OPEN MEETING AGENDA ITEM

0000069620

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
WILLIAM MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN MAYES
Commissioner

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2004 JAN 23 P 4: 50
AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF QWEST CORPORATION'S FILING AMENDED RENEWED PRICE REGULATION PLAN	DOCKET NO. T-01051B-03-0454 **NOTICE OF FILING REVISED UPDATED EXHIBITS C, E AND F TO THE RENEWED PRICE REGULATION PLAN**

Pursuant to Arizona Corporation Commission Decision No. 63487, Qwest Corporation gave notice and filed its Renewed Price Regulation Plan in the above-captioned docket on July 1, 2003. An Amended Plan was subsequently filed on September 26, 2003. Notice is hereby given that Qwest is filing herewith updated Attachments C, E and F to that Renewed Price Cap Plan. These attachments have been revised to include the restatement impacts that were not available at the time of the original filing

RESPECTFULLY SUBMITTED this 23rd day of January, 2004.

FENNEMORE CRAIG

Arizona Corporation Commission
DOCKETED
JAN 23 2004
DOCKETED BY

By: _____
Timothy Berg
Theresa Dwyer
3003 North Central Ave., Suite 2600
Phoenix, Arizona 85012-2913
(602) 916-5421

ORIGINAL and 13 copies hand-delivered for filing this 23rd day of January 2004 to:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing delivered this 23rd day of January, 2004 to:

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Phoenix, AZ 85007

Maureen A. Scott (UNREDACTED)
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1504371/67817.336

Productivity

At page 5 of Decision No. 63487 in Qwest's Rate Case, the Commission explained:

> The Price Cap Plan provides that Basket 1 Services will be capped and subject to an "Inflation minus Productivity" indexing mechanism. Thus, when productivity exceeds inflation, rates will decrease. The Productivity Factor for the initial term of the plan is 4.2 percent, which includes a 0.5 percent consumer dividend.

The 4.2 percent annual productivity factor was a compromise to the respective positions of the parties, and included 0.5% consumer dividend.[1] The productivity factor used in the Settlement Agreement was based on an analysis of Qwest's historic Arizona productivity during a four-year period from 1995 to 1998.[2] Using the same method used to calculate the productivity factor used in the Settlement Agreement Qwest's average annual Arizona productivity during a four-year period from 1999 through 2002 has been [redacted] percent.

The calculation of Qwest's productivity from 1999 through 2002 is found in Confidential Attachment B. The computations in Confidential Attachment B rely on financial information that is preliminary and subject to change to reflect the effect of the restatement of Qwest's financial statements for the years 2000, 2001 and 2002.

The [redacted] percent spread between Qwest's annual productivity during the past four years as shown in Confidential Attachment B and the productivity factor employed in the Price Cap Plan is calculated as follows:

Productivity factor adopted for the initial term of the plan	4.2%
Less average annual productivity from 1999 through 2002	([redacted]%)
Spread between anticipated and actual productivity	[redacted]%

Without doubt, many factors affected Qwest's actual productivity during the four-year period ending in 2002. However, Qwest is aware of two important factors have contributed to Qwest's productivity losses. The first is an unprecedented increase in telephone plant in service in Arizona. As line 9 of Confidential Attachment B shows, Qwest's Average Gross Plant in Service has grown 38.6% from $3,360 million in 1998 to $4,656 million in 2002. The second is an unprecedented loss of access lines in Arizona. Between February 2001 and March 2003, Qwest has suffered a net loss of over 238,000 Arizona access lines. The measurement of that loss includes both retail and wholesale access lines.

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[1] Settlement Agreement, pages 5 and 6.

[2] Decision No. 63487 in Docket No. No.T-01051B-99-0105, page 10, lines 9 and 10.

