

QWEST CORPORATION ANNUAL SECURITIES TRANSACTION REPORT FOR 2008

PRO FORMA CAPITAL STRUCTURE

Prepared for WUTC

PERIOD: JANUARY 1 THROUGH DECEMBER 31, 2008

This Report Incorporates the Following Financing Event That Occurred In 2008:

- Equity Infusions from Qwest Services Corporation to Qwest Corporation during 1st quarter 2008.
Amount = \$231M

PROFORMA CAPITAL STRUCTURE

(MR Basis \$ in 000's)

<u>Qwest Corporation</u>	<u>12/31/2007 Balance</u>	<u>Equity Infusion From Qwest Services Corp.</u>	<u>Pro Forma Adjusted Balance</u>
Short -Term Debt	320,378		320,378
Long-Term Debt	7,409,053		7,409,053
Total Debt	7,729,431		7,729,431
Total Shareholders Equity	747,592	231,000	978,592
Total Invested Capital	8,477,023	231,000	8,708,023
Debt Ratio	91.2%		88.8%

<u>State of Washington</u>	<u>12/31/2007 Balance (A)</u>	<u>Financing Allocation % to Wash. (B)</u>	<u>Washington Effect of Pro Forma Financing (C)=(B*Infusion)</u>	<u>Total Pro Forma Adjusted Washington (D)=(A+C)</u>
Short -Term Debt	51,261			51,261
Long-Term Debt	1,185,449			1,185,449
Total Debt	1,236,710			1,236,710
Total Shareholders Equity	119,615	16.00%	36,960	156,575
Total Invested Capital	1,356,325		36,960	1,393,285
Debt Ratio	91.2%			88.8%

EMBEDDED COST OF DEBT

<u>Qwest Corporation</u>	<u>12/31/2007</u>	<u>Effect of Pro Forma Financing</u>	<u>Pro Forma Adjusted</u>
Total Debt	8.09%	-	8.09%
<u>State of Washington</u>			
Total Debt	8.09%	-	8.09%

Prepared for WUTC

PERIOD: JANUARY 1 THROUGH DECEMBER 31, 2008

DESCRIPTION OF THE USE OF PROCEEDS

(\$ in 000's)

PROCEEDS FROM SECURITIES ISSUED

	Amount of Net Proceeds from Securities Issued
1. Equity infusions from Qwest Services Corporation during 1st quarter 2008.	231,000
TOTAL	231,000

USE OF PROCEEDS FROM SECURITIES ISSUED AS ALLOWED BY RCW 80.08.030**Debt Amounts Discharged or Refunded By the Following Transactions:**

1. Fund maturity of \$320M, 5.625% coupon, USWC 10 Year Note due Nov. 2008	320,000
TOTAL	320,000