

United Telephone Company of the Northwest
WAC 480-120-395
Affiliated Interest and Subsidiary Transaction Report
2008

Public Version

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Summary of Transactions 2008

Affiliate	Transaction	Total		
		Company Reg & Nreg	Washington Regulated	Washington Intrastate
Purchased From				
Embarq Management Company	Management Services	\$ 24,300,208	\$ 10,749,419	\$ 7,985,152
Embarq Mid-Atlantic Management Services Company	Management Services	1,323,961	581,701	432,891
Embarq Midwest Management Services Company	Management Services	2,352,646	866,489	651,502
Embarq Communications, Inc.	Telecom Services	48,804	22,759	16,880
Embarq Logistics, Inc.	Material & Supplies	5,637,639	2,976,673	2,253,877
Embarq Logistics, Inc.	Warehousing Services	127,137	67,128	50,828
Embarq Florida, Incorporated	Directory Assistance and Directory Services	37,710	19,911	16,427
Carolina Telephone & Telegraph Company LLP	Directory Assistance and Directory Services	42,015	22,184	18,302
	Total Purchased	33,870,120	15,306,264	11,425,859
Sold To				
Embarq Communications, Inc.	Loaned Employees	\$ 165,616	\$ 65,677	\$ 48,020
Embarq Communications, Inc.	Carrier Billing & Collection	433,059	227,094	169,804
Embarq Communications, Inc.	Telecom Services	35,384	18,682	9,341
Embarq Payphone Services, Inc.	Loaned Employees	41,848	19,085	14,271
	Total Sold	675,907	330,538	241,436
Transaction Totals				
Embarq Management Company		\$ 24,300,208	\$ 10,749,419	\$ 7,985,152
Embarq Mid-Atlantic Management Services Company		1,323,961	581,701	432,891
Embarq Midwest Management Services Company		2,352,646	866,489	651,502
Embarq Communications, Inc.		682,863	334,212	244,045
Embarq Logistics, Inc.		5,764,776	3,043,801	2,304,705
Embarq Payphone Services, Inc.		41,848	19,085	14,271
Embarq Florida, Incorporated		37,710	19,911	16,427
Carolina Telephone & Telegraph Company LLP		42,015	22,184	18,302
	Total Transactions	\$ 34,546,027	\$ 15,636,802	\$ 11,667,295

Subsidiaries of Embarq Corporation

Entities in bold are direct wholly-owned subsidiaries of Embarq Corporation, a Delaware corporation. Entities own 100% of the common stock (or comparable equity interest) of the entities listed in the bullets below that entity and nested one level, except as noted.

Carolina Telephone and Telegraph Company LLC (NC)

- NOCUTS, Inc. (PA)
- SC One Company (KS)

Centel Corporation (KS)

- Centel Capital Corporation (DE)
- Centel Directories LLC (DE)
- Centel-Texas, Inc. (TX)
 - Central Telephone Company of Texas (TX)
 - EQ Central Texas Equipment LLC (TX)
 - Telcon, Inc. (TX)
- Central Telephone Company (DE)
 - Central Telephone Company of Virginia (VA)
 - Embarq Florida, Inc. (FL)
 - The Winter Park Telephone Company (FL)
- Perry Protection Services, Inc. (FL)
- Centel SPE LLC (DE)

Embarq, Inc. (KS)

Embarq Communications, Inc. (DE)

- Embarq Communications of Virginia, Inc. (VA)

Embarq Holdings Company LLC (DE)

- Embarq Directory Trademark Company, LLC (DE)

Embarq Interactive Holdings LLC (DE)

- Embarq Interactive Markets LLC (DE)

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Embarq Logistics, Inc. (OH)

- Embarq Products, Inc. (KS)
- Embarq Capital Corporation (DE)
 - SC Seven Company (50% ownership; see also "United Telephone Company of Texas") (KS)

Embarq Management Company (DE)

- EQ Management Equipment LP (NV) (99% limited partner; see also "EQ Equipment Leasing, Inc.")