Attachment E Revised January 22, 2004

Jurisdictional Report NO. 2A

Sheet 1

ARIZONA

Qwest Corporation

Changes In Telephone Plant Accounts

Period: Period 12 - 2002-12-01, 2002

Run: February 01, 2003 at 00:26

		This Year To Date			Total At
		Plant Added	Plant Retired	Net Increase	End of Period
1					
	2111 - Land	1,127,854	0	1,127,854	13,080,945
2					
3	2112 - Motor Vehicles	2,066,337	7,119,529	5,053,192-	73,034,013
4	2113 - Aircraft	0	0	0	0
5	2114 - Special Purpose Vehicles	0	0	0	25,794
6	2115 - Garage Work Equipment	7,284	157,255	149,971-	1,490,142
7	2116 - Other Work Equipment	3,042,750	3,435,120	392,370-	34,276,836
	Total Vehicles & Work Equipment	5,116,372	10,711,904	5,595,532-	108,826,786
8					
	2121 - Buildings	25,171,796	1,911,486	23,260,310	220,353,047
9					
10	2122 - Furniture	0	182,820	182,820-	1,834,849
11	2123 - Office Equipment	0	225,180	225,180-	5,906,791
12	2123 - Company Communication Equipment	38,079	3,139,800	3,101,721-	2,113,947
	Total Furniture & Office Equipment	38,079	3,547,800	3,509,721-	9,855,587
13					
	2124 - General Purpose Computers	836,177	2,396,789	1,560,612-	96,604,149
14					
15	2211 - Analog Switching	0	0	0	0
16	2212 - Digital Switching	46,392,151	15,247,849	31,144,301	1,179,037,285
17	720C GAAP AFUDC	0	0	0	0
18	2215 - Step-by-Step Switching	0	0	0	0
19	2215 - Crossbar Switching	0	0	0	0
20	2220 - Operator Systems	0	369,372	369,372-	4,117,044
21	2231 - Radio Systems	618,915	1,352,268	733,353-	33,034,955
22	2232 - Circuit DDS	546,302-	182,255	728,557-	6,189,712
23	2232 - Circuit Digital	89,366,489	12,652,203	76,714,286	1,673,679,042
24	2232 - Circuit Analog	398,072-	1,413,006	1,811,079-	41,575,621
	Total Central Office Equipment	135,433,180	31,216,953	104,216,227	2,937,633,659
25					
26	2311 - Station Apparatus	0	0	0	32,896,919
27	2321 - Customer Premises Wiring	0	0	0	0
28	2341 - Large PBX	0	0	0	0
29	2351 - Public Telephone Terminal Equipment	396,974	763,579	366,605-	17,476,584
30	2362 - Other Terminal Equipment	3,880,516	8,576,476	4,695,960-	60,326,613
	Total Other Terminal Equipment	4,277,490	9,340,055	5,062,565-	110,700,116
31					
32	2411 - Poles	1,763,392	310,853	1,452,539	51,310,041
33	2421 - Aerial Cable - Metallic	8,705,105	2,356,729	6,348,376	191,193,659
34	2421 - Aerial Cable - Non-Metallic	1,388,989	38,216	1,350,773	8,474,148
35	2422 - Underground Cable - Metallic	16,114,294	8,357,134	7,757,160	388,970,942
36	2422 - Underground Cable - Non-Metallic	20,737,684	921,689	19,815,994	177,699,097
37	2423 - Buried Cable - Metallic	81,462,753	29,306,876-	110,769,629	1,583,311,314
38	730C - GAAP AFUDC	0	0	0	0
39	2423 - Buried Cable - Non-Metallic	1,950,736	8,596	1,942,140	21,851,200
40	2424 - Submarine Cable - Metallic	0	0	0	2,572
41	2424 - Submarine Cable - Non-Metallic	0	0	0	0
42	2426 - Intrabuilding Cable - Metallic	1,480,579	260,214	1,220,365	45,099,708
43	2426 - Intrabuilding Cable - Non-Metallic	136,802	1,082	135,720	927,527
44	2431 - Aerial Cable	704,179	110,316	593,863	10,551,539
45	2441 - Conduit	28,651,924	312,825	28,339,098	436,977,110
	Total Outside Plant	163,096,437	16,629,222-	179,725,659	2,916,368,856
46					
	Total Owned Property, Plant, & Equipment	335,097,384	42,495,766	292,601,619	6,413,423,145

