



**Qwest Corporation**  
1600 7th Avenue, Room 1506  
Seattle, Washington 98191  
(206) 345-1568  
Facsimile (206) 343-4040

Mark S. Reynolds  
Assistant Vice-President  
Policy and Law

May 26, 2009

Mr. David W. Danner,  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, Washington 98504

2009 MAY 28 PM 1:10  
STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION  
COMMISSION

RE: Qwest Corporation (QC) Annual Affiliated Interest Report

Dear Mr. Danner:

Attached is a copy of the annual affiliated interest report pursuant to WAC 480-120-395. The report contains information for 2008.

This report contains revenue and cost data that Qwest considers competitively valuable information and Qwest believes that it could be harmed if such information were made publicly available. Consequently, Qwest requests confidential designation for this data in accordance with WAC 480-07-160.

If you have any questions regarding the information provided, please call Kevin MacWilliams on 206-346-5470.

Sincerely,

for  
Mark Reynolds

Enclosures

**Qwest Corporation**  
**State of Washington**  
**Affiliated Interest Annual Report**  
**For the Year Ended 2008**

Filing per WAC 480-120-395 - Affiliated interest and subsidiary transactions report:

(1) By June 1 of each year, each telecommunications company subject to the provisions of chapter 80.16 RCW must file a report summarizing all transactions, except for transactions provided at tariff rates that occurred between the company and its affiliated interests, and the company and its subsidiaries, during the period January 1 through December 31 of the preceding year.

(2) The information required in this subsection must be for total company, total state of Washington, and Washington intrastate. The report must include a corporate organization chart of the company and its affiliated interests and subsidiaries.

See confidential Attachment 2 for a corporate organization chart of the company, its affiliates and subsidiary.

(3) When total company transactions with an affiliated interest or a subsidiary are less than one hundred thousand dollars for the reporting period, the company must provide the name of the affiliated interest or subsidiary participating in the transactions and the total dollar amounts of the transactions. When total company transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars for the reporting period, the company must provide:

Where the total company transactions with an affiliate or a subsidiary are less than one hundred thousand dollars Attachment 3B includes the name of the affiliate or subsidiary and the total dollar amount of transactions. Where the total company transactions with an affiliate or a subsidiary equals or exceeds one hundred thousand dollars see below for further detail.

(a) A balance sheet and income statement for such affiliated interest:

See confidential Attachment 3A.

(b) A description of the products or services provided to or from the company and each such affiliated interest or subsidiary:

See the Service Category column on Attachment 3B.

(c) A description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year

See Attachment 3B. The Price column indicates "FDC" for fully distributed cost, "PCP" for prevailing company price, "FMV" for fair market value, or "MAL" for Malheur price.

(d) A description of the terms of any loans between the company and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year:

None to report.

**Confidential per WAC 480-07-160**

(e) A description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary:

The common stock of QC is currently pledged as security collateral for \$850M, QCII's credit facility (undrawn)

(f) A description of the activities of each such affiliated interest or subsidiary with which the company has transactions:

Qwest Broadband Services, Inc. (BSI)

BSI is a wholly owned subsidiary of Qwest Services Corporation that provides video or other programming services to subscribers.

Qwest Government Services, Inc. (QGS)

QGS is a wholly owned subsidiary of Qwest Services Corporation that markets integrated telecommunications systems to the federal government, and public tax supported organizations.

Qwest Communications Company, LLC (QCC)

Formerly known as: Qwest Communications Corporation

QCC is a wholly owned subsidiary of Qwest Services Corporation, which provides services such as toll, internet, private line, integrated data network services, and voice and data customer premise equipment (CPE).

Qwest LD Corp. (QLDC)

QLDC is a wholly owned subsidiary of Qwest Services Corporation, which acts as a reseller to provide in region interLATA long distance services.

Malheur Home Telephone Company (Malheur)

Malheur is a wholly owned subsidiary of Qwest Corporation that provides a full range of telecommunications services in Ontario, Nyssa, Vale, and Oregon Slope, Oregon.

Qwest Wireless, LLC (QW)

Qwest Wireless is a wholly owned subsidiary of Qwest Services Corporation that provides Personal Communications Services.

Qwest N. Limited Partnership (QNLP)

Limited partnership-leasing company.

Qwest Transoceanic, Inc. (QTO)

Holding company for international assets/operations.

Qwest Communications Internationals LTD (QCIL)

Holds certain Indefeasible Right to Use Agreement.

