REDACTED

Docket No. UT-061625 Confidential Rebuttal Testimony of Philip E. Grate Exhibit PEG-1CRT February 16, 2007 Page 3

1 ** BEGIN CONFIDENTIAL

2

Qwest Corporation Washington Intrastate Return on Rate Base

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END	CONFIDENTIAL **	
Q.	WHAT DOES THE LOWER LINE ON THE GRAPH REPRESENT?	
A.	The lower line on the graph represents the return on rate base on the FCC report	ting
	(MR) basis of accounting and without any Commission Basis adjustments.	
Q.	WHAT DOES THE UPPER LINE ON THE GRAPH REPRESENT?	
A.	The upper line represents the effect of four Washington jurisdictional (JR)	
	accounting differences and eight Commission Basis adjustments. The following	g
	table sets forth the effect of the four JR accounting differences and the eight	
	Commission Basis adjustments. ** BEGIN CONFIDENTIAL	
	2005 Return on Rate Base MR Basis Redacted JR Accounting Differences Redacted Commission Basis Adjustments Redacted Commission Basis Redacted FND CONFIDENTIAL **	*
	Q. A. Q.	A. The lower line on the graph represents the return on rate base on the FCC report (MR) basis of accounting and without any Commission Basis adjustments. Q. WHAT DOES THE UPPER LINE ON THE GRAPH REPRESENT? A. The upper line represents the effect of four Washington jurisdictional (JR) accounting differences and eight Commission Basis adjustments. The following table sets forth the effect of the four JR accounting differences and the eight Commission Basis adjustments. ** BEGIN CONFIDENTIAL 2005 Return on Rate Base MR Basis Redacted JR Accounting Differences Redacted Commission Basis Adjustments Redacted

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