.36%

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.