

A copy of the proposed journal entry to record the asset transfer:

DR General Purpose Computers - Removals (FRC 361X, Account 3121.24)	\$283,932	
DR Equity (Account 4510.1110)	\$725,868	
CR General Purpose Computers – Capital (FRC 361C, Account 2124)		1,009,800

This data is an estimate of the net book cost (NBC) subject to the completion of an inventory by year-end 2001. The estimated gross plant and depreciation reserve are based on a sample of the actual costs associated with approximately 25% of the total Qwest Corporation employee transfers that occurred in this employee realignment. The estimates were derived by multiplying the number of employee transfers times the actual costs determined in the sample. In the sample, actual costs per employee transfer are \$3,400 for gross plant and \$956 for depreciation reserve.

This transaction will record the retirement and transfer of the assets at net book cost (NBC) which is, in compliance with the applicable affiliate interest rules regarding the sale of regulated assets to an affiliate at the higher of NBC or fair market value (FMV).