Embarq Mid-Atlantic Management Services Company (NC)

Embarq Minnesota, Inc. (MN)

Embarq Missouri, Inc. (MO)

- SC Eight Company (KS)

Embarq Network Company LLC (DE)

Embarq Payphone Services, Inc. (FL)

Embarq Risk (Bermuda) Limited (BM)

Embarq Solutions, Inc. (DE)

EQ Equipment Leasing, Inc. (DE)

- EQ Management Equipment LP (NV) (1% general partner; see also "Embarq Management Company")

United Telephone Company of the Carolinas LLC (SC)

- SC Two Company (KS)

United Telephone Company of Eastern Kansas (DE)

- Embarq Midwest Management Services Company (20% ownership; see also "United Telephone Company of Kansas") (KS)

United Telephone Company of Florida (FL)

- Vista-United Telecommunications (49% ownership)

United Telephone Company of Indiana, Inc. (IN)

- SC Four Company (KS)

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United Telephone Company of Kansas (KS)

- Embarq Midwest Management Services Company (80% ownership; see also "United Telephone Company of Eastern Kansas") (KS)
 - United Teleservices, Inc. (KS)

United Telephone Company of New Jersey, Inc. (NJ)

United Telephone Company of the Northwest (OR)

United Telephone Company of Ohio (OH)

- SC Five Company (KS)

United Telephone Company of Pennsylvania LLC, The (PA)

- SC Six Company (KS)
- Valley Network Partnership (20% ownership; see also "United Telephone Southeast LLC") (VA)

United Telephone Company of Southcentral Kansas (AR)

United Telephone Company of Texas, Inc. (TX)

- SC Seven Company (50% ownership; see also "Embarq Capital Corporation") (KS)
- EQ United Texas Equipment LLC (TX)

United Telephone Company of the West (DE)

United Telephone Southeast LLC (VA)

- SC Three Company (KS)
- Valley Network Partnership (20% ownership; see also "United Telephone Company of Pennsylvania LLC, The") (VA)

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Directors and Officers
2008

X = Officer/Director with same title as that of United Telephone Company of the Northwest

DIRECTORS/OFFICERS OF UNITED TELEPHONE COMPANY OF THE NORTHWEST	Embarq Management Company	Embarq Communications, Inc.	Embarq Logistics, Inc.	Embarq Midwest Management Services Co.	Embarq Mid-Atlantic Management Services Company.	Embarq Florida, Inc.	Carolina Telephone & Telegraph Co.	Embarq Payphone Services, Inc.
William E. Cheek - Director and President	Director & President	Director & President	Director & Vice President	Director & President	Director & President	Director & President	Director & President	Director & President
Leslie H. Meredith - Director, Vice President and Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer	Director, Vice President & Treasurer
Michael J. Eason - Director and Secretary	Director & Secretary	Director & Secretary	Director & Secretary	Director & Secretary	Director & Secretary	Director & Secretary	Director & Secretary	Director & Secretary
Claudia S. Toussaint - Vice President	X	X	X	X	X	X	X	X
Daniel A. Alcazar - Vice President	X	X	X	X	X	X	X	X
Harry S. Campbell - Vice President	X	X	X	X	X	X	X	X
Kelly M. Carnago - Vice President	X	X	X	X	X	X	X	X
Louis Carrion - Vice President	X	X	X	X	X	X	X	X
Stephen S. Carter - Vice President	X	X	X	X	X	X	X	X
Dana L. Chase - Vice President	X	X	X	X	X	X	X	X
Brad Clark - Vice President	X	X	X	X	X	X	X	X
Byron Clymer - Vice President	X	X	X	X	X	X	X	X
Melanie K. Coleman - Vice President	X	X	X	X	X	X	X	X
Patrick M. Davis - Vice President	X	X	X	X	X	X	X	X
Esther G. Eisenfeld - Vice President	X	X	X	X	X	X	X	X
Linda K. Gardner - Vice President	X	X	X	X	X	X	X	X
Richard B. Green - Vice President	X	X	X	X	X	X	X	X
James A. Hansen - Vice President	X	X	X	X	X	X	X	X
E. J. Ned Holland, Jr. - Vice President	X	X	X	X	X	X	X	X
Dennis G. Huber - Vice President	X	X	X	X	X	X	X	X
Mark R. Kenyon - Vice President	X	X	X	X	X	X	X	X
Jeffrey Lynch - Vice President	X	X	X	X	X	X	X	X
Ellen S. Martin - Vice President	X	X	X	X	X	X	X	X
James C. Mayfield - Vice President	X	X	Director and President	X	X	X	X	X
Thomas J. McEvoy - Vice President	X	X	X	X	X	X	X	X
David F. Platt - Vice President	X	X	X	X	X	X	X	X