JR 2A

Jurisdictional Report NO. 2A
Sheet 2

ARIZONA

Qwest Corporation
Changes In Telephone Plant Accounts

Period: Period 12 - 2002-12-01, 2002
Run: February 01, 2003 at 00:26

	This Year To Date			Total At
	Plant Added	Plant Retired	Net Increase	End of Period
47				
48 2681 - Capital Leases - Buildings	0	0	0	8,000,248
49 2681 - Capital Leases - Vehicles	0	0	0	0
50 2681 - Capital Leases - Computers	0	116,204	116,204-	9,837
51 2681 - Capital Leases - Software	0	25,664,157	25,664,157-	25,241,187
52 2681 - Capital Leases - Other	0	0	0	32
Total Capital Leases	0	25,780,360	25,780,360-	33,251,304
53				
54 2682 - Leaseholds - Buildings	1,975,973	0	1,975,973	32,895,992
55 2682 - Leaseholds - Computers	0	928,122	928,122-	0
56 2682 - Leaseholds - Towers	0	0	0	0
57 2682 - Leaseholds - Radio	0	0	0	0
58 2682 - Leaseholds - Others	0	0	0	0
Total Leasehold Improvements	1,975,973	928,122	1,047,851	32,895,992
59				
60 2690 - Intangibles - Organization Fees	0	0	0	0
61 2690 - Intangibles - Franchises	0	0	0	0
62 2690 - Intangibles - Patents	0	0	0	0
63 2690 - Intangibles - Trademarks	0	0	0	0
64 2690 - Intangibles - Software	35,628,354	0	35,628,354	111,078,710
65 2690 - Intangibles - Spectrum Rights	640	0	640	27,725
66 2690 - Intangibles - Other	0	0	0	0
Total Intangibles	35,628,994	0	35,628,994	111,106,435
67				
Total Leases, Leaseholds, & Intangibles	37,604,967	26,708,482	10,896,485	177,253,730
68				
Total Expenditures	372,702,352	69,204,248	303,498,104	6,590,676,875
69				
70 2002 - Held for Future Use	0	0	0	0
71 2003 - Under Construction - Short Term	52,278,645-	0	52,278,645-	9,311,875
72 2004 - Under Construction - Long Term	11,475,673-	0	11,475,673-	14,178,515
73 2005 - Telephone Plant Adjustments	0	0	0	0
Telecommunication Plant	308,948,035	69,204,248	239,743,787	6,614,167,265

Attachment F – Revised January 22, 2004

Report ID: AMUS2000 USWC MA6
Business Unit: USWC U S WEST Communications, Inc.
Book: JR Jurisdictional Reporting
Selection: (AZ)(ARIZONA)

