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Donald R. Finch
Docket Manager
(303) 298-6115

1875 Lawrence St.
Denver, CO 80202

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May 15, 2001

Arizona Corporation Commission
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VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Docket Control - Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

Re: Docket No. T-00000A-00-0194

Dear Sir or Madam:

Enclosed are the original and ten copies of the testimony of Richard Chandler and Douglas Denney on behalf of AT&T Communications of the Mountain States, Inc., WorldCom, Inc., and XO Arizona, Inc. and the testimony of Joseph Gillan on behalf AT&T Communications of the Mountain States, Inc. and WorldCom, Inc.

Also enclosed are the original and ten copies of the public versions of Thomas Weiss' testimony and exhibits on behalf of AT&T Communications of the Mountain States, Inc., WorldCom, Inc., and XO Arizona, Inc. A proprietary version of Mr. Weiss' testimony and exhibit THW-2 that contain proprietary Qwest information are being filed under seal.

In addition, a CD containing Denney exhibits 1, 2, 3, 5, 7, 11, 12, 13, 14, and 15 (paper copies of some of these exhibits are also being filed) and Weiss exhibit 13 is also enclosed. The CD also contains exhibits 1, 2, and 3 of Roy Lathrop. Mr. Lathrop's testimony is being filed by WorldCom, Inc. on behalf of WorldCom, Inc., AT&T Communications of the Mountain States, Inc. and XO Arizona, Inc.

Very truly yours,

Donald R. Finch

Enclosures

Recycled Paper

CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of the Testimony of Richard Chandler, Douglas Denney, and Thomas Weiss on behalf of AT&T Communications of the Mountain States, Inc., WorldCom, Inc., and XO Arizona, Inc. and the Testimony of Joseph Gillan on behalf AT&T Communications of the Mountain States, Inc. and WorldCom, Inc. in Docket No. T-00000A-00-0194 were sent by overnight delivery on May 15, 2001 to:

Arizona Corporation Commission
Docket Control - Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

and a true and correct copy was sent by overnight delivery on May 15, 2001 to:

Maureen Scott
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Deborah Scott
Director - Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Lyn Farmer
Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

and a true and correct copy was sent by United States Mail, postage prepaid, on May 15, 2001 to:

Kathryn E. Ford *
Qwest Corporation
1801 California Street, Suite 3800
Denver, CO 80202

Joan S. Burke
Osborn Maledon, P.A.
2929 North Central Avenue, 21st Floor
P. O. Box 36379
Phoenix, AZ 85067-6379

Richard L. Sallquist
Sallquist & Drummond
2525 E. Arizona Biltmore Circle
Phoenix, AZ 85016

Thomas F. Dixon *
WorldCom, Inc.
707 17th Street, Suite 3900
Denver, CO 80202

* Sent Weiss testimony and exhibit THW-2 containing proprietary Qwest information. The information was sent to nonQwest parties based on Exhibit A's received by AT&T.

Drake Tempest
Qwest Communications International, Inc.
555 Seventeenth Street
Denver, CO 80202

Maureen Arnold
Qwest Corporation
3033 North Third Street, Room 1010
Phoenix, AZ 85012

Peter A. Rohrback
Mace J. Rosenstein
Yaron Dori
Hogan & Hartson, LLP
555 Thirteenth Street, NW
Washington, DC 20004-1009

Daniel M. Waggoner
Gregory T. Diamond
Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101-1688

Michael W. Patten
Roshka Heyman & DeWulf, PLC
400 North Fifth Street, Suite 1000
Phoenix, AZ 85004-3906

Thomas H. Campbell
Lewis and Roca, LLP
40 North Central Avenue
Phoenix, AZ 85004

Raymond S. Heyman
Randall H. Warner
Roshka Heyman & DeWulf, PLC
Two Arizona Center, Suite 1000
400 North 5th Street
Phoenix, AZ 85004

Gregory Kopta
Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101-1688

David R. Conn
McLeodUSA Telecommunications Services
6400 C Street, S.W.
Cedar Rapids, IA 52406

Jon Poston
Arizonans for Competition in Telephone Service
6733 E. Dale Lane
Cave Creek, AZ 85331-6561

Scott Wakefield
Residential Utility Consumer Office
2828 North Central Ave., #1200
Phoenix, AZ 85004

Douglas Hsiao
Rhythms Links, Inc.
9100 E. Mineral Circle
Englewood, CO 80112

Diane Bacon
Communications Workers of America
5818 N. 7th Street, Suite 206
Phoenix, AZ 85014-5811

Rex M. Knowles *
XO Communications, Inc.
111 E. Broadway, Suite 1000
Salt Lake City, UT 84111

Thomas W. Hartman
SBC Telecom
175 E. Houston Street, Room 1256
San Antonio, TX 78205

Robert S. Tanner
Davis Wright Tremaine
17203 N. 42nd Street
Phoenix, AZ 85032

* Sent Weiss testimony and exhibit THW-2 containing proprietary Qwest information. The information was sent to nonQwest parties based on Exhibit A's received by AT&T.

Gary Yaquinto
Time Warner Telecom, Inc.
f/k/a GST Telecom, Inc.
3003 N. Central Avenue, Suite 1600
Phoenix, AZ 85012

Brian Thomas
Time Warner Telecom, Inc.
520 S.W. 6th Avenue, Suite 300
Portland, OR 97204

K. Megan Doberneck
Covad Communications Company
7901 Lowry Blvd.
Denver, CO 80230

Michael M. Grant
Todd C. Wiley
Gallagher & Kennedy, P.A.
2575 E. Camelback Road
Phoenix, AZ 85016-9225

Carrington Phillip
Cox Arizona Telecom, Inc.
1400 Lake Hearn Drive
Atlanta, GA 30319

Jeffrey W. Crockett
Jeffrey B. Guldner
Snell & Wilmer LLP
One Arizona Center
Phoenix, AZ 85004-2202

Timothy Berg *
Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, AZ 85012-2913

Marti Allbright
Mpower Communications Corp.
5711 South Benton Circle
Littleton, CO 80123

Penny Bewick *
New Edge Networks, Inc.
P. O. Box 5159
3000 Columbia House Blvd., Suite 106
Vancouver, WA 98668

Eric S. Heath
Sprint Communications
100 Spear Street, Suite 930
San Francisco, CA 94105

Timothy Peters
Electric Lightwave, Inc.
4400 N.E. 77th Avenue
Vancouver, WA 98662

Andrea Harris
Senior Manager – Regulatory
Allegiance Telecom, Inc.
2101 Webster, Suite 1580
Oakland, CA 94612

Kath Thomas
Advanced Telecom Group, Inc.
100 Stoney Point Road, Suite 130
Santa Rosa, CA 95401

Mary Steele *
Davis Wright Tremaine
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101-1688

Steve Sager
McLeodUSA Telecommunications Services, Inc.
215 South State Street, 10th Floor
Salt Lake City, UT 84111

Dennis D. Ahlers
Eschelon Telecom, Inc.
730 Second Avenue South, Suite 1200
Minneapolis, MN 55402

* Sent Weiss testimony and exhibit THW-2 containing proprietary Qwest information. The information was sent to nonQwest parties based on Exhibit A's received by AT&T.

Michael B. Hazzard
Kelley, Drye & Warren
1200 19th Street, NW, 5th Floor
Washington, DC 20036

Gary L. Lane
6902 E. 1st Street, Suite 201
Scottsdale, AZ 85251

Janet Livengood
Z-Tel Communications, Inc.
601 South Harbour Island Blvd., Suite 220
Tampa, FL 33602

Dawn R. Finch

* Sent Weiss testimony and exhibit THW-2 containing proprietary Qwest information. The information was sent to nonQwest parties based on Exhibit A's received by AT&T.

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JAMES M. IRVIN
Commissioner
MARC SPITZER
Commissioner

IN THE MATTER OF	)	
INVESTIGATION INTO QWEST	)	
CORPORATION'S COMPLIANCE	)	**DOCKET NO. T-00000A-00-0194**
WITH CERTAIN WHOLESALE	)	
PRICING REQUIREMENTS FOR	)	
UNBUNDLED NETWORK	)	
ELEMENTS AND RESALE	)	
DISCOUNTS	)	

DIRECT TESTIMONY OF RICHARD CHANDLER

ON BEHALF OF THE JOINT CASE OF

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.,

WORLDCOM, INC. AND XO ARIZONA, INC.

RE: UNBUNDLED PACKET SWITCHING, END OFFICE SWITCHING, AND SIGNALING

MAY 16, 2001

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Executive Summary

I have been retained by AT&T, WorldCom, and XO to evaluate the engineering basis for the pricing of Unbundled Packet Switching (UPS) as well as that for circuit switching and signaling proposed by QWEST in Arizona. I find the following:

- Qwest's proposed service, contrary to the purpose of the Telecommunications Act of 1996, would effectively impede technological innovation by withholding higher-quality ATM service classes from CLECs;
- Qwest's UPS cost study is not forward-looking, is not fully open to examination, and is essentially useless as a means for explaining the rate elements and supporting the prices Qwest proposes in this proceeding;
- The technical descriptions of the UPS rate elements Qwest provides in testimony are inadequate, ambiguous, and, if taken at face value, describe a service that is inappropriate and cumbersome for applications typically used by current DSL subscribers;
- In spite of Qwest's claims to the contrary, its Switching Cost Model is a "black box" and cannot be reviewed to the extent necessary to verify the pricing levels that Qwest proposes in this proceeding
- Qwest's signaling model cannot be used to verify the validity of the proposed signaling prices because critical inputs are undocumented.

According to Qwest's testimony, Qwest's UPS offering would support a very basic service that is cumbersome for the user and that does not offer the "always on" characteristic touted by Qwest in its own DSL service advertising. Furthermore, Qwest's proposal would withhold higher-quality ATM (Asynchronous Transfer Mode) service categories from potential competitors, thus frustrating technological innovation and competition.

Qwest's UPS cost study models an explicitly non-forward-looking equipment configuration, in that it assumes a copper-based digital loop carrier system for the bulk of its

modeled UPS network elements. Such a system is by definition not forward-looking and also entails investments that are greater than those required for a true forward-looking technology.

The proposed prices that result from Qwest's UPS cost study taken as a whole are higher than the retail price Qwest charges for its basic DSL service, which includes packet switching. Qwest's entire UPS cost study and the supporting testimony are thoroughly flawed and should not be considered in this proceeding.

Qwest's Switching Cost Model is a "black box" in that several associated database files cannot be viewed without a password, critical inputs information such as switch investments and configurations are not available in any form, and there is no documentation that explains in any detail the functioning of the model. Because of these shortcomings, the switching cost elements proposed by Qwest should be rejected from this proceeding.

Qwest's signaling model relies on undocumented and unsubstantiated input investment, capacity, and demand values. As a result, the proposed signaling rate element prices cannot be determined to be either reasonable or appropriate, and the rate elements should be rejected.

I. INTRODUCTION AND WITNESS QUALIFICATION

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Richard Chandler. I am a Senior Vice President of HAI Consulting, Inc., and my business address is 737 29th Street, Boulder, Colorado, 80303.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have BSEE and MSEE degrees from the University of Missouri and an MBA from the University of Denver. I also have completed additional graduate study in electrical engineering at the University of Colorado. I worked as an electronic engineer at the Institute for Telecommunication Sciences studying microwave and optical propagation and analyzing radar systems.

I then worked at Bell Laboratories in the exploratory development of customer switching systems. While at Bell Labs, I worked extensively on packet switching and circuit switching technologies. I then transferred to AT&T, where I was a product manager working on, among other things, product strategies for packet switching systems.

After working at AT&T, I joined a startup mobile satellite company as vice president of network engineering. In that role, I developed the ground system network architecture, which included packet switching capabilities, for the proposed system.

At HAI (and its predecessor, Hatfield Associates, Inc.), I have been the principal developer of the Hatfield/HAI cost models. I have also analyzed a range of telecommunications technologies and systems for a number of clients. Many of these investigations have involved the study of packet switching technologies. I have, for example, worked extensively on packet radio techniques for a major international

company engaged in package delivery service. I also worked as a technical advisor to a major Bell company wireless subsidiary, performing technical due diligence for its proposed acquisition of a European packet radio system.

I have also taught graduate-level telecommunications technology courses in digital switching, including packet switching, basic telephony, and cellular and wireless communications, including packet radio systems, at the University of Colorado, the University of Denver, and Pace University.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been retained by AT&T, WorldCom, and XO to evaluate the engineering basis for the pricing of Unbundled Packet Switching (UPS) as well as that for circuit switching, and signaling proposed by QWEST in Arizona. In doing so, I will demonstrate to the Arizona Corporation Commission ("ACC") that:

- Qwest's proposed service, contrary to the purpose of the Telecommunications Act of 1996,[1] would effectively impede technological innovation by withholding higher-quality ATM service classes from CLECs;
- Qwest's UPS cost study is not forward-looking, is not fully open to examination, and is essentially useless as a means for explaining the rate elements and supporting the prices Qwest proposes in this proceeding;
- The technical descriptions of the UPS rate elements Qwest provides in testimony are inadequate, confusing, and, if taken at face value, describe a service that is

[1] The general purpose of the Act is "To promote competition and reduce regulation in order to secure lower prices and higher quality services for American Telecommunications consumers and **encourage the rapid development of new telecommunications technologies"** 47 U.S.C. § 151 *et seq.*(emphasis added).

inappropriate and cumbersome for applications typically used by current DSL subscribers;

- Despite Qwest's claims to the contrary, its Switching Cost Model is a "black box" and cannot be reviewed to the extent necessary to verify the pricing levels that Qwest proposes in this proceeding;
- Qwest's signaling model similarly cannot be used to verify the validity of the proposed signaling prices because critical investment and capacity inputs are entirely undocumented or explained at any level of detail.

II. QWEST'S UNBUNDLED PACKET SWITCHING PROPOSAL IS NOT BASED ON A FORWARD-LOOKING COST STUDY AND IMPEDES COMPETITION AND TECHNOLOGICAL INNOVATION

Q. FIRST, PLEASE EXPLAIN WHAT END USER SERVICE THAT WOULD BE SUPPORTED BY QWEST'S PROPOSED UPS RATE ELEMENTS?

A. It is difficult to tell from Qwest's testimony or cost study documentation what services a competitor using the UPS rate elements could provide to an end user. The testimony itself describes switched connections that would require packet switching users served by ADSL (Asymmetric Digital Subscriber Line) connections to set up calls to Internet service providers using service request and dialing procedures analogous to those required today for conventional telephone service.