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Directors and Officers
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DIRECTORS/OFFICERS OF UNITED TELEPHONE COMPANY OF THE NORTHWEST	Embarq Management Company	Embarq Communications, Inc.	Embarq Logistics, Inc.	Embarq Midwest Management Services Co.	Embarq Mid-Atlantic Management Services Company.	Embarq Florida, Inc.	Carolina Telephone & Telegraph Co.	Embarq Payphone Services, Inc.
Susan S. Sarna - Vice President	X	X	X	X	X	X	X	X
Christopher D. Schneider - Vice President	X	X	X	X	X	X	X	X
Michael L. Seitz - Vice President	X	X	X	X	X	X	X	X
Nancy L. Shelledy - Vice President	X	X	X	X	X	X	X	X
Robert H. Sloboda - Vice President	X	X	X	X	X	X	X	X
Loren V. Sprouse - Vice President	X	X	X	X	X	X	X	X
Patrick W. Stutzman - Vice President	X	X	X	X	X	X	X	X
Richard K. Summers - Vice President	X	X	X	X	X	X	X	X
Kenneth D. Wyatt - Vice President	X	X	X	X	X	X	X	X
David W. Zesiger - Vice President	X	X	X	X	X	X	X	X
Thomas C. Apel - Assistant Secretary	X	X	X	X	X	X	X	X
ZsuZsanna E. Benedek - Assistant Secretary	X	X	X	X	X	X	X	X
Gayle G. Hickman - Assistant Secretary	X	X	X	X	X	X	X	X
Harold L. Holmquist - Assistant Secretary	X	X	X	X	X	X	X	X
Jeffrey M. Johns - Assistant Secretary	X	X	X	X	X	X	X	X
Tracy D. Mackey - Assistant Secretary	X	X	X	X	X	X	X	X
Wayne C. Mathisen - Assistant Secretary	X	X	X	X	X	X	X	X
Joseph R. Stewart - Assistant Secretary	X	X	X	X	X	X	X	X

UNITED TELEPHONE COMPANY of the NORTHWEST
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Change in Ownership and Description of Affiliates

Report changes in successive ownership between the regulated utility and affiliated interest during 2008; No change has occurred.

A narrative description of each affiliated interest with which the regulated utility does business. State the factor(s) giving rise to the affiliation.

United Telephone Company of the Northwest is a wholly owned subsidiary of Embarq Corporation as are each of the following affiliated companies, and the subsidiary relationship is the reason the companies are affiliated.

Embarq Management Company (EMC) – Provides necessary management, professional, technical, information management, and advisory services to the Company and its subsidiaries. This affiliate exists solely to provide services to members of its corporate family, therefore the FDC exception applies.

Embarq Mid-Atlantic Management Services Company (EMAC) - Provides necessary management, professional, technical, information management, and advisory services to its affiliates. This affiliate exists solely to provide services to members of its corporate family, therefore the FDC exception applies.

Embarq Midwest Management Services Company (EMMS) - Provides necessary management, professional, technical, information management, and advisory services to its affiliates. This affiliate exists solely to provide services to members of its corporate family, therefore the FDC exception applies.

Embarq Communications Inc. (ECI) - Provides domestic and international voice, wireless, CLEC, and audio conferencing.

Embarq Logistics (EQL) – Procures, assembles and distributes equipment and materials and supplies to the telecommunications industry. Provides warehousing services to the affiliated Embarq companies.

Embarq Payphone Services, Inc. (EPSI) - Provides exclusive pay telephone services at property owner locations.

Embarq Florida, Inc. is an incumbent local exchange carrier that provides directory assistance and operator services to Embarq affiliated ILECs. United Telephone Company of the Northwest's affiliation with Embarq Florida, Inc. is a result of Embarq Corporation's ownership of both entities.

Carolina Telephone & Telegraph Company LLC is an incumbent local exchange carrier that provides directory assistance and operator services to Embarq affiliated ILECs. United Telephone Company of the Northwest's affiliation with Carolina Telephone and Telegraph Co. LLC is a result of Embarq Corporation's ownership of both entities.