PEOPLESOFT AM
DEPRECIATION RESERVE BALANCE REPORT
DEPRECIATION RESERVE
JR YTD ANALYSIS NO. 16

Run Date: 12/17/2003
Run Time: 08:44:29

		01/01/2002 BALANCE (a) +	ACCRUALS \ACC\ (b) +	GROSS SALVAGE \SAL\ (c) -	RETIREMENTS \RET\ (d) -	COST OF REMOVAL \COR\ (e) +	OTHER DB/CR \OTH\ (f)	= 12/31/2002 BALANCE (a+b+c-d-e+f=g)	CORRESPONDING PLANT BALANCE (h)	RESERVE /PLANT% (g/h)
MOTOR VEHICLES	3121.12	45,413,237.43	3,899,844.44	486,736.07	7,119,528.95	1,589.27	0.00	42,678,699.72	73,034,012.92	58.4
AIRCRAFT	3121.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
SPEC PURPOSE VEH	3121.14	7,424.81	2,374.75	547.50	0.00	0.00	0.00	10,347.06	25,794.44	40.1
GARAGE WORK EQUIP	3121.15	-551,108.19	233,275.66	191.61	157,254.62	22,046.82	0.00	-496,942.36	1,490,142.15	-33.3
GENL PURPOSE TOOL	3121.16	8,736,647.99	5,740,797.58	526,800.72	3,435,120.40	411.84	-3,327.60	11,565,386.45	34,276,836.30	33.7
TOTAL VEH & TOOLS		53,606,202.04	9,876,292.43	1,014,275.90	10,711,903.97	24,047.93	-3,327.60	53,757,490.87	108,826,785.81	49.4
BUILDINGS	3121.21	59,088,754.30	6,263,576.32	0.00	1,911,485.93	2,322,475.43	0.00	61,118,369.26	220,353,046.52	27.7
FURNITURE	3121.221	734,058.44	418,452.04	0.00	155,868.00	0.00	0.00	996,642.48	1,708,468.28	58.3
ARTWORKS	3121.222	0.00	0.00	0.00	0.00	0.00	0.00	0.00	126,380.74	0.0
OFFICE EQUIPMENT	3121.231	4,964,539.12	1,152,278.42	0.00	225,180.00	0.00	0.00	5,891,637.54	5,906,790.79	99.7
COMMUNICATION EQUIP	3121.2322	3,719,131.58	820,860.52	0.00	3,139,800.00	0.00	0.00	1,400,192.10	2,113,946.96	66.2
COMPUTERS	3121.24	84,841,354.18	6,950,763.97	-47,510.07	2,396,789.38	0.00	-167,059.94	89,180,758.76	96,604,149.14	92.3
TOTAL BLD & EQUIP		153,347,837.62	15,605,931.27	-47,510.07	7,829,123.31	2,322,475.43	-167,059.94	158,587,600.14	326,812,782.43	48.5
ANALOG ELECTRONICS	3122.11	-59,862,796.89	90,641.55	0.00	0.00	0.00	0.00	-59,772,155.34	-0.00	*****.*
DIGITAL ELECTRONICS	3122.12	516,466,664.22	117,398,360.51	1,433,454.41	15,247,849.11	3,356,645.23	-1,942,024.66	614,751,960.14	1,179,037,284.55	52.1
STEP BY STEP	3122.151	-2,516,735.08	0.00	0.00	0.00	0.00	0.00	-2,516,735.08	0.00	0.0
CROSSBAR	3122.152	-754,605.34	0.00	0.00	0.00	0.00	0.00	-754,605.34	0.00	0.0
OPERATOR SYSTEMS	3122.2	2,042,260.64	100,903.82	0.00	369,371.79	0.00	0.00	1,773,792.67	4,117,043.64	43.1
SATEL & EARTH STATIO	3122.311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
RADIO-CELLULAR	3122.3121	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