Q. IS THIS THE LEVEL OF SERVICE QUALITY THAT END USERS WOULD EXPECT TODAY FROM ITS ADSL PROVIDER?

A. Definitely not. A key feature of ADSL service as it is offered around the nation today by ILECs and their few remaining competitors is the fact that it is "always on." This means that a user does not need to use the service request and dialing procedures that appear to

be required under Qwest's UPS proposal. Qwest touts the "always on" feature in its own advertising for DSL service.[2] As I describe later in my testimony, the "always on" characteristic derives from what are known as permanent virtual connections. I am unaware of any service provider that now requires customers to use the switched connections Qwest discusses in testimony pertaining to UPS in Arizona.

Q. WHAT IS PACKET SWITCHING?

A. Packet switching is a technique originally designed for the efficient routing of data. User data are encapsulated into discrete packets for transmission. In some cases, successive packets transmitted by a given user to a given destination may follow different routes through the network. Packet switching efficiency results from the fact that network capacity is only used when packets are transmitted. In many types of application, such as Internet access, users only occasionally transmit and receive data. This type of data traffic is usually described as "bursty."

Q. HOW DOES PACKET SWITCHING DIFFER FROM OTHER FORMS OF SWITCHING?

A. Conventional telephone service uses switched voice connections in which voice information is transmitted across the connection a significant part of the time. For this reason, voice connections are almost always "circuit-switched;" that is, the connection consists of dedicated network capacity assigned for the duration of the call. In this case, the network capacity, or circuit, is established by end-user signaling (the user takes the telephone off-hook and then dials the desired destination) when the call is set up, and the

[2] "DSL," an abbreviation for Digital Subscriber Line, has become synonymous with ADSL in the popular press as well as in service provider advertising. Qwest advertises the "always-on" aspect of its service in a number of locations, including its web site: see http://www.qwest.com/dsl/learn/faq.html.

circuit is similarly removed at the end of the call, again as a result of end-user signaling (when the subscriber hangs up the telephone). It is important to note that bursty data traffic (again such as Internet access traffic), given its relatively infrequent demand for transmission, does not efficiently use network capacity in a circuit-switched connection because the dedicated capacity is idle much, if not most, of the time.

Q. ARE THERE DIFFERENT CLASSIFICATIONS OF PACKET SWITCHING?

A. Yes. Packet switching can be connectionless as well as connection-oriented.

Q. WHAT IS CONNECTIONLESS PACKET SWITCHING?

A. In a connectionless protocol, there is no "call setup" process. Each packet contains the complete destination address which is read by various network elements, such as routers, to send the packet to its destination. Each packet is thus routed independently of all previous and subsequent packets, and there is no network-level association, temporary or permanent, between source and destination. For example, the Internet Protocol (IP) is connectionless. One could also think of the U.S. Postal Service as operating a connectionless system, in that each letter and parcel sent through the system carries with it all the addressing information the system requires to deliver the item to its destination. There is no logical association between the sending address and the destination address required to ensure correct routing of the item.

Q. WHAT IS CONNECTION-ORIENTED PACKET SWITCHING?

A. Unlike connectionless packet switching, a connection-oriented protocol, such as Asynchronous Transfer Mode (ATM), requires a logical association, usually called a virtual circuit or virtual channel, between the endpoints of the connection. The term "virtual" is key in this context. Once the virtual channel is established, the network then

1 knows to send all packets generated at one end point to the other end point in the virtual
2 connection. The virtual circuit is just the association of the endpoints of the connection
3 and does not imply anything about network capacity. All packet switching systems make
4 capacity available only on demand. Thus, there is no capacity dedicated to the virtual
5 connection as there is in the physical connection in the circuit-switched case.

6 **Q. ARE THERE DIFFERENT TYPES OF VIRTUAL CIRCUITS?**

7 A. There are two general types of virtual circuits – switched and permanent. ATM can
8 support either type.

9 **Q. WHAT IS A SWITCHED VIRTUAL CHANNEL?**

10 A. A switched virtual channel (SVC)[3] is similar to a circuit-switched voice connection,
11 except for the important difference that, unlike the circuit-switched connection, the SVC
12 has no network capacity dedicated to it for the duration of the connection. Switched
13 virtual circuits are generally not very useful for data transmission and are commonly used
14 only for packetized voice service, which is relatively rare. Switched virtual circuits
15 require end-user signaling to be established and removed. This signaling process is
16 analogous to the offhook/dialing/onhook signaling sequence used to establish and remove
17 a circuit-switched voice connection.

18 **Q. WHAT IS A PERMANENT VIRTUAL CHANNEL, AND HOW IS IT SET UP?**

19 A. Unlike an SVC, which is established and removed by the end user via prescribed
20 signaling procedures, a permanent virtual channel (PVC) must be administered; that is, it
21 is set up and removed by a network administrator using a suitable OSS terminal. A PVC

[3] I use "virtual circuit" and "virtual channel" interchangeably. The preferred ATM nomenclature is "virtual channel."

is generally established over a long period, typically months or even years, hence the adjective "permanent." The PVC is the basis for the "always on" feature often mentioned in conjunction with ADSL (asymmetrical digital subscriber line) service. Because the virtual circuit is permanently assigned, the user does not have to invoke a call setup procedure each time the user wants to communicate with, for example, his or her Internet service provider. Because bandwidth is not dedicated to the PVC, the permanent nature of the virtual connection does not reduce overall network capacity when the user is idle.

Q. WHAT OTHER TYPES OF VIRTUAL CONNECTION DOES ATM SUPPORT?

A. ATM also allows virtual path connections. A virtual path contains a number of virtual channels; a Permanent Virtual Path (PVP), for example, can contain several PVCs. PVPs are useful for managing resources. If an ILEC has made PVP connections available to a CLEC, a CLEC can lease PVPs, with associated service categories, and then administer its own PVCs within the PVPs to facilitate serving its subscribers without relying on the underlying carrier for PVC provisioning for individual users.

Q. DOES ATM PROTOCOL SUPPORT DIFFERENT LEVELS OF SERVICE?

A. ATM allows a provider to offer a range of service categories. The lowest level of service is known as UBR, for Unspecified Bit Rate. This is sometimes known as a "best-effort" service and carries with it no service quality guarantees. UBR cells carry the lowest priority in an ATM network. Thus, for example, the effective data transmission rate and the delays packets encounter as they travel through the network can and will vary, and the underlying service provider, makes no guarantee regarding the variation of either rate or delay. UBR is useful for applications such as casual Internet access in which variable cell delays are not critical and which do not require quality of service guarantees. It is

1 unsuitable for packet voice, video, circuit emulation (such as DS-1 service) or other more
2 sophisticated applications.

3 **Q. PLEASE PROVIDE AN EXAMPLE OF OTHER ATM SERVICE CATEGORIES.**

4 A. There are several such categories. One of these, for example, real-time Variable Bit Rate
5 (rt-VBR), is designed to support such services as packet-switched voice communications.
6 Voice service is particularly sensitive to end-to-end delays in transmission as well as to
7 variations in the end-to-end delay. Excessive delay can lead to "echoes" over a circuit
8 which can be disorienting if the delay is sufficiently long, and unacceptable variations in
9 delay can lead to difficulties in reconstructing the analog signal at the destination. The rt-
10 VBR service category is designed to support such delay-sensitive applications and carries
11 with it service guarantees that ensure a suitable quality of service for them.

12 **Q. WHAT ATM SERVICE CATEGORIES DOES QWEST PROPOSE TO**
13 **SUPPORT?**

14 A. Qwest's documentation does not indicate what ATM service categories will be available
15 to a CLEC purchases its UPS rate elements. The UPS cost study, however, assumes
16 UBR service only. There is no mention in that cost study of any of the other standard
17 ATM service categories.

18 Qwest's testimony does refer to DSLAM functionality and indicates that this
19 functionality includes "Uncommitted Bit Rate" or "Committed Bit Rate at 256 Kbps, 512
20 Kbps, 768 Kbps, 1 Mbps, or 7 Mbps."[4] The testimony does not explain or define either
21 "Uncommitted Bit Rate" or "Committed Bit Rate," and these are not standard ATM

[4] Supplemental Direct Testimony of Barbara J. Brohl ("Brohl Supplemental") at p 5.

terms. If Qwest, in fact, intends to provide support for such services, it needs to define the services by describing the range of technical parameters that specify the service quality that will be guaranteed or supported. There are several quality of service parameters that one can use in describing and defining packet switching services, and none of those appear in Qwest's supporting testimony or in any of the other Qwest-supplied documentation, to the best of my knowledge. It is also not clear that Qwest will support PVPs, although they are rather nebulously mentioned in the Executive Summary provided with the UPS cost study as follows:

> "Unbundled Packet Switch Customer Channel – this element consists of DSLAM functionality and a virtual channel that will serve as the originating and terminating points for Virtual Path Connections (VPC) and Virtual Channel Connections (VCC)."[5]

Q. ASSUMING THAT QWEST, IN FACT, INTENDS TO OFFER ONLY ELEMENTS THAT WILL SUPPORT UBR SERVICE, HOW WOULD QWEST'S LIMITED SERVICE OFFERING IMPEDE TECHNOLOGICAL INNOVATION?

A. ATM, in combination with ADSL and other forms of DSL, can readily support packet voice and other advanced services in addition to the relatively simple Internet access. If, for example, Qwest were to make rt-VBR available to CLECs under its UPS rate elements, competitors could offer high-quality packetized voice service over DSL connections. A competitor could also offer advanced video services using ATM service categories with guaranteed quality of service levels. Qwest's proposal would impede the development of such innovative services by restricting competitors' access to more advanced ATM service categories.

[5] Executive Summary Arizona Unbundled Packet Switching UNE Ordered Lives Cost Study, February 2001, Study ID # 4731 ("Executive Summary") at p 1.

1 **Q. COULD PACKET VOICE SERVICE ALSO PROMOTE CONSUMER CHOICE**
2 **OF SERVICE PROVIDER FOR RESIDENTIAL SUBSCRIBERS?**
3 A. Absolutely. The availability of such service over DSL connections to CLECs would
4 afford residential subscribers an alternative source for switched voice service. This could
5 allow the CLEC to offer competitive voice service to, say, a residential or home-office
6 customer by supporting additional voice lines using packet techniques over a single DSL
7 connection and Qwest's ATM service.
8 **Q. IF THE BASIC UBR SERVICE QWEST WILL SUPPORT IS A PACKET-**
9 **SWITCHED SERVICE, WHY CAN'T IT BE USED FOR PACKETIZED VOICE**
10 **OR VIDEO SERVICE?**
11 A. Voice service and certain types of video service are very sensitive to delays in
12 transmission as well as in changes in transmission delay. As I previously noted, UBR
13 carries no quality of service assurances, including specifications of delay and delay
14 variation. UBR would therefore offer substandard service levels. The rt-VBR service
15 category is specifically designed for delay-sensitive applications such as packetized voice
16 and video.
17 **Q. DO YOU BELIEVE THAT QWEST, BY FAILING TO OFFER SUPERIOR ATM**
18 **SERVICE CATEGORIES, WOULD EFFECTIVELY RESERVE SUCH**
19 **SERVICES FOR ITSELF?**
20 A. It's certainly possible, although clearly I can't anticipate what services Qwest might itself
21 offer using its ATM network. It is equally clear that Qwest, by withholding such service
22 categories from its rate elements, precludes the offering of innovative and advanced
23 services by competitors whether or not it offers such services itself.

1 **Q. YOU REMARKED IN YOUR INTRODUCTION THAT QWEST**
2 **AMBIGUOUSLY DESCRIBES PACKET SWITCHING. PLEASE EXPLAIN.**
3 A. Qwest observes that a virtual channel is "a non-permanent channel"[6] and that "the
4 channel is set up in advance of the routing of the packets as is in place throughout the
5 transmission of the packets." At this point, the testimony notes that "[t]his creates the
6 virtual path over which all packets for this particular transmission will go." This
7 description ends with the statement that "[o]nce the packets are transmitted, the path is
8 released." The testimony either completely misrepresents the nature of virtual channels
9 and packet switching, or else it is intentionally saying that Qwest will only support SVCs
10 in its unbundled packet switching service.
11 **Q. WHAT WILL BE THE EFFECT ON CLECS AND THEIR CUSTOMERS IF THE**
12 **TESTIMONY IS ACCURATE AND QWEST REALLY INTENDS TO OFFER**
13 **ONLY SVCS?**
14 A. If the testimony is correct in suggesting that only SVCs are to be available, then end users
15 who choose a competitive carrier will not be allowed the "always on" connections that
16 they now have almost universally with their ADSL service. To the best of my
17 knowledge, no other service provider in the country now offers only SVC-based service
18 over DSL and ATM. This means that only Qwest and the few remaining facilities-based
19 ADSL carriers would be able to provide the level of ADSL service that customers now
20 expect.

[6] Brohl Supplemental at p 2.

1 **Q. OTHER THAN QWEST'S SUPPORTING TESTIMONY, WHAT OTHER**
2 **DESCRIPTIVE DOCUMENTATION DOES QWEST PROVIDE REGARDING**
3 **UNBUNDLED PACKET SWITCHING?**
4 A. Not much. The Executive Summary briefly describes the rate elements and discusses,
5 also briefly, some of the assumptions used in cost study 4731. There are no detailed
6 descriptions of the equipment assumed in the cost study, nor are there any explanations of
7 equipment investments in the cost study workbook that would enable a reviewer to
8 determine whether equipment investments are properly assigned to the UPS rate
9 elements. Other than the cursory discussion in the Executive Summary, I am aware of
10 nothing Qwest has made available in this proceeding that describes the service, the
11 equipment required to support it, traffic and other operating assumptions, or equipment
12 capacities and configurations.
13 **Q. IS THE COST STUDY ITSELF USEFUL IN THE ANALYSIS OF THE**
14 **CALCULATIONS THAT PRODUCED THE UPS RATES PROPOSED BY**
15 **QWEST?**
16 A. Only in a limited sense. The workbook containing the cost study[7] (TKM-20 UPS
17 WP.xls) is locked with a password, making it very difficult to trace through the
18 calculations in the model. Also, in several places Qwest has "hidden" rows in locked
19 worksheets to keep reviewers from scrutinizing certain inputs that Qwest has deemed
20 "vendor proprietary.".

[7] TKM-20 UPS WP.xls.