UNITED TELEPHONE COMPANY of the NORTHWEST
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Affiliated Interest and Subsidiary Transactions Report
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Description of Transactions, Pricing, and Allocation

Services provided by United Telephone Company of the Northwest:

Loaning of Employee - Allows an employee to work with or offer services to an affiliate. Priced at FDC. Costs are allocated based on actual time or cost studies.

Telecommunications Services - May include basic exchange, interLATA and intraLATA toll services as well as central office switching services and originating and terminating access services. Priced as Prevailing Market for actual units sold.

Billing & Collection Services - may include the charges associated with long distance and wireless services that are billed to the telephone company's customers via their local service bill. Priced at Prevailing Market for actual units sold.

Services purchased by United Telephone Company of the Northwest:

From Embarq Midwest Management Services Company (EMMS), Management Services - includes management, professional, technical, information management, and advisory services to its affiliates. This affiliate exists solely to provide services to members of its corporate family and is priced at FDC. Allocations are made based on cost studies and percent of total access lines.

From Embarq Mid-Atlantic Management Services Company (EMAC) Management Services - includes management, professional, technical, information management, and advisory services. This affiliate exists solely to provide services to members of its corporate family, therefore the FDC exception applies. Allocations are made based on cost studies and percent of total access lines.

From Embarq Management Company (EMC), Management Services - includes management, professional, technical, information management, and advisory services to the Company and its subsidiaries. This affiliate exists solely to provide services to members of its corporate family, therefore the FDC exception applies. Allocations are made based on cost studies, headcount allocator, general allocator, and percent of total access lines.

From Embarq Communications Inc. (ECI), Telecom Services - domestic and international voice, wireless, CLEC, and audio conferencing. Priced at prevailing market and allocated based on actual units purchased at the cost center level.

From Embarq Logistics (EQL), Material and Supplies and Warehousing Services - Procures, assembles and distributes equipment and materials and supplies to the telecommunications industry. Provides warehousing services to the affiliated Embarq companies. Priced at FDC and allocated on actual purchases.

From Embarq Florida, Inc. Directory Assistance and Operator Services. Priced at the higher of FDC or Fair Market and is allocated based on percent of total access lines.

From Carolina Telephone & Telegraph Company LLC Directory Assistance and Operator Services. Priced at the higher of FDC or Fair Market and is allocated based on percent of total access lines.

UNITED TELEPHONE COMPANY of the NORTHWEST

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Description of Loans and Assumed Obligations or Liabilities

There are no loans nor assumed obligations or liabilities between United Telephone Company of the Northwest and any affiliate.

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Transaction Amounts 2008

Payments to Embarq Management Company		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Account	Description			
6112	Management Services			
6121	Management Services			
6123	Management Services			
6124	Management Services			
6212	Management Services			
6232	Management Services			
6411	Management Services			
6423	Management Services			
6533	Management Services			
6534	Management Services			
6535	Management Services			
6540	Management Services			
6611	Management Services			
6612	Management Services			
6613	Management Services			
6621	Management Services			
6622	Management Services			
6623	Management Services			
6711	Management Services			
6712	Management Services			
6721	Management Services			
6722	Management Services			
6723	Management Services			
6724	Management Services			
6725	Management Services			
6726	Management Services			
6728	Management Services			
7240	Management Services			
7360	Management Services			
Total Payments to Embarq Management Company				

Cost of Service (See Note 1 Below)

NA NA NA

Description of Basis of Pricing:

The charges are based on the fully distributed cost in accordance with FCC Docket 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

**United Telephone Company of the Northwest
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Transaction Amounts 2008**

Payments to Embarq Mid-Atlantic Management Service Company		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Account	Description			
6112	Management Services			
6116	Management Services			
6121	Management Services			
6123	Management Services			
6212	Management Services			
6232	Management Services			
6370	Management Services			
6421	Management Services			
6423	Management Services			
6532	Management Services			
6533	Management Services			
6534	Management Services			
6535	Management Services			
6611	Management Services			
6612	Management Services			
6613	Management Services			
6621	Management Services			
6622	Management Services			
6623	Management Services			
6711	Management Services			
6712	Management Services			
6721	Management Services			
6722	Management Services			
6723	Management Services			
6724	Management Services			
6725	Management Services			
6728	Management Services			
7240	Management Services			
7320	Management Services			
7370	Management Services			
7540	Management Services			
Total Payments to EMAC				

Cost of service (See Note 1 Below)