RADIO-NON CELLULAR	3122.3122	-976,938.85	16,677.87	0.00	16,958.86	4,993.56	0.00	-982,213.40	274,517.42	-357.8
RADIO-TERRS MICROWAV	3122.3123-	30,431,752.83	2,187,556.91	0.00	1,335,309.17	29,275.68	-11,975.68	31,242,749.21	32,760,437.84	95.4
OTHR RADIO FACILITY		29,454,813.98	2,204,234.78	0.00	1,352,268.03	34,269.24	-11,975.68	30,260,535.81	33,034,955.26	91.6
CIRCUIT EQUIP-DDS	3122.321	6,892,745.22	292,407.39	0.00	182,255.34	1,565.05	-780,751.32	6,220,580.90	6,189,712.27	100.5
OTH DIG NTW CH SUBS	3122.322	494,277,243.72	91,750,735.25	1,135,205.26	3,765,126.00	744,152.79	-221,337.87	582,432,567.57	967,009,711.91	60.2
CIR EQ-DDS OTH DIG	3122.323	328,338,854.09	67,560,142.30	231,977.34	8,903,848.46	4,818,729.69	-3,905,380.21	378,503,015.37	703,164,263.54	53.8
CIR EQ DDS SUBS ANAL	3122.324	288,542.74	62,446.44	0.00	136,664.49	0.00	-17,598.12	196,726.57	1,374,940.23	14.3
CIRCUIT EQ OTHR ANAL	3122.325-8	55,133,733.10	1,964,885.38	0.00	1,263,593.81	26,042.69	-12,266,894.91	43,542,087.07	43,705,747.51	99.6
CIRCUIT EQUIPMENT		884,931,118.87	161,630,616.76	1,367,182.60	14,251,488.10	5,590,490.22	-17,191,962.43	1,010,894,977.48	1,721,444,375.46	58.7
TOTAL CENTRAL OFFICE		1,369,760,720.40	281,424,757.42	2,800,637.01	31,220,977.03	8,981,404.69	-19,145,962.77	1,594,637,770.34	2,937,633,658.91	54.3
LARGE PBX	3123.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
PUBLIC TELE COIN	3123.511	6,929,069.66	110,045.49	211,240.48	388,309.73	0.00	0.00	6,862,045.90	6,853,549.05	100.1
PUBLIC TELE COINLESS	3123.512	-793,647.15	3,495.95	47,598.40	102,446.00	0.00	0.00	-844,998.80	162,875.10	-518.8
PUBLIC TELE OTHER	3123.514-9	1,761,130.16	168,680.48	4,018.29	272,822.91	0.00	0.00	1,661,006.02	10,460,159.81	15.9
PUBLC TEL TERM EQPMT		7,896,552.67	282,221.92	262,857.17	763,578.64	0.00	0.00	7,678,053.12	17,476,583.96	43.9
PBX OTHER	3123.62	34,227,311.39	4,918,741.32	0.00	8,576,476.01	30,767.61	-124,398.45	30,414,410.64	60,326,613.43	50.4
OTHER TERMINAL EQUIP		34,227,311.39	4,918,741.32	0.00	8,576,476.01	30,767.61	-124,398.45	30,414,410.64	60,326,613.43	50.4
TOTAL INF ORG/TERM		42,123,864.06	5,200,963.24	262,857.17	9,340,054.65	30,767.61	-124,398.45	38,092,463.76	77,803,197.39	49.0
POLES & TOWER	3124.11	42,820,718.81	3,407,659.98	648.86	310,852.68	1,256,895.66	0.00	44,661,279.31	51,310,040.67	87.0
AERIAL CBL- MET	3124.2111	153,320,270.69	20,782,607.29	6,482.15	2,356,728.71	1,743,338.21	0.00	170,009,293.21	191,193,658.77	88.9