1 **Q. WERE YOU ABLE TO OBTAIN THE PASSWORDS FOR THE LOCKED**
2 **WORKSHEETS?**
3 A. I have requested them in a data request sent to Qwest and have not yet received them.
4 **Q. HAS QWEST RESPONDED IN ANY WAY TO YOUR DATA REQUEST**
5 **CONCERNING MODEL PASSWORDS?**
6 A. Yes. Qwest responded through a letter sent by their outside law firm, Fennemore Craig,
7 and attached to my testimony as Exhibit RAC-1. This letter notes that the requested
8 passwords would "[u]nfortunately … provide access to vendor proprietary information,"
9 and that "Qwest intends to object to providing the passwords … but it is nevertheless in
10 the process of seeking vendor authorization to release this information."
11 It would be mildly helpful to receive the passwords from Qwest, but the password is not
12 necessary to see the contents of hidden rows and columns in a locked Excel worksheet .
13 The information contained in the hidden rows in the model is scarcely enlightening, as
14 the entries are labeled with arcane abbreviations pertaining to various items of equipment
15 from specific vendors. Although the meanings of a few of these labels can be divined to
16 a limited extent, they are as a whole essentially useless, and there is furthermore no
17 detailed description of equipment configurations and capacities of equipment components
18 either in the model itself or in separate documentation that one could apply to a definitive
19 analysis of the system capacity and unit-level investment in the modeled components.
20 **Q. WHAT WERE YOU ABLE TO LEARN FROM THE COST STUDY?**
21 A. The study addresses digital loop carrier equipment modified to support ADSL service.
22 According to the parts of the cost study I could examine, the technology assumed is
23 clearly not forward-looking, in spite of Qwest's statement to the contrary in the Executive

1 Summary that "[we] consider all equipment and facilities to be forward looking
2 equipment [*sic*]."[8] The cost model shows explicitly that the modeled equipment
3 configurations use copper feeder facilities. Any copper-based DLC system is not
4 forward-looking.

5 **Q. WHAT ARE THE COMPONENTS OF A DLC SYSTEM?**

6 A. A typical DLC system is designed to support voice service. Such a system consists of a
7 digital terminal located in a wire center, and a remote terminal ("RT") which also
8 contains electronics, located some distance away from the wire center and close to
9 concentrations of subscribers. The wire center terminal and the RT communicate using
10 digital information transmitted over a fiber feeder facility, in the forward-looking case.
11 The feeder facility can consist of copper cables that carry T1 digital signals, but this is an
12 obsolescent application for DLC systems.

13 **Q. HOW DOES A DLC SYSTEM TRANSMIT VOICE INFORMATION FOR**
14 **CONVENTIONAL TELEPHONE CONNECTIONS?**

15 A. A DLC RT converts the analog voice signal from a given subscriber into a 64 kbps (DS-
16 0) digital signal that is then transmitted along the feeder connection ("upstream") to the
17 terminal in the wire center. There is a corresponding downstream DS-0 signal that is
18 converted by the remote terminal to an analog signal which is then sent along the copper
19 distribution connection to the subscriber. An active voice conversation requires a pair of
20 DS-0 channels, one in each direction, on the feeder facility.[9]

---

[8] Executive Summary Arizona Unbundled Packet Switching UNE Ordered Lives Cost Study, February 2001, Study ID #4731 ("Summary"), p 3.

[9] In an unconcentrated DLC system, the DS-0 pair is dedicated to a given line appearance. In a concentrated system, the DS-0 pair is assigned dynamically to call attempts, so that the number of DS-0 pairs in the feeder facility is smaller than the number of subscribers served by the system.

Q. IS IT NECESSARY TO MODIFY A DLC SYSTEM TO ALLOW IT TO SUPPORT ADSL SERVICE?

A. Yes. The complication caused by ADSL is that the high-bit-rate digital signal associated with each ADSL user on the DLC system must also be placed on the feeder facility along with the DS-0 signals required to support voice service.

Q. WHAT IS INVOLVED IN SUCH A MODIFICATION?

A. If a subscriber has ADSL service at, say, 256 kbps (symmetrical), then the feeder facility must have sufficient capacity to carry the 256 kbps signal in both directions along with the DS-0 channel in each direction to support the user's voice service. A DLC system supporting ADSL will therefore require significantly increased feeder transmission capacity over that required just for voiceband telephone service. A fiber-based DLC system must include additional electronics to carry the high-bit-rate ADSL signals. These modifications are generally nontrivial and may not be possible with older systems.

Q. CAN A COPPER-BASED DLC SYSTEM BE UPGRADED AS WELL?

A. Yes, it is possible. A copper-based DLC system, however, is particularly difficult to upgrade because of the fact that its feeder connections are a set of T1 lines usually supported by conventional T1 transmission technology. A possibly large number of additional T1s may be required to carry the high-bit-rate signals depending on the ADSL demand at the remote terminal. Besides being non-forward-looking, this is also a very expensive approach, and a cost study such as Qwest's that considers copper-based DLC technology for supporting ADSL service will severely overstate costs.

1 **Q. IS THERE ANY OTHER ASPECT OF THE COST STUDY THAT YOU**

2 **BELIEVE RESULTS IN OVERSTATED COSTS?**

3 A. Yes, there are two. First, the underlying equipment investments for supporting ADSL

4 access to packet switching services are certainly overstated because of the inappropriate

5 technology addressed by the study. Second, it appears that Qwest assumes that relatively

6 few subscribers will be served per T1 feeder connection.

7 **Q. WOULD YOU ELABORATE FURTHER ON THE SECOND POINT?**

8 A. Certainly. The Executive Summary states that "[t]he Network engineer provided us with

9 the assumption that 60 subscribers could be serviced over a DS1, with all subscribers

10 receiving UBR level service." Assuming a symmetric transmission speed of 256 kbps

11 per subscriber, this means that the assumed oversubscription ratio is 10:1, which is a low

12 value.[10] One usually assumes the oversubscription ratio to be twenty to forty or even

13 higher for UBR subscribers.[11] This means that Qwest's computed costs per UPS

14 subscriber will be two or four times or more what they would be if Qwest assumed a

15 more realistic oversubscription ratio.

16 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS REGARDING THE UPS COST**

17 **STUDY?**

18 A. I have already noted Qwest's inadequate documentation of the study, the model, and

19 input assumptions. I will add that much of the DLC investment, equipment as well as

---

[10] Oversubscription is recognition of the fact that users of packet data services only occasionally transmit and receive data. For example, sixty users each operating at 256 kbps would require 15.36 Mbps of transmission capacity if they were all active simultaneously. If each is active an average of 10% of the time, then all sixty can be accommodated by a facility operating at the DS-1 rate.

[11] UBR is Unspecified Bit Rate, an ATM service category with no service quality guarantees; it is the lowest quality service category specified for ATM.

1 feeder transmission facility, serves both POTS and ADSL subscribers, and how these
2 investments are assigned by the model to the different services is critical. Once again,
3 Qwest provides no analysis or discussion whatsoever of how the investments are
4 assigned.

5 **Q. WHAT IS THE IMPACT OF MISASSIGNING INVESTMENTS BETWEEN**
6 **POTS AND ADSL?**

7 A. Misassignment will result in users of one service subsidizing another service. Whether
8 and to what degree this is happening in Qwest's cost study is impossible to determine, but
9 the investments computed by the cost study are very high for all four components, and
10 particularly those for "customer channel," "DSLAM functionality," and the DS-1 packet
11 switch port. Finally, it is important to recognize that the sum of the customer channel and
12 DSLAM rate elements is $45.48 per month, which is more than twice the retail price for
13 Qwest's lowest-level ADSL service.

14 **Q. WHAT DO YOU CONCLUDE ABOUT THE PROPOSED UPS RATE**
15 **ELEMENTS AND HOW, IF THEY ARE ADOPTED, THEY WOULD AFFECT**
16 **ARIZONA SUBSCRIBERS?**

17 A. Qwest has failed to justify its proposed rates. First, Qwest's description of the rate
18 elements and meager discussion of the assumptions and procedures used to derive the
19 proposed rates are entirely inadequate.

20 Second, the wholesale rates that the Qwest study produces are over twice the lowest retail
21 rate for existing ADSL service in the Qwest region, making it impossible for a new
22 entrant to compete on a retail basis with Qwest.

Third, the UBR service Qwest addresses in its cost model is unsuitable for anything but simple interactive data applications such as basic Internet access. Qwest's proposal is technically unsuitable for commercial-grade packet voice or video service. By restricting the service quality it offers on a wholesale basis, Qwest reserves for itself, and thus effectively removes from the competitive landscape, the superior ATM service classes required for services more advanced than casual Internet access.

III. QWEST'S CIRCUIT SWITCHING COST MODEL IS A "BLACK BOX" AND HENCE INSCRUTABLE: IT SHOULD NOT BE CONSIDERED IN DEVELOPING UNE SWITCHING PRICES

Q. HAVE YOU REVIEWED QWEST'S SWITCHING COST MODEL (SCM)?

A. I have studied an evaluated the SCM to the extent possible. Qwest provides very little detailed documentation that explains the workings of SCM (or, for that matter, any of the cost models presented in this proceeding). One therefore is left to attempt to scrutinize the workbooks, databases, and other files the model uses and produces in order to determine input values and assumptions and how these factors are used to produce the model's results.

Q. DOES QWEST CLAIM THE ICM TO BE AN "OPEN" MODEL?

A. Qwest states the following about ICM, of which the SCM is a component:

> The ICM is an **open model**. The model makes it easy for the user to review the study inputs, calculation processes, and output results. All aspects of the model are open to investigation by the user – eliminating any "black box" concerns.[12] [Emphasis in original]

[12] Direct Testimony of Theresa K. Million, March 15, 2001, ("Million Direct"), at p 11.

1 **Q. ARE QWEST'S CLAIMS ACCURATE?**

2 A. No. The SCM, for example, has several associated databases and other files. Some of
3 the database files are locked with a password, making it impossible to observe their
4 contents without the password. The switching system investment assumptions are also
5 unavailable. Qwest maintains that the switch investments are proprietary to Qwest's
6 vendors and thus cannot be made available. These investments are absolutely critical to
7 the model review process. Without knowing the investment levels, the model results are
8 essentially meaningless.

9 **Q. WHAT WOULD A THOROUGH REVIEW OF SCM ENTAIL?**

10 A. One of the most critical items, is the ability to study and evaluate the switch investment
11 assumptions. It is also necessary to determine whether the basic model assumptions are
12 forward-looking. For example, some existing host-remote assignments are not forward-
13 looking, and a reviewer must be able to determine whether the modeled switch homing
14 arrangements that define the assignment of remotes to host switches are suitably forward-
15 looking. It is also vital to understand how switch capacity is modeled to determine how
16 costs are assigned to various switching functions, such as call setup, signaling message
17 processing, feature processing, and other items.

18 **Q. IS IT REASONABLY POSSIBLE TO STUDY THESE ITEMS TO AN**
19 **ADEQUATE EXTENT USING THE SCM INFORMATION THAT QWEST HAS**
20 **PROVIDED?**

21 A. No. As an example, I have tried to determine just the switch homing arrangements that
22 are actually modeled and have been unable to do so. The critical switch investment data,
23 as I have noted, are not available in the model in any form that I can determine. Qwest

1 does not provide a comprehensive description of the SCM's calculations and operation
2 beyond a brief model description packaged with ICM.[13] The document mostly consists
3 of marginally useful discussions of switch capacity calculations and descriptions of the
4 major SCM components.

5 **Q. DOES THE SCM DESCRIPTION EXPLAIN IN DETAIL HOW CRITICAL**
6 **VALUES AND QUANTITIES ARE CALCULATED?**

7 A. Not at all. The document contains such general statements as follows:

8 The model "assigns (partitions) each piece of equipment to
9 functional categories and determines equipment capacity;
10 calculates quantities and list prices for each piece of equipment; . .
11 . ; calculates how much standby an efficiently engineered switch
12 will require over the study period.[14]

13 These general statements are characteristic of the sparse description of SCM functions
14 and operation that Qwest provides.

15 **Q. CAN THE DETAILS OF MODEL OPERATION AND ALGORITHMS USED TO**
16 **COMPUTE INVESTMENT AND COST BE DETERMINED BY SCRUTINIZING**
17 **THE MODEL ITSELF?**

18 A. No. As I previously stated, some of the associated model files are locked and are thus
19 unviewable. Model calculations are extremely difficult to follow from beginning to end,
20 and it is not even clear that a reviewer with unlimited available time could study the
21 model in enough detail to determine precisely how it operates.

[13] Switching Cost Model (SCM) Technical Description (Switching Modules), February, 2001 ("SCM Description").
[14] *Id.*, p 10.

1 **Q. HAVE YOU REQUESTED THE MODEL'S PASSWORDS FROM QWEST?**

2 A. Yes.I requested the SCM passwords and the UPS cost model passwords in the same data
3 request. Qwest has responded that the passwords protect vendor proprietary information
4 and cannot be provided unless and until Qwest receives authorization from the affected
5 vendors.[15] In my view, if Qwest intended to rely on such information in its cost studies,
6 it should have requested and obtained vendor permission before filing the studies with the
7 Commission. Qwest's failure to do so essentially prevents any critical evaluation of the
8 model.

9 It is telling that Qwest's response effectively admits, in so many words, that SCM is a
10 "black box." In the response, Qwest, through its attorneys, admits that it is not possible
11 to separate the vendor proprietary information from certain of the calculations in the
12 model.[16]

13 **Q. WHAT DO YOU CONCLUDE ABOUT QWEST'S PRICING PROPOSALS FOR**
14 **SWITCHING ELEMENTS?**

15 A. Qwest has failed to support its proposed switching rate element prices to any satisfactory
16 extent. It is impossible to determine the underlying switch investment assumptions that
17 drive the results, and it is similarly impossible to review the SCM's functions to any
18 useful degree in order to determine the validity of the model's assumptions and
19 calculations. Despite Qwest's boasts that its cost model is "open," SCM is demonstrably
20 a "black box" in the best tradition of ILEC cost models. This model should therefore be
21 rejected by the ACC from any consideration in this proceeding.

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[15] Exhibit RAC-1.
[16] *Id.*

IV. QWEST'S SIGNALING COST MODEL CANNOT BE USED TO DETERMINE THE VALIDITY OF THE PROPOSED SIGNALING RATE ELEMENT PRICES AND MUST BE REJECTED FROM THIS PROCEEDING

Q. WHY CAN'T QWEST'S PROPOSED SIGNALING PRICES BE VALIDATED BY THE SIGNALING COST MODEL?

A. As is the case with the other models I have discussed, the switching cost model is poorly documented, and its investment inputs are not documented at all. The model is essentially a calculator, in that it receives certain inputs, including investments, from external processes which cannot be identified from either the model or its documentation, and it performs simple arithmetic calculations to arrive at its output results.

Q. PLEASE GIVE AN EXAMPLE OF THE MODEL'S INVESTMENT INPUTS.

A. A typical investment input is that for "local" STP (Signal Transfer Point, a Signaling System 7 message switch) hardware. It is shown as "LSTP SUMMARY REPORT/MILLISECOND, SERVICES: ALL" with a value of 1.83425779904791.[17] This defies scrutiny. The reader has no way of knowing what equipment configuration is being modeled, what the capacity of the equipment might be, or any of the equipment component investments. This input value is apparently a statement of some part of a local STP's investment expressed per millisecond of the STP's processing capacity, but absolutely none of the underlying data or assumptions is described or even mentioned anywhere in the documentation or in the model itself. It may be that at least some of these values are produced by the SCM, but it cannot be reviewed, and the documentation doesn't provide any enlightment.

