

United Telephone - Northwest
12 MONTH Rate of Return - Washington
March, 2009

| | Intrastate Operations Per Filed SOR | <u>Staff Adjustments:</u> | | | Intrastate Operations As Adjusted |
|--|---|---------------------------------------|--|-----------------------------------|---|
| | | Carrier Common Line Originating | Interim USF Additive Terminating | Local Switching Originating | |
| OPERATING REVENUE: | | | | | |
| USF & LIFELINE ADJUSTMENTS | | | | | |
| LOCAL SERVICE | | | | | |
| NETWORK ACCESS SERVICE | | | | | |
| LONG DISTANCE NETWORK SERVICE | | | | | |
| MISCELLANEOUS | | | | | |
| UNCOLLECTIBLES (DR) | | | | | |
| TOTAL REVENUE | | | | | |
| OPERATING EXPENSES: | | | | | |
| PLANT SPECIFIC | | | | | |
| DEPRECIATION & AMORTIZATION | | | | | |
| OTHER PLANT NON-SPECIFIC | | | | | |
| CUSTOMER OPERATIONS | | | | | |
| CORPORATE OPERATIONS | | | | | |
| TOTAL OPERATING EXPENSE | | | | | |
| OPERATING TAXES: | | | | | |
| FEDERAL TAXES | | | | | |
| STATE TAXES | | | | | |
| OTHER TAXES | | | | | |
| TOTAL OPERATING TAXES | | | | | |
| OTHER OPERATING INC AND EXPENSE | | | | | |
| NET OPERATING INCOME | | | | | |
| NET INCOME EFFECT OF JURIS- DICTIONAL DIFFERENCES | | | | | |
| ADJUSTED NET OPERATING INCOME | | | | | |
| ASSUMED RATE BASE: | | | | | |
| TELEPHONE PLANT IN SERVICE | | | | | |
| PROPERTY HELD FUTURE USE | | | | | |
| PREPAID PENSIONS | | | | | |
| LESS: | | | | | |
| DEPRECIATION RESERVE | | | | | |
| AMORTIZATION RESERVE | | | | | |
| DEFERRED FEDERAL INCOME TAX | | | | | |
| Subtract: | | | | | |
| OPEBS Liability | | | | | |
| COMMISSION RATE BASE | | | | | |
| COMMISSION RATE OF RETURN | | | | | |

* CURRENT MONTH AMOUNTS ARE BASED ON END OF PERIOD BALANCES.
YEAR-TO-DATE RATE BASE IS BASED ON END OF PERIOD BALANCES.

** ADJUSTMENT TO MISCELLANEOUS REVENUE REFLECTS THE AMORTIZATION OF THE WASHINGTON PORTION OF THE GAIN RESULTING FROM UNITED'S PRIOR PARENT COMPANY SALE OF ITS DIRECTORY OPERATIONS AS SPECIFIED IN THE SETTLEMENT AGREEMENT IN DOCKET UT-051291. THE COMMISSION APPROVED THIS RATEMAKING TREATMENT IN ACCOUNTING ORDER 01, DOCKET UT-060861.