El Paso County Telephone Company (EPCT)

El Paso County Telephone Company is a wholly owned subsidiary of Qwest Corporation that provides a full range of telecommunications services in El Paso County, Colorado.

Qwest Telecom Software Services Private Limited (QTSSP)

Provides software development and Network engineering.

Qwest International Services Corporation (QISC)  
Processes International payroll.

(g) A list of all common officers and directors between the company and each such affiliated interest or subsidiary, along with their titles in each organization.

See Attachment 3G.

(3) The report required in this section supersedes the reporting requirements contained in previous commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.

(4) The company is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-120-375 (Affiliated interests -- Contracts or arrangements).

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-120-395, filed 2/28/05, effective 3/31/05.]

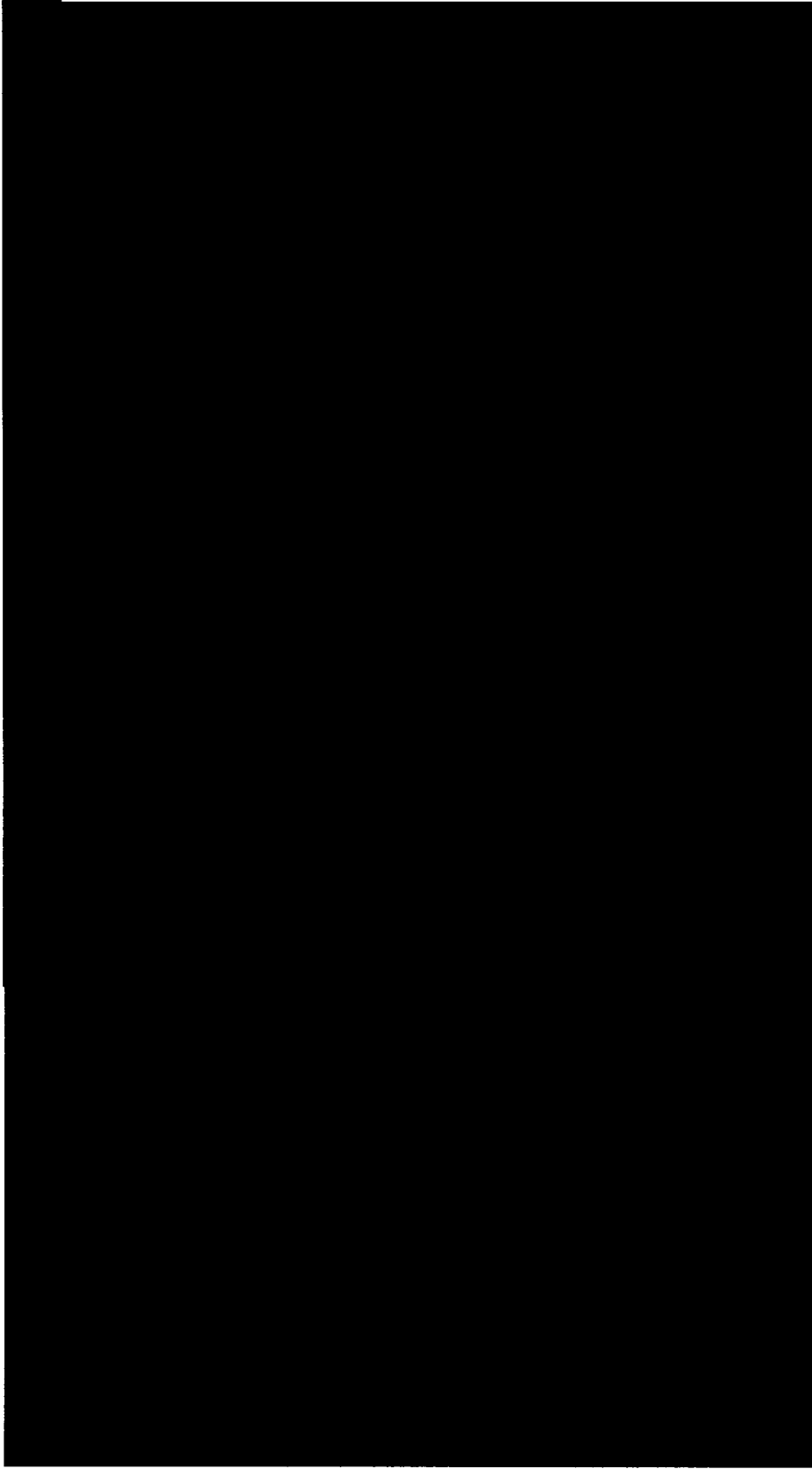
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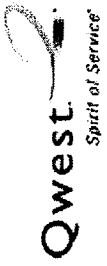
Attachment 2