[17] Signaling model contained in the file "SIS,v5.xls," 'Model Source Data' worksheet, cell G114.

1 **Q. YOU HAVE EMPHASIZED SEVERAL TIMES THE LACK OF INFORMATION**
2 **CONCERNING EQUIPMENT CONFIGURATION AND CAPACITY WITH**
3 **RESPECT TO EACH OF THESE MODELS. WHY IS THIS INFORMATION**
4 **IMPORTANT?**
5 A. This information is critical to the determination of the reasonableness of the proposed
6 rates and the validity of the models themselves. If Qwest had made such information
7 available to reviewers, a reviewer with a working technical knowledge of these
8 technologies could assess the appropriateness of the input assumptions, including
9 capacity, demand, and investment, and how they are treated by the model's calculations.
10 Qwest's refusal to supply adequate documentation renders these models useless as
11 vehicles for justifying Qwest's rate proposals.
12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
13 A. Yes.

ORIGINAL

THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JAMES M. IRVIN
Commissioner
MARC SPITZER
Commissioner

IN THE MATTER OF	)	
INVESTIGATION INTO QWEST	)	
CORPORATION'S COMPLIANCE	)	
WITH CERTAIN WHOLESALE	)	**DOCKET NO. T-00000A-00-0194**
PRICING REQUIREMENTS FOR	)	
UNBUNDLED NETWORK ELEMENTS	)	
AND RESALE DISCOUNTS	)	

DIRECT TESTIMONY

OF

DOUGLAS DENNEY

ON BEHALF OF THE JOINT CASE OF

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.,

WORLDCOM, INC., AND XO ARIZONA, INC.

RE: COST MODELS

MAY 16, 2001

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Executive Summary

The HAI Model, version 5.2a is a Total Long Run Incremental Cost ("TELRIC") cost model that can be used to estimate the Arizona specific unbundled network element costs associated with the loop, local switching, interoffice transport, interoffice signaling, and the total unbundled network element platform. The model is open, flexible, specific to Arizona, and incorporates multiple years of development and review before the Federal Communications Commission ("FCC"), state public utilities commissions, model developers and other interested, sometimes hostile, parties.

The HAI Model is non-proprietary. It utilizes non-proprietary line counts, usage data and over 1400 user adjustable inputs. All calculations in the model are open for review. The model's numerous output reports provide the user with a wealth of data that facilitates review. The model contains extensive documentation describing its operation and input values. The documentation on inputs defines the more than 1400 hundred user adjustable inputs and the source from which they were derived.

The HAI Model is flexible in that all input values and major assumptions are user adjustable. The model can easily incorporate updated information on line counts, expenses and network usage. The model calculates the cost of unbundled network elements, universal service and interconnection. The model produces results at the wire center, density zone and cluster level making it especially suitable for cost based geographic deaveraging.

The HAI Model incorporates Arizona specific customer locations and geographic data such as terrain characteristics, rock hardness and water depth. The model uses Qwest's publicly available wire center specific line counts, Qwest's actual switch

locations and Qwest's publicly available usage data.

The HAI Model served as the framework for the FCC Synthesis Model. The two models share common methodology and modules.

Like the HAI Model, HAI XDSL Adjunct Model, is open and flexible. The model estimates the cost of several UNEs associated with the "xDSL" family of Digital Subscriber Line services. The HAI XDSL Adjunct Model relies upon the loop calculations from the HAI Model. As a result it calculates estimates costs that reflect characteristics specific to Arizona.

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Douglas Denney. I work at 1875 Lawrence Street in Denver, Colorado.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by AT&T as a Manager with Network Services, in the Local Services and Access Management group. My responsibilities include tracking, reviewing and analyzing local wholesale prices in Qwest's region; reviewing cost studies; and representing AT&T as a witness in state regulatory proceedings in the region relating to local wholesale price/cost issues.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL BACKGROUND.

A. I received a B.S. degree in Business Management in 1988. I spent three years doing graduate work at the University of Arizona in Economics, and then I

transferred to Oregon State University where I have completed all the requirements for a Ph.D. except my dissertation. My field of study was Industrial Organization, and I focused on cost models and the measurement of market power. I taught a variety of economics courses at the University of Arizona and Oregon State University. I was hired by AT&T in December of 1996 and have spent most of my time with the Company analyzing cost models.

I have testified before most commissions in U S WEST 14-state territory on cost models -- including the HAI Model, BCPM, GTE's ICM, U S WEST's UNE cost models, and the FCC's Synthesis Model. I have also testified about issues relating to the wholesale cost of local service -- including universal service funding, unbundled network element pricing, geographic deaveraging, and competitive local exchange carrier access rates.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN ARIZONA?

A. Yes. I filed testimony in the geographic deaveraging docket T-00000A-00-0194 (Phase I).

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. The purpose of this testimony is to introduce the HAI Model, Release 5.2a ("HM 5.2a") to this Commission. In addition, I provide the Commission with a description of HM 5.2a and present the results of running the Model to establish forward-looking economic costs for Qwest Corp. ("Qwest") to provide UNEs in Arizona.

I also discuss how this model can best be used to create cost based deaveraged zones for the unbundled loop.

This testimony also introduces the HAI XDSL Adjunct Model that can be used to estimates the cost of several UNEs associated with the "xDSL" family of Digital Subscriber Line services, including a DS1 equipped loop.

Q. PLEASE SUMMARIZE YOUR TESTIMONY

A. My testimony introduces HM 5.2a as an appropriate TELRIC-based methodology for determining the cost of UNEs in Arizona.

The Model estimates the costs of a number of UNEs associated with the loop, local switching, interoffice transport, interoffice signaling, and the total UNE "platform." It produces results by line density range,[1] a useful tool for understanding how results vary from rural to suburban to urban areas, and by individual wire center. For example, calculation of Qwest's loop cost in Arizona by density zone and wire center are summarized in the following table of loop costs:

Monthly Total Loop Cost		
	Density Zone	**Wire Center**
Lowest	$5.25	$5.43
Highest	$89.70	$163.61
Average	**$10.10**	

The local switch usage cost is another UNE of importance and interest. The cost per minute of local switching for Qwest is shown in the following table:

Per Minutes Local Switching Costs	
Qwest Average	**$0.00121**

[1] Line density is defined as the number of lines per square mile. Low density corresponds to rural areas; high density, to urban areas.

UNE costs for local switching, tandem switching, interoffice transport and interoffice signaling are rolled into the cost of local network interconnection and, separately, interexchange ("IXC") access at the local switch and the tandem switch. The following table summarizes these per-minute costs:

Per Minute Network Interconnection Costs			
	At Local Switch	**At Tandem Switch**	**Average**
Local Network	$0.00125	$0.00248	
IXC Access	$0.00180	$0.00303	**$0.00205**

The HAI Model can also be used to establish deaveraged rates. Its ability to produce results by line density, cluster and wire center make it a flexible tool for establishing cost based deaveraged zones.

The HAI xDSL adjunct model builds upon HM 5.2a to produce estimated costs for the xDSL family of high-speed digital services.[2] The model's outputs include sufficient information to estimate the cost of both xDSL-capable loops, which are loops able to support xDSL with the appropriate addition of xDSL terminal equipment at both ends of the loop by the party purchasing the loop, xDSL-equipped loops, and xDSL services. The latter combines the xDSL-equipped loop with packet switching, interoffice transport, and element management.

The model separately considers the cost of xDSL over both all-copper loops and loops provisioned over fiber feeder. The cost of an all-copper xDSL-capable loop is just the cost of the underlying basic loop estimated by HM 5.2a. In the case of

[2] DSL stands for "Digital Subscriber Line;" the "X" denotes the existence of a family of such capabilities, such as Asymmetric DSL ("ADSL"), High-bit-rate DSL ("HDSL"), etc.

ADSL-capable loops provisioned over fiber feeder, however, the model accounts for the cost of upgrading the Digital Line Carrier Remote Terminal to accept ADSL line cards. The line cards themselves are considered to be equipment provided by the competitive entity.

Certain costs produced by the xDSL adjunct model are of particular interest in this proceeding. First, ADSL-capable loops are important because Qwest's competitors may use Qwest's loops in providing their own ADSL services. Second, HDSL-equipped loops are important because they are able to support DS-1 (1.544 megabits per second) offerings using HDSL-equipped loops. Therefore, one would expect Qwest's DS-1 rates, if cost-based, to be comparable to the HDSL cost. Finally, the "Additional Voice UNE" cost represents the cost of a voice platform minus the loop cost, and thus the additional cost for Qwest to provide a complete voice "platform" over and above the cost of the loop that supports both voice and ADSL.[3] The key cost results produced by the adjunct model are as follows:

Monthly XDSL Costs

xDSL Type	XDSL-Capable Loop		xDSL-Equipped Loop		Additional Voice UNEs	
Feeder→	Copper	DLC	Copper	DLC	Copper	DLC
G.Lite ADSL	$5.74	$11.90	N.A.	N.A.	$3.90	$3.90
HDSL (4-W)	$7.46	$15.74	$28.48	$36.50	N.A.	N.A.

Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

A. My testimony is divided into six parts. Part I provides an overview of the HM

[3] I assume the competitive entity will be responsible for all customer premises equipment, including the premises splitter if any, and the Central Office splitter and DSLAM (for ADSL).

5.2a. This overview makes extensive reference to the HM 5.2a documentation provided in several exhibits to this testimony. Part II summarizes recent changes made to the HM 5.2a that are part of the ongoing process of the HAI Model to refine calculations and model operation as new data and modeling techniques are developed. Part III describes, in some detail, the customer location and clustering process, and how the resulting data is used by the Model. Part IV discusses the use of HM 5.2a to estimate the costs of Qwest UNEs, and presents the results calculated by the Model. Part V describes how to deaverage loop costs properly and uses the results from HM 5.2a to estimate loop costs for each deaveraged zone. Part VI describes the HAI XDSL Adjunct Model.

Q. ARE THERE ANY EXHIBITS TO YOUR TESTIMONY?

A. Yes. My testimony contains the following exhibits.

Exhibit DKD-1

A CD-ROM containing the HAI Model, Release 5.2a for Qwest in Arizona and documentation utilized in this testimony.

Exhibit DKD-2

Documentation: The HAI Model Release 5.2a, Model Description, Automation Description and User Guide (contained on CD ROM)

Exhibit DKD-3

Documentation: The HAI Model Release 5.2a, Inputs Portfolio (contained on CD ROM)

Exhibit DKD-4

A file showing the geocode success rates for Qwest wire centers in Arizona.

Exhibit DKD-5

"99 Actuals" worksheet, taken from the Expense Module of the HAI Model. (also contained on CD ROM)

Exhibit DKD-6

Part A: HAI 5.2a density zone UNE cost estimates. (also contained on CD ROM)

Part B: HAI 5.2a wire center UNE cost estimates (also contained on CD ROM)

Exhibit DKD-7

Part A: HAI 5.2a density zone UNE cost estimates with Commission Arbitration ordered inputs. (contained on CD ROM)

Part B: HAI 5.2a wire center UNE cost estimates with Commission Arbitration ordered inputs. (contained on CD ROM)

Exhibit DKD-8

Theoretical calculations of the impact of growth on loop costs.

Exhibit DKD-9

Section 4 of Qwest's Exchange and Network Services Tariff on construction charges.

Exhibit DKD-10

Wired Magazine article on pre-merger Qwest and their enthusiasm to share structure with competitors.

Exhibit DKD-11

A list of loop costs by wire center using recommended inputs in the HAI Model. This exhibit also indicates proposed wire center zones and loop costs for these, both before and after the pending sale of exchanges to Citizens. (also on CD-ROM)

Exhibit DKD-12

The deaveraging optimization program used to create the proposed deaveraged zones contained in Exhibit DKD-11. (contained on CD-ROM)

Exhibit DKD-13

The HAI xDSL Adjunct Model on CD ROM.

Exhibit DKD-14

Documentation for the HAI XDSL Adjunct Model. (on CD ROM)

Exhibit DKD-15

Summary output from the HAI XDSL Adjunct Model.

II. OVERVIEW OF THE HAI MODEL, VERSION 5.2A

Q. PLEASE PROVIDE A GUIDE TO THE DOCUMENTATION YOU HAVE ATTACHED AS EXHIBITS TO YOUR TESTIMONY THAT PROVIDE A DETAILED EXAMINATION OF THE NATURE AND CONTENT OF HM 5.2A.

A. Section 1.2 and Appendix A of the HM 5.2a Model Description contained in Exhibit DKD-2 discusses the evolution of the HAI Model over the past five years. This evolution has occurred in response to ongoing intensive internal reviews of the Model, scrutiny of past versions by various parties as well as more recent scrutiny of this version, new developments in modeling techniques and data sources, and new regulatory requirements. Section 2 of Exhibit DKD-2 summarizes the changes between HM 5.2a and HM 5.0a, which was the version of the Model originally submitted to the FCC for its use in estimating the costs of universal service. Part II of this testimony summarizes the most recent changes to HM 5.2a as well as principal changes adopted since this Commission reviewed and accepted Hatfield Model _2.2 in its prior Consolidated Costing and Pricing Arbitration, Docket No. U-3021-96-448, et. al..

Section 3 of Exhibit DKD-2 presents the basic local network structure assumed by the Model; it is the same structure assumed by earlier versions of the Model. The same can be said of the overall Model organization and structure described in Section 4. Sections 5 and 6 describe in some detail the Model's database and the operation of the individual modules of the Model, respectively. Finally, Section 7 summarizes the Model description.

Appendix B of Exhibit DKD-2 identifies and defines the more than 1400 user inputs to HM 5.2a; it is intended as a ready reference for a user making changes to the inputs through the user interface. Appendices C and D of Exhibit DKD-2 provide additional information on the databases and logic flow of HM 5.2a. The document titled "HM 5.2a Automation Description and User Guide" at the end of Exhibit DKD-2 explains the computer system requirement to run HM 5.2a, and how to install and run the Model. The description of how to run the Model includes the mechanism for changing the default values of user inputs, and for invoking various features and capabilities of the Model. Exhibit DKD-3, the HM 5.2a Inputs Portfolio ("HIP") provides the rationale and support for the default values of inputs used in HM 5.2a.

Q. PLEASE DESCRIBE THE FUNDAMENTAL NATURE OF HM 5.2A.

A. Like earlier versions of the HAI Model, HM 5.2a is a bottom-up economic-engineering costing model of basic local exchange service developed by HAI at the request of AT&T and WorldCom. The Model estimates in a consistent fashion, the costs that an efficient firm would incur to provide unbundled network elements, universal service, and interconnection services. Specifically, the HAI

Model estimates the costs that an efficient LEC would incur to provide narrowband, voice-grade telephone services in a manner that is also capable of providing access to advanced services.