NA NA NA

Description of Basis of Pricing:

The charges are based fully distributed cost in accordance with FCC Docket 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

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Transaction Amounts 2008

Payments to Embarq Midwest Management Services Co.		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Account	Description			
6112	Management Services			
6116	Management Services			
6121	Management Services			
6123	Management Services			
6124	Management Services			
6212	Management Services			
6231	Management Services			
6232	Management Services			
6370	Management Services			
6411	Management Services			
6421	Management Services			
6423	Management Services			
6512	Management Services			
6532	Management Services			
6533	Management Services			
6534	Management Services			
6535	Management Services			
6611	Management Services			
6612	Management Services			
6613	Management Services			
6623	Management Services			
6721	Management Services			
6723	Management Services			
6724	Management Services			
6728	Management Services			
7240	Management Services			
Total Payments to EMMS				



Cost of service (See Note 1 Below) NA NA NA

Description of Basis of Pricing:

The charges are based fully distributed cost in accordance with FCC Docket 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

PROPERTY OF EMBARQ CORPORATION

Proprietary Information - Not to be released to the public without written permission of Embarq Corporation.

United Telephone Company of the Northwest
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Transaction Amounts 2008

Sold to		Total	Washington	Washington
Embarq Communications, Inc.		Company	Regulated	Intrastate
Account	Services	Reg & Nreg		
6623	Loaned Employee	[REDACTED]	[REDACTED]	[REDACTED]
6711	Loaned Employee			
6712	Loaned Employee			
6721	Loaned Employee			
6722	Loaned Employee			
6723	Loaned Employee			
6724	Loaned Employee			
6725	Loaned Employee			
6728	Loaned Employee			
5270	Carrier Billing & Collection			
5082	Telecom Services			
5084	Telecom Services			

Note 2

Total Receipts from Embarq Communications, Inc. [REDACTED] Note 3

Cost of Service (See Note 1 Below) NA NA NA
Description of Basis of Pricing:

Billing & Collection and Telecom Services are valued at prevailing market price. Loaned Employee Loaned employee is priced at FDC.

Payments to Embarq Communications, Inc.		Total	Washington	Washington
		Company	Regulated	Intrastate
Account	Description			
6116	Telecom Services Purchased	[REDACTED]		
Total Payments to Embarq Communications, Inc.		[REDACTED]		

Cost of Service (See Note 1 Below) NA NA NA

Description of Basis of Pricing:
Telecom Services are priced at prevailing market price.

- Note 1: Costs of services are not tracked at the affiliate transaction level.
- Note 2: Accounts 6623 - 6728 received credits, () for payments from Embarq Communications, Inc.
- Note 3: Total payments are the total amount received, irregardless of being debits or credits to accounts.

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Transaction Amounts 2008

Payment to Embarq Logistics, Inc.		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Account	Description			
2XXX	Material & Supplies	[REDACTED]		
2XXX	Warehousing Services	[REDACTED]		
Total Payments to Embarq Logistics, Inc.		[REDACTED]		
Cost of service (See Note 1 Below)		NA	NA	NA

Description of Basis of Pricing:

The charges are based on comparison of fully distributed cost to fair market value in accordance with FCC order 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

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Transaction Amounts 2008**

Sold to Embarq Payphone Services, Inc.		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate	
Account	Description				
6351	Loaned Employees	[REDACTED]			Note 2
6728	Loaned Employees	[REDACTED]			
Total Payments from Embarq Payphone Services, Inc.		[REDACTED]			
Cost of service (See Note 1 Below)		NA	NA	NA	

Description of Basis of Pricing:

The charges are based on comparison of fully distributed cost to fair market value in accordance with FCC order 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

Note 2: Accounts 6351 & 6728 received credits, () for payments from Embarq Payphone Services, Inc.

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Transaction Amounts 2008

Payments to Embarq Florida, Inc.		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Account	Description			
6622	Directory Assistance and Directory Services			
Total Payments to Embarq Florida, Incorporated				
Cost of Service (See Note 1 Below)		NA	NA	NA

Description of Basis of Pricing:

The charges are based on comparison of fully distributed cost to fair market value in accordance with FCC order 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

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		Total Company Reg & Nreg	Total Washington Regulated	Washington Intrastate
Payments to Carolina Telephone & Telegraph Company LLP				
Account	Description			
6622	Directory Assistance and Directory Services	[REDACTED]		
Total Payments to Carolina Telephone & Telegraph Company		[REDACTED]		
Cost of Service (See Note 1 Below)		NA	NA	NA

Description of Basis of Pricing:

The charges are based on comparison of fully distributed cost to fair market value in accordance with FCC order 96-150.