NOT FOR USE OR DISCLOSURE OUTSIDE OF Qwest WITHOUT WRITTEN PERMISSION.

Attachment F – Revised January 22, 2004

Report ID: AMUS2000 USWC MA6
Business Unit: USWC U S WEST Communications, Inc.
Book: JR Jurisdictional Reporting
Selection: (AZ)(ARIZONA)

PEOPLESOFT AM
DEPRECIATION RESERVE BALANCE REPORT
DEPRECIATION RESERVE
JR YTD ANALYSIS NO. 16

Run Date: 12/17/2003
Run Time: 08:44:29

		01/01/2002 BALANCE (a) +	ACCRUALS \ACC\ (b) +	GROSS SALVAGE \SAL\ (c) -	RETIREMENTS \RET\ (d) -	COST OF REMOVAL \COR\ (e) +	OTHER DB/CR \OTH\ (f) =	12/31/2002 BALANCE (a+b+c-d-e+f=g)	CORRESPONDING PLANT BALANCE (h)	RESERVE /PLANT% (g/h)
AERIAL CBL- NON MET	3124.2112	3,143,673.36	631,124.89	0.00	38,216.31	464.81	0.00	3,736,117.13	8,474,147.64	44.1
AERIAL CABLE		156,463,944.05	21,413,732.18	6,482.15	2,394,945.02	1,743,803.02	0.00	173,745,410.34	199,667,806.41	87.0
UNDERGROUND CBL- MET	3124.2211	261,971,104.97	31,954,068.79	136,266.69	8,357,134.25	846,202.94	-117,364.12	284,740,739.14	388,971,184.55	73.2
UNDERGROUND CBL- NON	3124.2212	52,446,824.25	14,377,402.30	225,245.30	887,498.54	70,741.60	731,689.16	66,822,920.87	177,699,096.99	37.6
UNDERGROUND CBL- VM	3124.2213	14,924.48	5,943.93	0.00	0.00	0.00	-20,794.71	73.70	-243.02	-30.3
UNDERGROUND CBL- VN	3124.2214	304,774.37	323,721.82	0.00	34,190.86	282.18	-594,023.15	-0.00	-0.00	34.8
UNDERGROUND CABLE		314,737,628.07	46,661,136.84	361,511.99	9,278,823.65	917,226.72	-492.82	351,563,733.71	566,670,038.52	62.0
BURIED CBL- MET	3124.2311	768,329,988.19	160,466,202.01	276,719.90	-29,317,709.15	1,813,298.73	-160,859.02	956,416,461.50	1,583,311,313.61	60.4
BURIED CBL-NON- MET	3124.2312	8,682,209.81	1,192,157.75	853.19	7,597.46	817.78	36,165.56	9,902,971.07	21,851,199.90	45.3
BURIED CBL-VID MET	3124.2313	-244,734.40	94,564.16	0.00	11,181.96	0.00	161,352.19	-0.01	-0.00	*****.*
BURIED CBL-VID NON	3124.2314	17,794.41	19,369.56	0.00	998.41	0.00	-36,165.56	-0.00	-0.00	5.8
BURIED CABLE		776,785,258.01	161,772,293.48	277,573.09	-29,297,931.32	1,814,116.51	493.17	966,319,432.56	1,605,162,513.51	60.2
SUBMRN CBL- MET	3124.2411	3,101.87	66.23	0.00	0.00	0.00	0.00	3,168.10	2,572.05	123.2
SUBMRN CBL- NON MET	3124.2412	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
SUBMARINE CABLE		3,101.87	66.23	0.00	0.00	0.00	0.00	3,168.10	2,572.05	123.2
INTRABG NTW CBL-MET	3124.261	33,720,815.66	1,746,283.86	10,299.79	260,193.53	34,492.37	0.00	35,182,713.41	45,099,708.15	78.0
INTRABG NTW CBL-NON	3124.262	359,431.05	96,727.71	1,933.93	1,081.52	3,419.00	0.00	453,592.17	927,527.20	48.9
INTRABG NTW CBL-VM	3124.263	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
INTRABG NTW CBL-VN	3124.264	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
INTRABLDG NETW CABLE		34,080,246.71	1,843,011.57	12,233.72	261,275.05	37,911.37	0.00	35,636,305.58	46,027,235.35	77.4
AERIAL WIRE	3124.31	6,800,545.17	1,917,402.46	0.00	110,316.38	59,630.26	0.00	8,548,000.99	10,551,539.18	81.0
CONDUIT SYSTEMS	3124.41	89,456,733.72	8,888,950.46	8,305.70	312,496.89	588,732.27	0.00	97,452,760.72	436,977,110.05	22.3
TOTAL OUTSIDE PLANT		1,421,148,176.41	245,904,253.20	666,755.51	-16,629,221.65	6,418,315.81	0.35	1,677,930,091.31	2,916,368,855.74	57.5
TOTAL DEPR PLANT		3,039,986,800.53	558,012,197.56	4,697,015.52	42,472,837.31	17,777,011.47	-19,440,748.41	3,523,005,416.42	6,367,445,280.28	55.3
OTHER ELEC-MECH	3122.153	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
STATION APPARATUS NR	3123.11	7,428,131.96	2,467,269.06	0.00	0.00	0.00	0.00	9,895,401.02	32,896,918.90	30.1
CUST PREMISE WIRE	3123.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
TOTAL AMORTIZD PLANT		7,428,131.96	2,467,269.06	0.00	0.00	0.00	0.00	9,895,401.02	32,896,918.90	30.1
TOTAL 3100		3,047,414,932.49	560,479,466.62	4,697,015.52	42,472,837.31	17,777,011.47	-19,440,748.41	3,532,900,817.44	6,400,342,199.18	55.2
HELD FOR FUTURE USE	3200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
NON OPERATING PLANT	3300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,917,178.38	0.0
CAP LEASES BLDG	3410.1	7,502,578.34	426,573.78	0.00	0.00	0.00	0.00	7,929,152.12	8,000,247.66	99.1
CAP LEASES VEHICLES	3410.2	0.00	-0.02	0.00	0.00	0.00	0.00	-0.02	0.03	-66.7
CAP LEASES COMPUTERS	3410.3-4	29,904,579.81	14,084,115.49	0.00	25,778,584.71	0.00	0.00	18,210,110.59	25,251,023.89	72.1
CAP LEASES OTHER	3410.9	14.21	10.66	0.00	0.00	0.00	0.00	24.87	31.99	77.7
TOTAL CAPITAL LEASES		37,407,172.36	14,510,699.91	0.00	25,778,584.71	0.00	0.00	26,139,287.56	33,251,303.57	78.6