Q. WHAT DO YOU MEAN WHEN YOU SAY HM 5.2a IS A BOTTOM-UP ENGINEERING AND ECONOMIC MODEL?

A. I mean that HM 5.2a constructs a network based on detailed and granular information as to service demand, network component capacities and costs, and expenses. The Model thus contrasts with models that try to decompose total costs or revenues of existing telephone companies into their constituents. The latter models are often referred to as "top-down."

Specifically, the Model process has the following seven major steps. First, it determines the amount and location of current demand for local exchange service, network elements, and network interconnection for the Incumbent Local Exchange Carrier ("ILEC") and jurisdiction under study. In doing so, the process uses geocoded[4] customer location data when available, combined with a method of assigning surrogate locations when geocoded location information is not available for all customers. This step is described in Section 5.3 of Exhibit DKD-2, and reflects a state-of-the-art approach to more precisely determining customer locations.

Second, the process groups, or "clusters," adjacent customers, and associates those clusters with serving areas that can be efficiently served by available local

[4] A geocoded customer location is one where a customer address can be precisely located (i.e. latitude and longitude can be determined).

exchange technology. In doing so, it determines the size, shape, location, number of lines, and serving wire center of each such cluster. The clustering process is described in Section 5.4 of Exhibit DKD-2. Once these clusters are identified, the process incorporates jurisdiction- and/or company-specific data on local terrain attributes and assigns these attributes to the customer clusters according to the cluster locations, in order to identify circumstances in which the terrain attributes will cause installation costs to increase over their normal levels.

Third, based on the forward-looking network architecture being deployed by ILECs today, the Model determines the amounts of various network components needed to support the known demand for the elements and services in question. In doing so, it employs numerous optimization routines that ensure 1) the use of outside plant structures that are most technically and economically suited to particular local conditions; 2) the appropriate economic choice of feeder technology between copper cable and fiber-based digital loop carrier systems; 3) at the user's option, the appropriate economic choice between wireline and wireless distribution systems; and 4) efficient interoffice fiber optics transport rings based on the widely-used Synchronous Optical Network ("SONET") family of standards.

Fourth, using public information and opinion from subject matter experts on the availability, capacities, and costs of network assets and facilities available in the marketplace today, which are provided to it through user inputs, the Model estimates the investment required to purchase and deploy the requisite quantities of each identified component considering detailed engineering design, material,

and labor. The ability to set meaningful values for these inputs has been greatly aided by the exhaustive analysis of inputs undertaken by the FCC in connection with its work on the universal service subsidy model.

Fifth, the Model determines the cost of operating and maintaining the network, taking into account all relevant capital carrying costs, network operations, maintenance, customer operations, and corporate overhead costs (with forward-looking adjustments where appropriate). Again, various parameters required to make these calculations are provided to the Model through user inputs and as appropriate the user can specify whether expenses are to be allocated on a per-line or relative investment basis.

Sixth, the Model calculates per-unit UNE costs, network interconnection costs, and the cost of universal service. At the user's discretion, these results can be displayed by line density range, wire center, or individual customer location "cluster."[5]

Finally, the Model run produces outputs and associated intermediate results that are available for public scrutiny, both in hard-copy and electronic form.

Q. WHAT IS THE ROLE OF USER INPUTS IN THIS PROCESS?

A. As I mentioned previously, the Model provides the user with the ability to specify over 1,400 inputs through a set of graphical user interface screens. These inputs

[5] Line density refers to the number of lines served per square mile. Many aspects of telephone network design, and associated investments and cost, are dependent on line density -- meaning they differ according to whether the area served is rural (low density), suburban (medium density) or urban (high density). Density zones in the model range from 0-5 lines per square mile at the low end to greater than 10,000 lines per square mile at the high end.

represent, for instance,

- "on-off" switches that allow the user to invoke certain alternative model algorithms;
- the prices of network components;
- certain attributes of the local exchange network under study, such as the designation of which switches are hosts, remotes and stand-alone units and the amount of different types of outside plant by line density zone;
- operations costs, specified on a per-line or per-investment-dollar basis; and
- parameters related to capital carrying costs, such as the percentages and cost of debt and equity, depreciation lives and net salvage values, and tax rates.

These inputs allow the user to reflect specific local conditions and circumstances, and/or to permit sensitivity analyses to be performed. Default values are set for each of these inputs that reflect industry practices, suitably adjusted to be consistent with the forward-looking orientation of the Model. Appendix B of Exhibit DKD-2 identifies, defines, and gives the default values of these user inputs. Exhibit DKD-3, the HAI Inputs Portfolio, provides the rationale and support for each of these inputs.

III. CHANGES FROM HM 2.2.2 TO HM 5.2A

Q. THE VERSION OF THE HAI MODEL SUBMITTED IN THE ARBITRATION DOCKET IN 1996 WAS HM 2.2.2. GENERALLY, WHAT ARE THE DIFFERENCES BETWEEN HM 2.2.2 AND HM 5.2A?

A. Compared to HM 2.2.2, HM 5.2a is a dramatically improved model. These improvements result first and foremost from the adoption of advances in the state

of the art of cost modeling, particularly with respect to determining the location of customers being served by the network that is modeled. Additionally, the Model has been the subject of continuing intense scrutiny by the developers of the Model, as well as its clients, regulators, and other, often hostile, parties. This scrutiny has led to the identification and incorporation of a number of changes to the Model and its inputs. The Model has benefited from the extensive modeling and input parameter investigation by the FCC-state joint board on universal service. Finally, the operation of the model has been improved in many respects, such as the amount of flexibility provided to users, the speed at which the code executes, and the elimination of various programming "traps" that can cause the model to suspend processing.

Q. PLEASE SUMMARIZE THE KEY DIFFERENCES BETWEEN HM 2.2.2 AND HM 5.2A.

A. At a high level – the extensive changes to all aspects of the model preclude a more exhaustive accounting – the most significant improvements in HM 5.2a compared to HM 2.2.2 are as follows:

- In contrast to HM 2.2.2, HM 5.2a locates and serves customers in small[6] population "clusters" based on the use of a mixture of geocoded information, where available, and surrogate road locations otherwise, as opposed to the previous use of Census Block Groups ("CBGs") that often have a much larger geographic extent in rural areas;

[6] In a large majority of cases, these clusters are no more than three miles on a side, and are usually much smaller than that.

- The use of customer clusters rather than CBGs, assigns customers more precisely to serving wire centers than could be done with CBGs, given the latter's geographic extent, and precisely locates the clusters relative to the wire centers that serve them rather than arbitrarily assigning locations to the center of quadrants of the CBGs;
- HM 5.2a much more precisely estimates the number of primary and secondary residential lines, single line business lines, multiple-line business lines, public telephone lines, and special access circuits in each cluster, rather than arbitrarily assuming business and special access lines are located at the same place as residential line concentrations;
- HM 5.2a bases the calculations of distribution cable types, sizes, and lengths on the actual extent and demographics of the population clusters being served, rather than on values pre-set by density zone;
- HM 5.2a optionally normalizes the amount of distribution cable in a population cluster to an independently-derived measure of the amount of cable required to connect all customers in a cluster, thereby ensuring the model produces sufficient cable to reach all customers;
- HM 5.2a allows the user to specify spare cable capacity in terms of a target utilization factor, rather than achieved fill, thereby specifically recognizing that achieved fill is typically substantially lower than target utilization due to the modularity of commercially-available cable sizes;
- HM 5.2a extends digital facilities – a combination of fiber optics feeder and, if necessary, T1 distribution systems – to within a user adjustable distance of

every customer, ensuring the network is capable of supporting high-quality voice service as well as broadband data services such as the xDSL family of digital subscriber line services;

- At the user's option, HM 5.2a selects between copper and fiber feeder based on relative life-cycle costs, determines the optimum mix of outside plant structures, invokes a wireless distribution option if it is more economical than a wireline network, and allows for a mixture of host, remote, and standalone local switching systems;
- In comparison to HM 2.2.2, HM 5.2a calculates the investment in local switching systems more precisely, using inputs derived from the FCC's extensive review of switching cost data;
- HM 5.2a models the interoffice network as a series of interconnected logical fiber rings built on physical rings which are laid out in a fashion that minimizes cost, and calculates the cost of transmission terminal equipment associated with these rings more precisely;
- In comparison to HM 2.2.2, HM 5.2a provides a more refined calculation of capital carrying cost that separates depreciation lives and net salvage values, and more properly reflects federal tax deferrals;
- At the user's option, HM 5.2a assigns the loop portion of all categories of expenses other than plant-specific expenses to loops on a per-line basis rather than on the relative amounts of cost in different loops;
- HM 5.2a incorporates more than twice as many user inputs, providing additional flexibility in areas such as the mix of outside plant types, the effect

of various terrain and soil attributes on outside plant structure costs, a more granular breakdown of network component costs generally, and the specification of expense to investment ratios for various categories of network equipment as an alternative to calculating the ratios based on ARMIS data;

- HM 5.2a presents user inputs for review and potential adjustment through a graphical user interface that consists of a number of logically-organized screens;
- HM 5.2a includes improved and more complete model documentation, particularly through the addition of the HIP that identifies the default value for each of the user inputs and provides the sources and rationale for each input used by the model; and
- HM 5.2a produces a much more complete set of results in the standard outputs of the model, while allowing the user to capture additional information on intermediate results of the model.

Again, I must emphasize that this is a high-level view of the changes; the documentation of each successive release of the model has provided several pages of details on the changes in that release relative to the previous version.

Q. HOW IS THE HAI MODEL RELATED TO THE FCC SYNTHESIS MODEL?

A. The FCC Synthesis Model is used by the FCC for determining Federal Universal Service support. The HAI Model serves as the framework for the FCC Model. The HAI subscriber database is the prototype for the FCC database. The FCC Synthesis Model adopted a clustering methodology similar to that used by the

HAI Model. The interoffice and expense modules used by the FCC Synthesis Model were taken from the HAI Model, and the user interface is adapted from the HAI Model.

The Synthesis Model uses a set of route-optimization algorithms that determine distribution and feeder cable route distances. HM5.2a has a corresponding strand-distance adjustment that allows it to approximate the Synthesis Model's route distance optimization methodology.

Although use by the FCC of the HAI Model as the framework for the FCC Synthesis Model validates the HAI Model, the FCC Synthesis Model cannot be used in this proceeding because it is not designed to produce UNE costs. The FCC Model was developed to produce USF costs at the wire center level. Furthermore, it cannot calculate costs below the wire center level; *i.e.*, at the density zone or cluster level.

IV. CUSTOMER LOCATION AND CLUSTERING

Q. WHAT IS THE PURPOSE OF THE CUSTOMER LOCATION AND CLUSTERING ALGORITHMS?

A. The location algorithm ensures that customers are located to the highest degree of specificity and accuracy possible, based on available data. The clustering algorithm ensures that the identified customer locations are served by outside plant that is configured to be economically efficient and consistent with design guidelines that are based on the characteristics of currently-available outside plant technology.

1 **Q. PLEASE SUMMARIZE THE CUSTOMER LOCATION PROCESS.**

2 A. This process is described in detail in Section 5.3 of Exhibit DKD-2. Sections 5.1
3 through 5.3 are also useful in understanding how residential and business line
4 counts are determined by wire center.[7]

5 Briefly, HM 5.2a utilizes the most precise customer location data that are
6 available. Wherever customer locations have been precisely determined by
7 geocoding, that information is used. Geocoding, as applied in HM 5.2a, locates
8 customers fifty feet from the center of the roads on which they are located. In
9 Arizona, the geocoding success rate is approximately 77% of all customer
10 locations for the state as a whole. Exhibit DKD-4 contains a list of the geocode
11 success rate by Qwest wire centers.

12 For those locations for which no geocoding information is available, the Model
13 uses the next most precise information source available: the U. S. Census
14 Bureau's location of residential households by census block ("CB"). In HM 5.2a,
15 surrogate locations are distributed uniformly along the roads they lie on and
16 within the boundaries of the CB. The road information is determined from the U.
17 S. Census Bureau's Topologically Integrated Geographic Encoding and
18 Referencing ("TIGER") files. Roads where customers are unlikely to reside have
19 been eliminated from consideration.[8] The uniform distribution of customer

[7] For Arizona, Qwest's publicly available wire center specific line counts were used in HM 5.2a.
[8] This includes, for instance, limited access highway segments, road segments that are in tunnels or underpasses, vehicular trails and roads passable only by four-wheel-drive vehicles, and private driveways and roads.

locations along roads in this fashion is still likely to overestimate the actual dispersion of customers to some extent, because households and businesses are commonly clustered to at least some degree. But this is the best way we know how to use the information that is available.

Q. PLEASE SUMMARIZE THE CUSTOMER CLUSTERING PROCESS.

A. This process is described in Sections 5.4 and 5.5 of Exhibit DKD-2. Its purpose is to identify subsets of the customer locations determined from the customer location that are close enough together to be efficiently engineered as a single telephone plant serving area. Customer locations must meet the following criteria to be considered members of a particular cluster:

- No point in a cluster may be more than 18,000 feet distant (based on right angle routing) from the cluster's centroid;
- Clusters are targeted not to exceed 1,800 lines in size;[9] and
- No point in a cluster may be farther than two miles from its nearest neighbor in the cluster.

Clusters so identified are classified as "main clusters" if they have five or more lines, and "outlier" clusters if they have fewer than five lines.

Once main clusters are identified in this fashion, the clustering algorithm calculates and records a rectangle whose 1) centroid and location are the same as

[9] This number results from 90% utilization of a 2016 line DLC Remote Terminal and a 7200 line SAI (Feeder plus Distribution pairs terminated). It is a target maximum size, but the final count of lines in a cluster may exceed 1,800 lines due to the final gross-up of geocode data to the study area line counts and the addition of special access lines and public telephones. If this occurs, the model adds sufficient remote terminals and SAIs to serve the actual line count, taking excess capacity into account.

the convex polygon that defines the cluster;[10] and 2) aspect ratio is the same as the aspect ratio of the minimum rectangle that bounds the original cluster shape. Thus, customers belonging to main clusters end up within the confines of a "rectangularized" cluster shape that allows the Model to estimate the type and amount of outside plant required to serve each cluster. As I have mentioned before, the aspect ratio is now calculated based on the actual orientation of the bounding rectangle, rather than being projected onto north-south and east-west axes. The cluster type and shape information, as well as other data about each cluster as listed in the Cluster Input Data Table in Section 6.1.1 of Exhibit DKD-2, including the strand distance calculated by HM 5.2a, become the demographic input data for the Model calculations.

