



Fax

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Seattle, Washington 98191

WASHINGTON REGULATORY
Facsimile (206) 343-4040

Mark Reynolds (206) 345-1568

DATE: 6/15/04

To: TIM ZAVITS LAK	Fax: 360-586-1150
To:	Fax:
To:	Fax:

From: MARK Reynolds

Re: Dex Bill Credit Accounting Entries

Number of pages, including transmittal sheet: 8

If you do not receive all pages, please contact Diane Boman at (206) 345-2439 immediately.

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QC 1373
QCII 5373

Qwest Corporation
Executive Summary and Approval Sheet

Issue: Dex Refund Accounting Treatment

Issue Summary:

In September, Qwest booked customer refunds, agreed to as part of the Dex sale with the PUC's in Washington and Utah, as contra revenue on Qwest Corporation Books. The contra-revenue was reversed on QSC books and treated as a reduction of the gain on the sale of DEX. The company has decided this entry should have no impact on QC financials. 3 entries were made which eliminated the revenue impact at QC and set up an intercompany with Dex Holdings. These entries also reversed the original entries at QSC and set up the intercompany at Dex Holdings with QC.

Conclusion:

Qwest Corporation

Entry

	QC
Q3 1190 ICO Dex	89,000,000
5001 Revenue	(89,000,000)
Q3	QSC
420000 Revenue	89,000,000
940200 Gain on sale	(89,000,000)
Q3	DEX
940200 Gain on sale	89,000,000
200028 ICO QC	(89,000,000)

No impact on consolidated results – Entries will be booked in December 03 business as J entries.

Assumptions:

Approved by:

____ Mike Sabol, Restatement Team
 ____ Mark Sell, Technical Accounting
 ____ Tony Lopez, Assistant Controller
 ____ FCC Regulatory Department
 ____ Finance/Tax Department
 ____ Tax Department, Kelly Carter, Vice President Finance, Tax

Reviewed by

_____ KPMG

QCI 5373

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Conclusion:

Qwest Corporation

Entry

	QC
Q3 1190 ICO Dex	89,000,000
5001 Revenue	(89,000,000)
	QSC
Q3 420000 Revenue	89,000,000
940200 Gain on sale	(89,000,000)
	DEX
Q3 940200 Gain on sale	89,000,000
200028 ICO QC	(89,000,000)

No impact on consolidated results – Entries will be booked in December 03 business as J entries.

Assumptions:

Approved by:

_____ Mike Sabol, Restatement Team
 _____ Mark Sell, Technical Accounting
 _____ Tony Lopez, Assistant Controller
 _____ FCC Regulatory Department
 _____ Finance/Tax Department
 _____ Tax Department, Kelly Carter, Vice President Finance, Tax

Reviewed by

_____ KPMG

September 2003

UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	205.50
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	34.25
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	13,494.50
	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	26,167.00
	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	42,367.25
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	68.50
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	59,321.00
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	2,387,910.00
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	513.75
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	1,267.25
UT	600000	41309000	CY1	TDE402110	TOCW00000	2005	R	102.75
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-102.75
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-1,267.25
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-513.75
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-2,387,910.00
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-13,494.50
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-34.25
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-205.50
UT	600000	50011100	REL	TDE402110	TOCW00000	2005	R	-34.25
UT	600000	50012100	REL	TDE402110	TOCW00000	2005	R	-19,414,886.50
UT	600000	50012100	REL	TDE402110	TOCW00000	2005	R	-239.75
UT	600000	50014110	REL	TDE402110	TOCW00000	2005	R	-42,367.25
UT	600000	50014210	REL	TDE402110	TOCW00000	2005	R	-26,167.00
UT	600000	50015100	REL	TDE402110	TOCW00000	2005	R	-59,321.00
UT	600000	50015100	REL	TDE402110	TOCW00000	2005	R	-68.50