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Attachment F – Revised January 22, 2004

Report ID: AMUS2000 USWC MA6
Business Unit: USWC U S WEST Communications, Inc.
Book: JR Jurisdictional Reporting
Selection: (AZ)(ARIZONA)

PEOPLESOFT AM
DEPRECIATION RESERVE BALANCE REPORT
DEPRECIATION RESERVE
JR YTD ANALYSIS NO. 16

Run Date: 12/17/2003
Run Time: 08:44:29

	01/01/2002 BALANCE (a) +	ACCRUALS \ACC\ (b) +	GROSS SALVAGE \SAL\ (c) -	RETIREMENTS \RET\ (d) -	COST OF REMOVAL \COR\ (e) +	OTHER DB/CR \OTH\ (f) =	12/31/2002 BALANCE (a+b+c-d-e+f=g)	CORRESPONDING PLANT BALANCE (h)	RESERVE /PLANT% (g/h)
LEASEHOLD IMPV-BLDG 3420.1	22,126,487.86	3,689,768.39	0.00	0.00	0.00	0.00	25,816,256.25	32,895,991.59	78.5
LEASEHOLD IMPV-COMP 3420.2	54,119.00	874,002.86	0.00	928,121.86	0.00	0.00	0.00	-0.00	0.0
TOTAL LEASEHOLD IMP	22,180,606.86	4,563,771.25	0.00	928,121.86	0.00	0.00	25,816,256.25	32,895,991.59	78.5
INTANGIBLE ORIG FEES 3500.1	-0.00	0.00	0.00	0.00	0.00	0.00	-0.00	0.00	0.0
INTANGIBLE FRANCHISE 3500.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
INTANGIBLE PATENT 3500.3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
INTANGIBLE TRADEMARK 3500.4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
INTANGIBLE OTHERS 3500.5-9	13,291,620.19	20,212,852.70	0.00	0.00	0.00	-488,473.03	33,015,999.86	111,106,434.87	29.7
TOTAL INTANGIBLES	13,291,620.19	20,212,852.70	0.00	0.00	0.00	-488,473.03	33,015,999.86	111,106,434.87	29.7
OTHER AMORTIZATION 3600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
TOTAL 3200-3600	72,879,399.41	39,287,323.86	0.00	26,706,706.57	0.00	-488,473.03	84,971,543.67	179,170,908.41	47.4
REPORT TOTAL	3,120,294,331.90	599,766,790.48	4,697,015.52	69,179,543.88	17,777,011.47	-19,929,221.44	3,617,872,361.11	6,579,513,107.59	55.0

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