Q. WHAT DOES THE MODEL DO WITH THE INFORMATION THAT RESULTS FROM THE LOCATION AND CLUSTERING PROCESS?

A. HM 5.2a treats each main cluster identified during the clustering process, along with its associated "outlier" clusters, as a serving area. As described in Section 6.3 of Exhibit DKD-2, the Model extends copper or fiber feeder cable to each main cluster. From there, copper distribution cable extends throughout the main cluster to reach the customers in the main cluster. If the distances involved exceed the maximum copper loop distance set by the user, the main cluster is divided into two or more sub-clusters, and fiber feeder is extended to terminals and Serving Area Interfaces located in each of the sub-clusters. Copper cables,

[10] A convex polygon is one whose internal angles are less than 180 degrees, meaning that it "bulges outward" at each of its vertices.

including, as necessary, T1 digital transmission equipment, also extend from the feeder termination in the main cluster to the remote clusters associated with the main cluster.

Q. WHAT IS THE NATURE OF THE STRAND DISTANCE THAT IS NOW CALCULATED FOR EACH CLUSTER AND INCLUDED IN THE DATA RECORD FOR THAT CLUSTER?

A. The strand distance is an independent measure of an amount of route mileage required to connect all the points that represent customer location to each other. It is related to a graph theory concept referred to as a Minimum Spanning Tree ("MST") of the points that represent the customer locations. But unlike a true MST, which would calculate distances based on connecting points with straight lines, the strand distance used in the Model provides for the extra distance required to connect points via "right angle routing," in which the connection between any two points follows a "horizontal, then vertical" path in a Cartesian coordinate system.[11]

Q. WHAT IS THE SIGNIFICANCE OF THE STRAND DISTANCE FOR A GIVEN CLUSTER?

A. It represents the amount of distribution route distance ("DRD"), which is the sum of all distribution and connecting cable components that the Model should produce in each cluster.

[11] In other words, the MST calculates the distance between two points as the sum of the length of the legs of a right triangle connecting the two points rather than the hypotenuse of the triangle, which represents the "airline" distance.

Q. HOW DO YOU ANSWER THE CRITICISM THAT THE STRAND DISTANCE IS AN ABSOLUTE MINIMUM MEASURE OF THE APPROPRIATE DRD, AND THE DRD SHOULD ACTUALLY EXCEED THE STRAND DISTANCE?

A. For a variety of reasons, the MST, while serving as an indicator of what the DRD might be, does not represent the true minimum DRD the Model should produce. This is because:

- The methodology used to determine surrogate customer locations when geocoded information is not available is likely to overly disperse those locations, because it assumes a uniform spacing of customer locations along roads that does not reflect clusters of customers that often exist, such as in small towns, settlements, and the like. Since MST takes surrogate locations as fact, strand distances based on these locations will also be over-estimated in this case.
- While the graph theory on which the MST concept is based assumes that branches can occur only at the nodes of the graph, which in this case are the customer locations, telephone plant will almost always have branching points at places other than at a customer location. Such "Steiner networks" are capable of connecting points with less cable than is required by MST assumptions.
- The strand distance may not account for all the cable used to connect customer locations to the feeder. Specifically, one must also account for the drop cables that connect the distribution cables to the individual customer

premises, and the substantial amounts of cable required to connect outlier clusters to main clusters, and to connect customers within outlier clusters.

Q. HOW IS THE STRAND DISTANCE USED IN HM 5.2A?

A. The HM developers have reservations about the meaningfulness of the MST for the reasons explained in my previous answer. Nonetheless, to allay the concerns of those who disagree, HM 5.2a includes the optional ability to normalize the DRD produced by the Model to the calculated strand distance, taking appropriate account of the drop cable lengths included in the strand distance estimate but not considered to be part of the DRD.

The user interface includes two parameters that can be set independently for each density zone. The first is a logical "on-off switch" that determines if the strand distance provided as part of the cluster information database is to be used in that density zone. The second is a multiplier of the strand distance that can be used to correct any systematic biases in the strand distance. It can, for instance, be used to lower the strand distance to correct for the effect of conservatively over-dispersing customer locations in the low density zones.

These parameters are used as follows. If the switch is off, the DRD is not normalized to the strand distance. If it is on, the strand distance provided in the cluster data record is multiplied by the second parameter, then the ratio of the adjusted strand distance to the DRD is computed, and finally each component of the DRD is multiplied by that ratio so the overall DRD will now equal the

adjusted strand distance.[12] This process is explained in detail in Section 6.3.4 of Exhibit DKD-2, which also describes the default values for these and another relevant parameters.

Q. ARE ANY ADJUSTMENTS TO THE DRD MADE IF THE STRAND DISTANCE NORMALIZATION IS TURNED OFF?

A. Yes. Even if the user does not invoke the normalization option, the Model nevertheless ensures that the DRD in each cluster is large enough for cable to reach the corners of the cluster rectangle that may be occupied by customers, using right-angle routing. For a cluster with two customer locations, this minimum distance is the sum of the height and width of the rectangle less two drop lengths for the cluster's density zone, under the assumption that customers are located at diagonally opposite corners of the rectangle. With this minimum, there is enough cable to connect opposite corners of the rectangle. For instance, starting, say, at the upper left corner, such a cable would extend to the right along the upper edge of the rectangle to the mid-point of the upper side, drop straight down through the middle of the rectangle to the bottom edge (intersecting the SAI along the way), and then travel towards the right along the bottom edge of the rectangle. For a cluster with three customer locations, the minimum distance is the sum of the height and 1.5 times the width, assuming customers are located at three corners of the rectangle; the additional amount of cable is sufficient to also extend from the middle vertical cable segment to the upper right or lower left

[12] The default user input value is –999, which causes the Model to use a multiplier of 1; if the user replaces, through the interface forms, the –999 indicator with a practical multiplier value, the Model will override its default factor with the user-selected one.

corner. Finally, for a cluster with four or more customer locations, the minimum distance is the sum of the height and twice the width of the rectangle, assuming customers are located at all four corners of the rectangle; this provides sufficient cable to extend to all four corners from the middle vertical cable segment.

Q. TO WHAT EXTENT DOES THE USE OF STRAND DISTANCE LEAD TO A CONSERVATIVE ESTIMATE OF THE REQUIRED AMOUNT OF STRUCTURE DISTANCE?

A. The calculations do not assume any sharing between feeder and distribution structure. In practice, feeder and distribution cable can sometimes occupy common structure. The Model thus conservatively estimates loop structure investment by not allowing for this form of sharing. Furthermore, the Model assumes that all structure, and hence cable, is routed in a right-angle fashion. In practice, pole and trench routes run diagonally to follow roads that do not run N-S or E-W. Such diagonal routing will generally lead to structure distances that are less than those obtained under the right-angle assumption. In addition, in testimony filed in Florida in July, 2000, HM5.2a's predecessor model, HM5.0a, was found to estimate significantly more loop structure distance than that computed by the BellSouth Telecommunications Loop Model ("BSTLM"), which is based on BellSouth's actual customer locations. In this case, the HM calculated 28% greater distribution distance and 436% (more than five times) more feeder distance than that estimated by BSTLM.[13] This version of the HM, HM5.0a, will

[13] Rebuttal Testimony of John C. Donovan and Brian F. Pitkin, Florida Public Service Commission Docket No. 990649-TP, July 31, 2000, Exhibit JCD/BFP-3.

generally produce somewhat less distance than that calculated by HM5.2a with the strand adjustment enabled. Thus, HM5.2a will produce even more conservative estimates of loop plant structure distance.

Q. PLEASE SUMMARIZE WHERE IN THE EXHIBITS TO YOUR TESTIMONY THE CUSTOMER LOCATION, CLUSTERING, AND DISTRIBUTION NETWORK DESIGN ALGORITHMS ARE DESCRIBED IN DETAIL.

A. Sections 5.3 and 5.4 as well as Appendix C, of the Model Description contained in Exhibit DKD-2, provides a detailed portrayal of the customer location and clustering algorithms, respectively. These processes in turn require an accurate determination of LEC wire centers and customer line counts by type. The process of obtaining these data is described in Sections 5.1 and 5.2. Sections 6.3 and 6.4 describe how the Model engineers outside plant to provide service to the identified clusters of customers.

Q. PLEASE DESCRIBE THE MECHANISM BY WHICH USERS MAY SET E/I RATIOS FOR VARIOUS PLANT CATEGORIES.

A. The Model calculates the operating expenses associated with each network plant category by multiplying the investment calculated by the Model for that category by an appropriate E/I ratio. In its "default" mode, the Model calculates the E/I ratio for a given plant category as the ratio of the expense and investment amounts entered in the "ARMIS Inputs" Worksheet of the Expense Module for that category. The user, however, can override the default E/I calculation by entering an E/I value for that category in the "99 Actuals" Worksheet.

Q. PLEASE DESCRIBE SPECIFICALLY HOW A USER CAN ENTER SUCH E/I RATIOS.

A. I will do so by reference to the "99 Actuals" Worksheet included as Exhibit DKD-5.[14] Focusing on Rows 3-51 of that worksheet, one observes various plant categories. Column F, labeled "calculated or user-defined factor," shows the E/I ratio for each plant category that is subsequently used by the Model to calculate operating expenses. For a given plant category, if Column H (which is labeled "User-Defined Factor") were blank, then Column F would contain an E/I calculated from the investments and expenses shown in Columns C and E (which are picked up from the ARMIS Inputs sheet). When there is an entry in Column H, however, the value entered in Column H overrides the normal E/I calculation, and Column F will be set equal to the Column H entry and used in subsequent calculations. For example, in Row 19 (ARMIS account 2212, Digital Electronic Switching), the value .0558 entered in Column H causes Column F to be .0558, rather than the ratio of 39,508 (Column E) to 823.252 (Column C), or .0480. In this fashion, the user is able to input E/I ratios for any and all plant categories.

To change the E/I ratios from the default values, a user should allow the Model to execute, enter one or more values in Column H, and depress the F9 key to recalculate.

[14] Exhibit-5 contains a "values only" version of the 98 Actuals worksheet, and so the formulas described below do not appear.

Q. WHAT IS THE PURPOSE OF COLUMNS I AND J AT ROWS 44-46 OF THE 99 ACTUALS WORKSHEET?

A. These additional columns, called Alternative Cable Maintenance Factors, allow the user to enter separate fiber cable and copper cable E/I ratios for each type of outside plant structure – aerial, underground, and buried. While it might appear from the exhibit that the copper cable values set in Column J control the value in Column H, and hence in Column F, in actuality, for these plant categories, the Model will automatically select the Column I entries when calculating fiber cable expenses, and Column J entries when calculating copper cable expenses.

Q. EXHIBIT DKD-5 SHOWS A NON-ZERO VALUE FOR EVERY PLANT CATEGORY IN COLUMN H. ARE THEY THE ACTUAL VALUES USED TO PRODUCE THE RESULTS FOR QWEST?

A. Yes, and they are the values that are set in the "99 Actuals" worksheet in the Model that is being filed electronically with this testimony. Therefore, the user does not need to take any action to have the Model calculate results with the set of ratios shown.

Q. PLEASE IDENTIFY THE SOURCE OF THE VALUES THAT APPEAR IN COLUMN H-J OF EXHIBIT DKD-5.

A. The values in Exhibit DKD-5 are those that the FCC determined to be appropriate. They appear in the *USF Inputs Order*.[15]

[15] Mechanism for High Cost Support for Non-rural LECs, CC Docket 97-160, Tenth Report and Order, FCC 99-0304, (Rel. Nov. 2, 1999) ("*USF Inputs Order*").

V. RESULTS OF APPLYING HM 5.2A TO QWEST

Q. WHAT INPUTS HAVE BEEN ADJUSTED TO REFLECT QWEST CUSTOMERS IN ARIZONA?

A. The HAI Model uses Arizona specific customer location data, terrain data, and switch locations. In addition, I used the following inputs specific to Qwest in Arizona.

1) Qwest's year 2000, Wire Center Specific Line Counts downloaded from Qwest's web site.[16]

2) End of Year 2000 ARMIS expense and network usage data.

3) Switching Investments. These data are based on prices adopted by the FCC in the *USF Inputs Order*. The inputs reflect Qwest's specific proportion of host and remote switches. The switching investments include the costs of software necessary for vertical features. The model also sizes switches with the necessary capacity to account for usage of features. As a result, the cost of features is already being recovered in the switching unbundled network elements.

4) An Arizona specific labor factor. This factor adjusts a specific proportion of certain investments to reflect Arizona specific labor rates.

5) State Prescribed depreciation lives and net salvage values.

[16] In order to keep to keep the model non-proprietary, I relied on data available from Qwest's ICONN web site. These data contains by wire center current counts of residential and business lines. These data were used along with a non-proprietary data response Qwest provided to the FCC to create the wire center specific line counts used in the HAI Model.

6) Qwest specific cost of capital as identified in the testimony of Mr. Weiss and listed below.

Cost of Capital	
Cost of Debt	7.39%
Percent Debt	47.57%
Cost of Equity	11.62%
Cost of Capital	9.61%

7) Arizona specific tax rate.

8) The monthly cost of local number portability (HIP Section 5.5.10) is set to $0.43, consistent with the FCC's finding for Qwest in the *USF Inputs Order.*

Q. PLEASE PROVIDE AN OVERVIEW OF THE OUTPUTS OF THE HM 5.2A EXPENSE MODULES.

A. The outputs of the Model appear in a set of spread-sheets produced by the expense module selected for a particular run by the user. There are different expense modules depending on whether the user selects results to be displayed by density zone, wire center, or individual customer cluster. Each also displays study area totals.

There are numerous worksheets produced by the expense modules; they contain many intermediate and final results of the Model's calculations and list various inputs to the Model. The sheets and their contents are too numerous for me to describe in detail here. However, there are four sheets of particular importance in the model runs I have made for this testimony. I refer to them by the names that appear on the Excel "tab" at the bottom of each sheet. The four sheets are as follows:

- Scenario Inputs: shows the entire list of changes to the user inputs, if any, that have been made by the user for the run in question.
- User Adjustable Inputs: Shows the values of the complete set of all 1,400+ user inputs, whether they have been changed or not. This sheet is less useful than the Scenario Input, but is still a good way of reviewing the entire set of input values used in case, for instance, the user does not have a copy of the Model Description or HIP that identifies each input and its default value.
- Unit Cost: appears as a worksheet in the density zone expense module showing the cost of each Unbundled Network Element by entity, as well as the number of lines by density zone.
- Investment Input: appears as a worksheet in the expense modules summarizing the network investment by category. In the case of the wire center expense module, the results are broken out by individual wire center, whose CLLI code is listed in Column A. Columns B through H show the number of lines in each customer category. Numerous columns then follow to show, first, the investments calculated by other modules and input to the expense module, and, second, the resulting costs calculated by the expense module. Of key interest are columns HA through HT, which show the UNE unit cost results. These columns contain information equivalent to that provided in the cost detail worksheet of the density zone expense module output.