TOTAL DEBIT: 21,946,612.25
TOTAL CREDIT: -21,946,612.25

US TAP\GL ONLINES DETAIL REPORT

ERRISES SELECTED: USWC, MLHR, USWW, USWS, USCB

RUN DATE: 10/29/2003

RUN TIME: 01:03

W1

ENTP: USWC CPIO: TAP0 JED: WA SEQNUM: 20
BUSINESS YEAR: 2003 BUSINESS MONTH: 09
ACTY-PRCSS-CPXM: 00070004REVWEST
GROUP ID: 2003090000008764 ORIGINATOR: MADHYANAPU, SANGEETA PHONE: 3033085133
APPROVER: TELFER, CRAIG PHONE: 2063466851

GROUP DESCRIPTION:

THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION ORDERED THAT FOR APPROVAL OF THE SALE OF DEX, REFUNDS TOTALING 67 MILLION DOLLARS SHOULD BE MADE TO LIVE, RETAIL END USERS IN THE STATE OF WASHINGTON WHO SUBSCRIBE TO RESIDENTIAL AND BUSINESS ACCESS LINE SERVICES. FOR QUESTIONS CONTACT, SANGEETA MADHYANAPU 303-308-5133

JEC	ADRS	ACCOUNT	EXTC	ACCTST	RCO	RCC	REFID	AMOUNT
WA	W00000	41309000	CY1		TDE402110	TOCW00000	2005 A	-47,570,000.00
WA	W00000	41309000	CY1		TDE402110	TOCW00000	2005 A	-19,430,000.00
WA	W00000	50011100	REL		TDE402110	TOCW00000	2005 A	19,430,000.00
WA	W00000	50012100	REL		TDE402110	TOCW00000	2005 A	47,570,000.00

TOTAL DEBIT: 67,000,000.00
TOTAL CREDIT: -67,000,000.00 430,9000 fr WA

December 2003

TAPI/CL ONLINES DETAIL REPORT
ENTERPRISE SELECTED: USWC - QWEST CORPORATION
RUN DATE: 06/16/04
RUN TIME: 15:27.18

ENTP: USWC CPID: TAPO JEO: WA
BUSINESS YEAR: 2003 BUSINESS MONTH: 12 SEQNUM: 33
ACTY: 007 PRG88: 9589 CPIM: SECOVERJ
GROUP ID: 373USWC03236 ORIGINATOR: .
RELEASE DT: 2004-01-16 APPROVER: .
PHONE: . .
PHONE: . .

TO REVERSE THE REVENUE PORTION OF THE ENTRY TO ESTABLISH A LIABILITY FOR REFUNDS RELATED TO THE SALE OF DEX IN UT & WA

REG	AMT	AGG	DATE	ACCT	REG	AMT	
WA	W00000	11901621	CY1	TDE110000	T0CW00000	2005C	67000000.00
WA	W00000	5001100	RE1	TDE110000	T0CW00000	2005C	-19450000.00
WA	W00000	5001200	RE1	TDE110000	T0CW00000	2005C	-47570000.00

TOTAL DEBIT: 67,000,000.00
TOTAL CREDIT: -67,000,000.00

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December 2003

RUN DATE: 06/14/04

RUN TIME: 15.27.16

TAP/GI ONLINES DETAIL REPORT
ENTERPRISE SELECTED: USWC - QWEST CORPORATION

ENTP: USWC CPIO: TAPO JEO: UT
BUSINESS YEAR: 2003 BUSINESS MONTH: 12 SEQNUM: 33
ACTY: 0007 PRCSB: 9999 CPIM: SECOPERJ
GROUP ID: 373USWC03236 ORIGINATOR: .
RELEASE DT: 2004-01-15 APPROVER: .
GROUP DESCRIPTION:

PHONE: . . .
PHONE: . . .

TO REVERSE THE REVENUE PORTION OF THE ENTRY TO ESTABLISH A LIABILITY FOR REFUNDS RELATED TO THE SALE OF DEK IN UT & WA

STATE	ACCOUNT	DATE	AMOUNT	REMARKS
HQ	999999	11901821	0000	22000000.00
UT	600000	5001100	RE1	-2416477.60
UT	600000	50012100	RE1	-19521883.28
UT	600000	50015100	RE1	-81639.74

TOTAL DEBIT: 22,000,000.00
TOTAL CREDIT: -22,000,000.00