CONFIDENTIAL PER WAC 480-07-160

**Qwest.** *Spirit of Service*<sup>®</sup>  
Entities Income Sheet  
(Dollars in thousands)  
Year: 2008

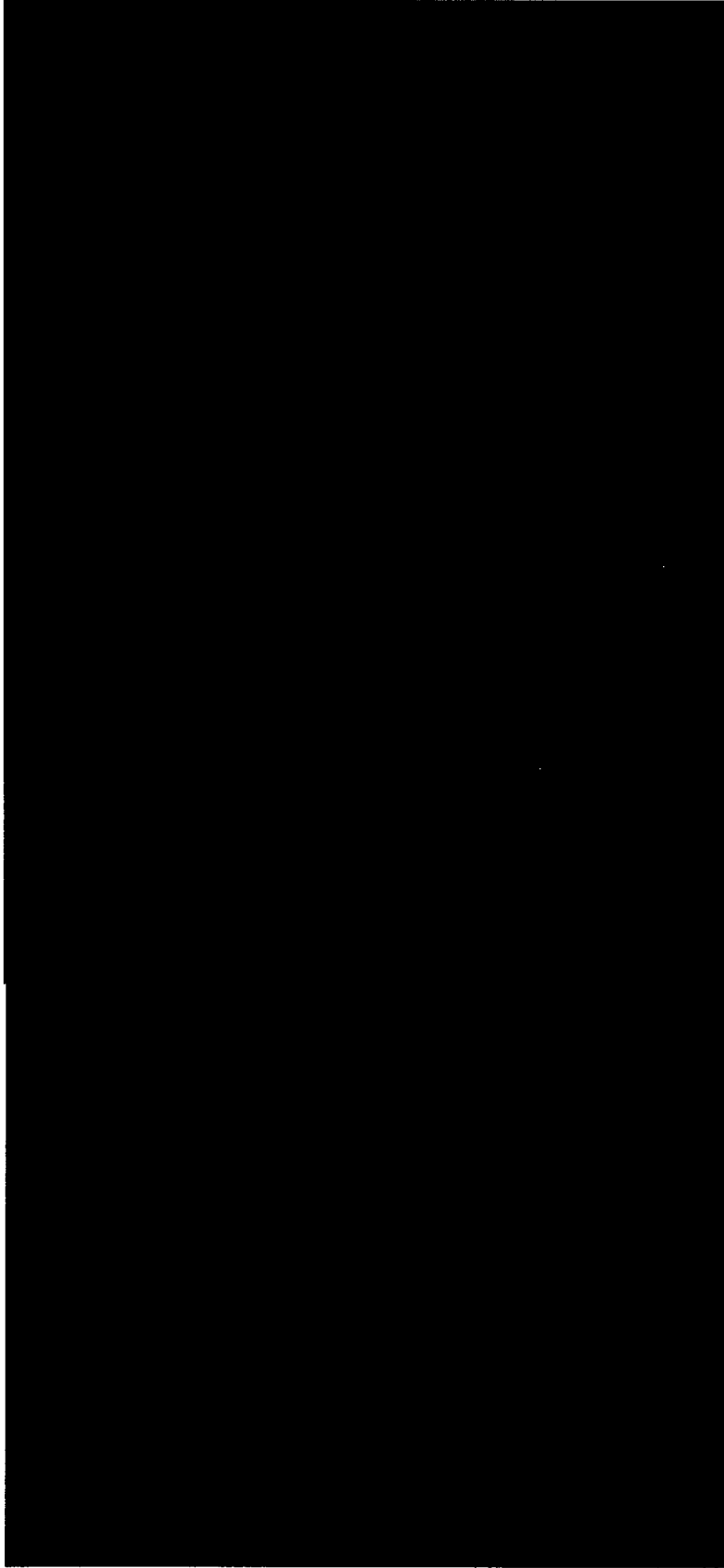
UNAUDITED





Entities Balance Sheet  
(Dollars in thousands)  
Year: 2008

**UNAUDITED**

















**QWEST**  
**DIRECTORS and OFFICERS**  
**as of March 3, 2009**

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**Attachment 3G**

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**SUBSIDIARIES OF  
QWEST COMMUNICATIONS  
INTERNATIONAL INC.  
as of March 3, 2009**

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**Attachment 3G**

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