Q. PLEASE DESCRIBE THE RESULTS PRESENTED IN EXHIBIT DKD-6.

A. Exhibit DKD-6 consists of two parts. Each provides results based on a run of the

Model that uses the Arizona default values for all the user inputs.

Part "a" of Exhibit DKD-6 contains the unit cost worksheet of the density zone expense module output, showing loop-related UNEs by density zone on page 1, and other switching and interoffice transport UNEs on page 2.[17] Part "b" contains the Investment Input worksheet of the wire center expense module output, limited to Columns A-H (line counts by wire center) and Columns HA-HT (UNE costs by wire center).

Back at the beginning of this testimony, I summarized the results presented in Exhibit DKD-6. The Expense Module produces many more worksheets than just the few shown in Exhibit DKD-6. Thus, a wealth of detail is available to the user.

Q. HOW DO BUILDING CABLE AND TERMINAL COSTS (ON-PREMISES WIRE) PRODUCED BY HM 5.2A COMPARE WITH THE CORRESPONDING SGAT VALUES[18]?

A. HM5.2a assumes that clusters having very high line densities and small areas contain high-rise buildings. In such cases, the Model replaces the normal distribution investment calculations with formulas that estimate investment in building riser cable and in indoor SAIs, or building terminals. Although these investments do not normally appear explicitly in the Model's results, I was able to extract them using a Distribution Module that was modified for this purpose. I applied the monthly cost factor computed by the Model to the building cable and

[17] The two parts of Exhibit DKD-6 have been reformatted to portray the results more clearly.
[18] Building cable, also known as on premises wire, is any wiring the ILEC owns or controls on the customer side of the MPOE terminal.

SAI investment produced by the modified Distribution Module to estimate the cost of these two items. The Model produces a cost of $0.2955 per pair per month, including the building terminal and the on-premises wire. This corresponds to the SGAT price of $1.24 per pair per month, including building terminal and wire.

Q. DO THE HM5.2A RESULTS PERTAIN TO A RANGE OF BUILDING SIZES OR ONLY LARGE OFFICE BUILDINGS?

A. The Model addresses a wide range of building sizes, in terms of the number of lines served. Even though the Model's internal calculations refer to "high rise" buildings, they apply as well to smaller buildings. The results I extracted from the workfile produced by the modified Distribution Module show a wide range.

Q. IN THE ARBITRATION PROCEEDING THE COMMISSION USED HM 2.2.2 WITH MODIFICATIONS TO DETERMINE THE CURRENT LOOP RATE. WHAT ARE THE RESULTS OF RUNNING HM 5.2A WITH THE COMMISSION'S ORDERED INPUTS FROM THE ARBITRATION?

A. The unbundled loop price using the Commission's inputs from the Arbitration is $15.15. The density zone and wire center results using the Commission's inputs from the Arbitration can be found on the CD-ROM as Exhibit DKD-7.

Q. WHAT INPUTS DID THE COMMISSION CHANGE IN ITS ARBITRATION ORDER?

A. The Commission made the following inputs **changes** to HM 2.2.2 in its Arbitration Order, Docket No. U-2428-96-417, dated January 30, 1998.

1) a weighted average cost of capital of 10.37%

2) State Prescribed depreciation rates

3) Corporate Overhead of 13%

4) Arizona specific tax rate of 39.7%

5) a forward looking network operations factor of 85%

6) a cable sheath mileage factor of 26.092

7) three lines per house in the distribution model

8) structure sharing for aerial, buried and underground of 50%

9) drop terminal investment of $70 per line

Q. WOULD IT BE APPROPRIATE FOR THE COMMISSION TO MAKE THESE CHANGES TO HM 5.2A?

A. No. The default run of the HM 5.2a, as adjusted for Arizona represents inputs appropriate for Qwest in Arizona. Below I discuss each of the Commission's input modifications and why the HM 5.2a defaults are more appropriate.

1) Cost of Capital

As discussed previously HM 5.2a currently uses an Arizona specific 9.61% cost of capital. This cost of capital was developed in the testimony of Mr. Weiss.

2) Depreciation Rates

As discussed previously HM 5.2a currently uses the Arizona State Prescribed depreciation rates and net salvage values.

3) Corporate Overhead

The current Corporate Overhead factor used in HM 5.2a is 10.4%. This overhead includes Executive and Planning accounts and General and Administrative

accounts. The table below compares Qwest's ARMIS data for the Corporate Overhead accounts, including adjustments identified in the testimony of Mr. Weiss, to Qwest's Operating Revenues.

Year	Corporate Overhead (1,000s)	Operating Revenues (1,000s)	Corporate Overhead Factor
1996	$134,931	$1,399,370	9.6%
1997	$166,584	$1,496,909	11.1%
1998	$195,105	$1,605,361	12.2%
1999	$169,994	$1,747,477	9.7%
2000	$173,345	$1,830,852	9.5%
Average			**10.4%**

The table demonstrates that the Corporate Overhead factor used in HM 5.2a is reasonable for Qwest in Arizona.

4) Arizona Tax Rate

The HM 5.2a uses a combined State and Federal Tax rate of 39.53%. This represents a Federal Rate of 35% and a State Tax of 6.968%. Accounting for the fact that State Taxes are deductible from Federal Taxes the effective rate for Arizona is 39.53%.

5) Network Operations Factor

The HM 5.2a uses a network operations factor of 50%. As explained in the HAI Inputs Portfolio, section 5.5.6 and Appendix D, this factor is applied to Qwest's Arizona actual Network Operations Expenses, in order to adjust these expenses for what is likely to occur on a forward-looking network. Because Qwest's actual Network Operations expenses are incurred on an antiquated network, Qwest's

forward looking Network Operations expenses are likely to be substantially less than they are today.

6) Cable Sheath Mileage Factor

In the Arbitration decision (U-3021-96-448 ET AL.; January 30, 1998; page 15) the Commission changed the cable sheath mileage factor in HM 2.2.2 in order to ensure that enough distribution plant was being estimated. This is no longer an issue in HM 5.2a. As is described previously in testimony, the model estimates plant based on the dispersion of actual customer locations which guarantees that enough distribution plant is being estimated.

7) Three Lines per household in distribution

The HAI Model uses a cable sizing factor of 75% in distribution plant. This results in an average actual fill factor of 48.8%, or slightly more than 2 lines per household.

Excess capacity is built into a network because the cost of digging up the network to add an extra line is greater than the cost of placing that line today. The decision of whether or not to build for growth should be based on whether it is cost effective to do so. The question faced by the planner should be: Will the revenues generated by future demand pay for the cost of placing excess facilities today? If the answer is "no," then it is better to wait to place the facilities. If the answer is "yes," then it is better to place the facilities today, and some cost savings will be achieved by placing facilities now. If a model were to properly account for growth, these cost savings should be realized in the model.

Traditional models build excess capacity for growth in the form of fill factors, but do not realize any of the cost savings resulting from growth. This in effect overstates the cost of the network. Consider the following example: It is projected that demand will be 146 lines in five years, while the current demand is 100 lines. The annual cost of building the network to handle eventual demand of 146 lines is $29,200 per year, which is $200 per line. Traditional models determine the cost per line by dividing the annual cost by demand in the first year. The following table tracks the flow of revenues and cost that would result using the traditional methodology. Keep in mind that cost, as calculated by TELRIC models, already includes a reasonable profit via the cost of capital which is applied to investments.

Traditional Methodology
(price per line = cost per line in year 1)

Year A	lines B	cost C	Cost per line D=C/B	revenue F=E×B	revenue (price) per line E	excess profit G=F-C	excess profit per line H=D-E
1	100	$29,200	$ 292	$ 29,200	$ 292	$ -	$ -
2	110	$29,200	$ 265	$ 32,120	$ 292	$ 2,920	$ 27
3	121	$29,200	$ 241	$ 35,332	$ 292	$ 6,132	$ 51
4	133	$29,200	$ 220	$ 38,836	$ 292	$ 9,636	$ 72
5	146	$29,200	$ 200	$ 42,632	$ 292	$13,432	$ 92
Total	610	$146,000	$239.34	$178,120	$292.00	$32,120	$ 52.66

As you can see, the traditional methodology results in an average annual excess profit per line (over the five year period) of $52.66. The next table illustrates the proper methodology.

Proper Growth Methodology (price per line = weighted average cost per line over 5 years)							
Year A	lines B	cost C	cost per line D=C/B	revenue F=E×B	revenue (price) per line E	excess profit G=F-C	excess profit per line H=D-E
1	100	$ 29,200	$ 292	$ 23,934	$ 239	$ (5,266)	$ (53)
2	110	$ 29,200	$ 265	$ 26,328	$ 239	$ (2,872)	$ (26)
3	121	$ 29,200	$ 241	$ 28,961	$ 239	$ (239)	$ (2)
4	133	$ 29,200	$ 220	$ 31,833	$ 239	$ 2,633	$ 20
5	146	$ 29,200	$ 200	$ 34,944	$ 239	$ 5,744	$ 39
Total	610	$146,000	$239.34	$146,000	$239.34	$ -	$ -

As can be seen, the appropriate annual price per line is $239.34, or $52.66 less than would result using the traditional methodology.[19]

A proper accounting of growth should lower cost, not increase it. Exhibit DKD-8 shows the theoretical basis as to why costs per line are lower when growth is properly taken into account. An interesting conclusion from this exhibit is that the per line cost savings from growth is largest when growth is high, interest rates are low, and the planning horizon is long. This matches what we would expect in the real world.

The FCC has concluded that "the fill factors selected for use in the federal mechanism generally should reflect current demand, and not reflect the industry practice of building distribution plant to meet "ultimate" demand."[20]

8) Structure Sharing

The Commission Ordered structure sharing percentages are similar, though

[19] The table does not take into account the time value of money. This was done for the sake of simplicity.

[20] *In the Mater of the Federal-State Joint Board on Universal Service,* Further Notice of Proposed Rule Making, CC Docket Nos. 96-45 and 97-160, FCC 99-120, (rel. May 28, 1999), ¶ 100.

account for slightly less sharing, than what is used inHM 5.2a. Appendix B of the HAI Inputs Portfolio discusses the opportunities an incumbent telephone company has to share the cost of telephone plant structure. Qwest has traditionally denied that opportunities exist to share structure costs. However, it is common practice for developers to dig trenches and place structure, free of charge, for Qwest and other utilities to place cable. Section 4 of Qwest's Exchange and Network Services Tariff[21] outline numerous opportunities for Qwest to collect construction and even material costs[22] from new customers. Section 4.4 B.2 states that the builder "will provide trench and backfill for the facilities and be responsible for those costs." Section 4.4 B.6 states that Qwest will provide facilities as not charge "as long as the cost does not exceed the Company determined cap, which shall equal the distribution and drop portion of the average exchange loop investment, times the number of lots in the development."

The pre-merger Qwest, then a competitive IXC, recognized the value of searching for opportunities to share structure. An article in the May 1998 *Wired* magazine[23] details pre-merger Qwest's view on structure sharing. The article details how Qwest built its interoffice network by laying fiber for itself, spare conduit for future use, and fiber for competitors.

> The trick for Qwest was to build the network with other people's money… Says Nacchio: "We raised enough money that way that we essentially built our network for free."

[21] Section 4 of Qwest's tariff is filed as Exhibit DKD I.

[22] The HAI Model does **not** apply structure sharing fractions to the cost of material.

[23] A copy of this article is included as Exhibit DKD J.

Firms in competitive markets find ways to minimize cost. There are multiple opportunities to share structure and these should be reflected in a forward looking cost model.

In addition to the standard structure sharing opportunities, the structure sharing inputs can be used to reflect real world cost savings that current model's don't currently reflect. For one, different parts of the network overlap with each other. Distribution cable, feeder cable and interoffice cable often can easily share some of the same structure. The HAI Model currently has inputs to account for the overlap between the feeder network and the interoffice network, but does not account for overlap between distribution and feeder.

Another sharing opportunity that exists is the placement of excess facilities for future use.[24] Cost models estimate total cost and divide these costs by current demand. Any growth that occurs using spare capacity in the network today, is in essence free – the costs are already being recovered by current demand.

Because competitive firms seek out opportunities to reduce costs; developers pay for the structure costs of new facilities; Qwest, by tariff, requires consumers to pay for facilities that exceed certain costs; the network between feeder and distribution, in large part, overlap; and spare capacity can be used to generate future revenues, I believe the sharing assumptions presently used in the HAI Model represent an upper bound on the likely costs that Qwest would occur going forward.

[24] This was discussed earlier. If fill factors are set appropriately then sharing fractions should not include adjustments for the sharing of facilities between the future and the present.

9) Drop Terminal Investment

The HAI Model currently has a drop terminal investment, including splice, of $42.50 per line for buried drops and $32.00 per line for aerial drops. These values were based on vendor price quotes. These values are similar to values used by the FCC in its Synthesis Model for a 6 pair drop terminal. The equivalent FCC values are $39.26 per line for a buried drop and $24.00 for an aerial drop.

Q. ON PAGE 9 AND 10 OF THE DIRECT TESTIMONY OF MR. BUCKLEY, HE USES RESULTS FROM THE HM 5.0A MODEL IN AN ATTEMPT TO VERIFY RESULTS FROM LOOPMOD. DO YOU HAVE ANY COMMENTS ON HIS MANIPULATION OF HM 5.0A?

A. Yes. The HAI Model, like properly functioning model, is sensitive to changes in key inputs. Mr. Buckley substantially changed key inputs in HM 5.0a and as expected obtained a vastly different output. It's important to note that Mr. Buckley changed inputs in the HM 5.0a to reflect the overstated inputs of LoopMod. For example, Mr. Buckley made changes to the sharing, corporate overhead and network operations factor that were in excess of the changes recommended by this Commission in the arbitration. The testimony of Mr. Weiss demonstrates that Qwest's Integrated Cost Model ("ICM") vastly overstates the cost of unbundled network elements, thus it should be no surprise than when these inputs are placed into another cost model it raises those cost estimates dramatically. It is also important to note that Mr. Buckley is using an older version of the HAI Model than what is being filed with my testimony here.

It should also not be surprising that Qwest's ICM come close to reproducing Qwest's embedded costs as well as BCPM, another model, produced and sponsored by Qwest.

VI. DEAVERAGING

Q. PLEASE SUMMARIZE AT&T'S DEAVERAGING PROPOSAL IN THIS DOCKET.

A. The deaveraged rates, contained in exhibit DKD-11, are based on the wire center cost results of HM 5.2a. These results were entered into a deaveraging optimization program that seeks to find the most cost based distribution of wire centers into three deaveraged zones. This methodology is consistent with the Commission's finding in the geographic deaveraging case where the Commission expressed the desire to move from the current retail based zones to more cost based zones.[25]

Q. WHAT IS THE BENEFIT OF PROPERLY DEAVERAGED LOOP RATES?

A. UNE prices that most closely reflect their underlying cost will best facilitate efficient competition by sending the appropriate signals to the marketplace and allow competitors to make economically efficient decisions on where and how to compete.

