

QWEST CORPORATION**ANNUAL SECURITIES TRANSACTION REPORT****PRO FORMA CAPITAL STRUCTURE & EMBEDDED COST OF DEBT**

Prepared for WUTC

PERIOD: JANUARY 1 THROUGH DECEMBER 31, 2009

This Report Incorporates the Following Financing Event That Occurred In 2009:

1. Issued \$810.5M, 8.375% Coupon, 7 Yr Notes that closed on 5/13/2009.

PROFORMA CAPITAL STRUCTURE

(MR Basis \$ in 000's)

Qwest Corporation	3/31/2009 Balance	Issued \$810.5M-Gross (Shown as Net Proceeds)		Total Pro Forma Effect of Financing	Pro Forma Adjusted Balance
Short -Term Debt	16,782				16,782
Long-Term Debt	7,455,646	737,972		737,972	8,193,618
Total Debt	7,472,428	737,972		737,972	8,210,400
Total Shareholders Equity	76,951	-		-	76,951
Total Invested Capital	7,549,379	737,972		737,972	8,287,351
Debt Ratio	99.0%				99.1%

State of Washington	3/31/2009 Balance (A)	Total Pro Forma Effect of Financing (B)	Financing Allocation % to Wash. (C)	Washington Effect of Total Pro Forma Financing (D)=(B*C)	Total Pro Forma Adjusted Washington (E)=(A+D)
Short -Term Debt	2,182	-	13.000%	-	2,182
Long-Term Debt	969,234	737,972	13.000%	95,936	1,065,170
Total Debt	971,416	737,972		95,936	1,067,352
Total Shareholders Equity	9,985	-	13.000%	-	9,985
Total Invested Capital	981,401	737,972		95,936	1,077,337
Debt Ratio	99.0%				99.1%

EMBEDDED COST OF DEBT

Qwest Corporation	3/31/2009	Issued Securities	Debt Removed/ Reduced	Pro Forma Adjusted
Short -Term Debt	7.51%	NA	NA	7.51%
Long-Term Debt	7.81%	10.18%	NA	8.02%
Total Debt	7.81%	10.18%	NA	8.02%

State of Washington	3/31/2009	Issued Securities	Debt Removed/ Reduced	Pro Forma Adjusted
Short -Term Debt	7.51%	NA	NA	7.51%
Long-Term Debt	7.81%	10.18%	NA	8.02%
Total Debt	7.81%	10.18%	NA	8.02%

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DESCRIPTION OF THE USE OF PROCEEDS

(\$ in 000's)

PROCEEDS FROM SECURITIES ISSUED

	Amount of Net Proceeds from Securities Issued
1. 8.375% Notes due 2016.	737,972
TOTAL	737,972

USE OF PROCEEDS FROM SECURITIES ISSUED AS ALLOWED BY RCW 80.08.030

Construction, completion, extension, or improvement of its facilities:

1. Expenditures for property, plant, and equipment	1,106,000
TOTAL	1,106,000