Note 1: Costs of services are not tracked at the affiliate transaction level.

PROPERTY OF EMBARQ CORPORATION

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AFFILIATED INTEREST and SUBSIDIARY TRANSACTION REPORT
2008
Balance Sheets and Income Statements**

Embarq Management Company, Embarq Midwest Management Services Company, and Embarq Mid-Atlantic Management Services Company are service companies and their financial statements are not meaningful from a regulatory perspective.

Following are the balance sheets and income statements for Embarq Communications, Inc., and Embarq Logistics, Inc.

Transaction amounts for Embarq Payphone Services, Inc., Carolina Telephone and Telegraph Company LLC, and Embarq Florida, Inc. are under \$100,000 and are not included.

EMBARQ COMMUNICATIONS, INC.
BALANCE SHEET (unaudited)
December 31, 2008
(in thousands)

Assets

Current assets	
Cash	
Accounts receivable, net of allowance for doubtful accounts of \$10,186	
Deferred charges	
Affiliated receivables	
Advances to parent company	
Inventories, net	
Income tax receivable from parent company	
Deferred tax assets	
Total current assets	
Gross property, plant and equipment	
Accumulated depreciation	
Net property, plant and equipment	
Deferred tax assets	
Other assets	
Total noncurrent assets	
Total Assets	

Liabilities and Stockholders' Equity

Current liabilities	
Accounts payable	
Accrued operating taxes	
Accrued income taxes	
Deferred revenue	
Other current liabilities	
Total current liabilities	
Noncurrent liabilities	
Other noncurrent liabilities	
Total noncurrent liabilities	
Stockholders' equity	
Common stock, \$1 par value; 1,000 shares authorized; 1,000 shares issued and outstanding	
Paid-in capital	
Retained earnings	
Total Stockholders' Equity	
Total	

EMBARQ COMMUNICATIONS, INC.
INCOME STATEMENT (unaudited)
December 31, 2008
(in thousands)

<i>Net Operating Revenues</i>	[REDACTED]
<i>Operating Expenses</i>	
Cost of services	[REDACTED]
Selling, general and administrative	[REDACTED]
Depreciation	[REDACTED]
Total operating expenses	[REDACTED]
<i>Operating Income</i>	[REDACTED]
Interest expense	[REDACTED]
Other (income) expense, net	[REDACTED]
<i>Income Before Income Taxes</i>	[REDACTED]
Income tax expense	[REDACTED]
<i>Net Income</i>	[REDACTED]

Embarq Logistics, Inc.
BALANCE SHEET (unaudited)
December 31, 2008
(millions)

Assets

Current assets

Cash and equivalents

Accounts receivable, net

Affiliated receivables

Inventories

Total current assets

Property, plant and equipment

Accumulated depreciation

Net property, plant and equipment

Goodwill, net

Deferred income tax asset

Other non-current assets

Total noncurrent assets

Total

Liabilities and Shareholder's Equity

Current liabilities

Accounts payable

Payroll and employee benefits

Other

Total current liabilities

Noncurrent liabilities

Postretirement and other benefit obligations

Uncertain tax position

Other

Total noncurrent liabilities

Total

Shareholder's equity

Paid-in capital

Retained earnings

Accumulated other comprehensive loss

Total shareholder's equity

Total liabilities and shareholder's equity

PROPERTY OF EMBARQ CORPORATION

Proprietary Information-Not to be released to public without written permission of Embarq Corporation.

Embarq Logistics, Inc.
INCOME STATEMENT (unaudited)
December 31, 2008

Net operating revenues	[REDACTED]
Operating expenses	
Costs of services and products	[REDACTED]
Selling, general and administrative	[REDACTED]
Depreciation and amortization	[REDACTED]
Total operating expenses	[REDACTED]
Operating loss	[REDACTED]
Interest expense	[REDACTED]
Other Income	[REDACTED]
Income from continuing operations before income taxes	[REDACTED]
Income tax expense	[REDACTED]
Net Income	[REDACTED]