

Owest Corporation 1600 Seventh Avenue Room 3206 Seattle, Washington 98191 Phone 206-345-1568

Mark S. Reynolds Senior Director **Public Policy**

January 13, 2004

Ms. Carole Washburn **Executive Secretary** Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive S.W. P.O. Box 47250 Olympia, WA. 98504-7250

RE: UT-030388

Dear Ms. Washburn:

Pursuant to Section 12.1 of the QPAP:

...Qwest shall submit to the Commission the calculation of each year's cap no later than 30 days after the submission of ARMIS results to the FCC.

Qwest herein files its calculation based on 2002 ARMIS results filed with the FCC on December 15, 2003.

Please call Sue Henson at 206-345-4341 if you have any questions.

Sincerely, Mark S. Regnald

Attachment

FCC 43-01 - 2002 w/ no adjustments Net Return Calculation (000's)

		Washington
Lines		<u>2002</u>
1915	+ Interstate Net Return	\$135,857
1090	+ Total operating revenues	\$921,021
1290	+ Other op inc/losses	\$0
1190	 Total operating expenses 	\$816,247
1390	- Total non op exp	-\$20,274
1590	- Fed income taxes	-\$2,880
1490	- Total other taxes	<u>\$66,654</u>
	= QPAP Net Return	\$197,131

State PAP %age	36%
Annual at State %age, no overlays/adjmts	\$70,967
Monthly	\$5,914