UNE prices that are set below cost could create uneconomic incentives for competitors to purchase UNEs rather than deploy their own network, even where

[25] Docket No. T-00000A-00-0194, July 25, 2000, page 6.

the competitor is the low-cost producer. UNE prices that are set above cost could create uneconomic incentives for competitors to build facilities, even if the competitor is not the most efficient provider. In addition, since significant sunk costs exist for a competitor attempting to provide service over its own facilities, UNE prices that are set above costs can also severely limit entry into a market.

Since the cost of some UNEs varies significantly in different geographic areas of the state, these differences should be reflected through the development of cost based deaveraged prices.

Q. HOW SHOULD PROPER COST-BASED ZONES BE DEFINED?

A. While there are a variety of different methodologies for defining zones for deaveraging, the most practical way to deaverage is to combine areas with similar costs into zones. The best way to do this is to group wire centers with similar costs into cost-based zones.[26] This method is consistent with the findings of the Commission in its geographic deaveraging docket.

Q. WHAT ARE THE MECHANICS BEHIND CALCULATING THE DEAVERAGED UNBUNDLED LOOP COST?

A. First, the Commission should determine the unbundled loop cost by wire center. I have used the HAI Model, version 5.2a.

Second, these data should be sorted by cost so that wire centers can be grouped according to similarities in cost into wire center cost-based zones.

[26] As competition develops, further deaveraging will inevitably be necessary. The state and type of competition will help the Commission determine future methods of deaveraging.

Exhibit DKD-11 provides wire center loop cost estimates for Qwest. This exhibit also contains proposed deaveraged loop zones and costs. These costs are calculated both before and after the sale of exchanges.

Third, wire centers with similar costs should be grouped into zones. In order to group wire centers into cost-based zones, I present a three-zone proposal.

The results are summarized in the table below:

Summary of 3 Zone Deaveraging Proposal for Qwest in Arizona						
Before the Sale of Exchanges						
Zone	**Distribution Cost**	**NID Cost**	**Concentrator Cost**	**Feeder Cost**	**Loop Cost**	**% of Total Lines**
1	$3.31	$0.44	$2.78	$0.80	$7.34	68.1%
2	$6.64	$0.46	$2.98	$1.15	$11.23	24.6%
3	$21.40	$0.47	$6.04	$4.16	$32.06	7.3%
Average	**$5.46**	**$0.45**	**$3.07**	**$1.13**	$10.11	
After the Sale of Exchanges						
Zone						
1	$3.31	$0.44	$2.78	$0.80	$7.34	63.50%
2	$6.37	$0.46	$2.90	$1.17	$10.91	24.91%
3	$18.19	$0.48	$4.78	$3.14	$26.59	11.58%
Average	**$4.77**	**$0.45**	**$2.91**	**$1.01**	**$9.14**	

Q. HOW WERE THE ZONES DETERMINED IN ABOVE PROPOSAL?

A. The zones were determined by running a deaveraging optimization program. This program searches for the set of wire center assignments to zones that is the most reflective of cost.

Q. WHAT IS THE PURPOSE OF THE DEAVERAGING OPTIMIZATION PROGRAM?

A. The purpose of the deaveraging optimization program is to find the appropriate assignment of wire centers to zones that creates deaveraged rates that most closely represent their underlying cost.

1 In order to establish wire center UNE zones that reflect their underlying cost, wire
2 centers with similar costs should be grouped together. The question that remains
3 in this process is the level at which to distinguish between zones.

4 In Washington, the Commission grouped wire centers, according to their cost,
5 into five zones. In order to determine the break-points in cost between zones, the
6 Commission looked for jumps in cost, or "natural" breaks in cost, between wire
7 centers.[27] In Minnesota, the Commission grouped wire centers, according to their
8 cost, into four zones. In order to determine the break-points in cost between
9 zones, the Commission sought to place an equal percentage of customers in each
10 zone.[28]

11 The attractiveness of looking for natural breaks, or targeting a certain percentage
12 of customers in each zone, is that it allows an objective methodology to be
13 applied to establish zones. Qwest's criticism of the methodology of grouping
14 similar cost wire centers together is that the demarcation point between zones is
15 poorly defined. Qwest raises concerns that a CLEC doing business in an
16 exchange near the border between two zones may try to manipulate the break
17 point in order to advantage its short term business plans.

18 In response to this Qwest criticism, and to establish wire center zones that are

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[27] This methodology, using three zones, was also supported by the Oregon staff in the deaveraging case in Oregon.

[28] The staff of the Arizona Commission proposed a similar methodology in the Arizona deaveraging case. However, instead of placing an equal percentage of the customers in each zone, the staff proposed three zones, using five dollar increments to define the cut off between zones. The Minnesota Commission later changed their methodology. They still grouped wire centers according to cost, but created zone boundaries based on where CLECs were currently purchasing loops.

most reflective of cost, AT&T has developed a deaveraging program that searches for the set of wire center zone assignments that minimizes the total deviation of costs within zones. The program is included on the CD-ROM as Exhibit DKD-12. Since the program minimizes the overall deviation of costs within each zone, the program produces the set of wire center zones that are *most* reflective of their underlying cost.

Q. HOW DOES THE DEAVERAGING OPTIMIZATION PROGRAM WORK?

A. The following simple example illustrates how the program determines zones. Suppose we want to create two zones from three wire centers. For simplification, assume each wire center has the same number of lines. Those wire centers have the following costs:

wire center A -- $15

wire center B -- $25

wire center C -- $45

There are three possibilities for putting these three wire centers into two zones:

	Zone 1	**Zone 2**
Option 1	A and B	C
Option 2	A and C	B
Option 3	B and C	A

The next table demonstrates the calculations for these three options:

		Option 1			**Option 2**			**Option 3**		
WC	**Cost**	**Zone**	**Avg Cost**	**Deviation / Mean**	**Zone**	**Avg Cost**	**Deviation**	**Zone**	**Avg Cost**	**Deviation**
A	$15	1	$20	5 / 15	1	$30	15 / 15	2	$15	0
B	$25	1	$20	5 / 25	2	$20	0	1	$35	10 / 25
C	$45	2	$45	0	1	$30	15 / 45	1	$35	10 / 45
Average Deviation				**0.18**			**0.44**			**0.21**

Avg Cost – the average of the wire center costs assigned to the zone

Deviation / Mean – the positive difference between the wire center cost and average cost divided by the mean of that wire center

The option that produces the lowest average deviation is the set of zone definitions that is most reflective of cost, given the number of zones.[29]

Q. HOW DOES THE AT&T DEAVERAGING PROPOSAL COMPARE WITH THE QWEST DEAVERAGING PROPOSAL?

A. The methodology proposed by AT&T and Qwest for deaveraging unbundled loop rates in Arizona is similar. Both AT&T and Qwest propose to only deaverage the loop at this time. We both calculate loop cost at the wire center level and assign wire centers to deaveraged zones. We both assign wire centers to deaveraged zones on the basis of cost. There are two major differences between the AT&T and Qwest proposal. First, is the cost model that should be used to determine loop cost for deaveraging. AT&T recommends the use of the HAI Model, version 5.2a. The second difference is the methodology for assigning wire centers to cost based zones. Qwest determines the break points between zones "as follows: Zone 1, wire centers with costs $25.80 or less; Zone 2, wire centers with costs above $25.80 and up to $32.38; and Zone 3, wire centers with costs above $32.38."[30] During prior deaveraging cost dockets Qwest criticized this type of methodology for selecting zones as arbitrary. As a result AT&T designed the deaveraging

[29] The given number of zones is important, since the deaveraging proposal most reflective of cost would be to place each area with a distinct cost into a distinct zone.

[30] Direct Testimony of Teresa K. Million, March 15, 2001, page 38 lines 16-18 and page 39 line 1.

optimizer, which assigns wire centers to zones in a manner that seeks to limit the overall variance of cost within each zone.

VII. QWEST'S FORWARD-LOOKING ECONOMIC COSTS OF PROVIDING DS1, HDSL AND ADSL LOOPS

Q. PLEASE DESCRIBE HOW THE HAI XDSL ADJUNCT MODEL DEVELOPS QWEST'S COSTS FOR DS1, HDSL, AND ADSL LOOPS, BOTH CAPABLE AND EQUIPPED.

A. The HAI Adjunct Model is included on the CD-ROM as Exhibit DKD-12. The HAI Adjunct Model description is included as Exhibit DKD-14. Briefly, the model estimates Qwest's forward-looking economic costs of all components necessary to provide DS1 loops (using forward-looking HDSL technology), ADSL- and HDSL-capable loops, ADSL- and HDSL-equipped loops, and a complete ADSL and HDSL service. The latter adds switching, transport, and management systems to the equipped loop cost. The model considers both conventional and splitterless ("G.Lite") ADSL, and both four-wire and two-wire versions of HDSL; the latter is referred to in the industry as HDSL-2.

The model operates as an adjunct to HM 5.2a in that it uses certain cost and cost factor outputs produced by HM 5.2a as inputs to the calculation of xDSL results. It also requires a set of user-adjustable investment inputs for xDSL equipment.

The model assumes that two-wire loops capable of supporting ADSL and HDSL-2 are the same as the cost of two-wire loops estimated by the HAI Model. This treatment is based on the forward-looking nature of the basic loops; for instance, the limitation on analog copper loop length in the HAI Model means no load coils

or other conditioning are required. The cost of the four-wire loops needed by conventional HDSL is calculated as a multiple of the two-wire cost; the multiple is one of the user inputs to the adjunct model.

In the case of loops provisioned over DLC feeder, there are additional costs associated with common equipment required in the DLC Remote Terminal to support xDSL. These and the costs of equipping DS1 and xDSL circuits are added to the unbundled loop costs from the HM 5.2a-MA UNE results to produce DS1 loop costs and total xDSL costs.

The analysis requires a number of user inputs concerning the equipment and operational costs associated with xDSL equipment, and that these inputs are in many cases difficult to estimate due to their vendor-proprietary nature. The required inputs and the values we have assumed for them are shown in the HAI Adjunct Model Inputs Portfolio included as Exhibit DKD-14.

Q. PLEASE DESCRIBE THE DS1 AND XDSL COSTS PRODUCED BY THE HAI ADJUNCT MODEL.

A. The HAI Adjunct Model produces the following costs for network components related to DS1 and xDSL:

- "Average DS1, HDSL, HDSL-2 and ADSL-capable loops"

The average DS1 and ADSL, HDSL and HDSL-2-capable loop cost as computed by the study for all-copper and DLC-served loops. Since HDSL is a forward-looking technology by which DS1 circuits can be provisioned in Arizona, the HDSL-equipped loop therefore gives the underlying cost of DS1 circuits. On the other hand, an HDSL-capable loop is a unique offering and

its price differs from the price of a DS1 loop. Current full-rate HDSL transmission requires four-wire transmission, while HDSL-2 requires a single pair. HDSL2 equipment is becoming commercially available.

- "Additional voice network UNEs"

The average cost of the voice UNE platform minus the average loop cost, hence the cost of all voice UNEs other than the loop costs.

- "Splitter at NID"

Cost of the splitter required at the customer's premises for "conventional" ADSL service. In a forward-looking design, the splitter will be mounted in the customer's NID (Network Interface Device).

- "DSLAM/splitter or HDSL terminal unit"

For ADSL, the cost of the digital subscriber line access multiplexer (DSLAM) and the DSLAM-associated splitter that separates the ADSL data streams from the baseband analog voice signal at the wire center (for copper loops) or the digital loop carrier (DLC) remote terminal (RT) location (for DLC-served loops).

The DS1 and HDSL-capable loops include the cost of the HDSL terminal units (HTUs) at the customer and wire center ends of the connection. Note that both of these equipment items are "network" components; unlike ADSL, the customer-end terminal unit is owned, installed, and maintained by the service provider.

- "Dedicated transport for ADSL"

Dedicated transport cost derived from the DS-3 value computed by HM 5.2a. For ADSL, the study assumes that a DS-3 will be shared by many users through a packet-switching technology such as ATM.

- "Dedicated transport for HDSL"

Dedicated transport cost derived from the DS-1 value computed by HM 5.2a-MA This cost is not part of the HDSL loop cost per se, but is relevant if a CLEC desires to purchase dedicated interoffice transport of the HDSL signal in addition to the HDSL loop itself.

- "ATM edge switch port"

For ADSL-equipped loops, fast packet switching (typically ATM) and associated port cost per line. A CLEC may choose to obtain an end-to-end connection from the CLEC's customer's premises to the CLEC's ATM POP using an ILEC-provided fast packet switching service. These items represent the TELRIC of these functions.

- "Element manager"

Element manager (ADSL operational support system) monthly cost per line for ADSL service.

- "ATM core switching" (Optionally) (see ATM edge switch port)
- "Total DS1 and xDSL lines"

Total line count in each category for which the model computes costs.

- "Total DS1 and xDSL cost/line/month"

Total xDSL monthly cost per line consisting of all the preceding elements, including any optional ones as selected by the user. Note that the totals include dedicated transport, which is not part of the loop per se.

Q. PLEASE COMMENT ON THE SIGNIFICANCE OF THE HDSL COSTS ESTIMATED BY THE ADJUNCT MODEL.

A. Qwest is able to provision DS1 service to its customers using HDSL, rather than more conventional T1-carrier technology.[31] Thus, the results are an important benchmark in assessing the reasonableness of Qwest's prices for its DS1 service.

Q. PLEASE IDENTIFY THE FORWARD-LOOKING ECONOMIC COSTS FOR DSL AND XDSL LOOPS AS DEVELOPED BY THE HAI ADJUNCT MODEL.

A. The DS1 and xDSL loop costs developed by the Model are included in attached Exhibit DKD-11. The exhibit shows all of the elements associated with both xDSL-capable loops and xDSL-equipped loops, as well as the costs of the additional elements associated with xDSL services.

I have combined these elements in the following fashion to produce the cost of xDSL-capable loops, xDSL-equipped loops, and total xDSL service:

- ADSL-Capable Loop: average xDSL-capable loop + remote terminal upgrade (for DLC feeder) appearing in the columns labeled "ADSL" (or, equivalently the "G.Lite" column entries, which are the same).

[31] For unusually long loop lengths – those in excess of about 60,000 feet, HDSL is not the appropriate technology for providing DS1 service because HDSL signals would need to be regenerated too many times. However, the number of business loops of length greater than 60,000 feet in Arizona is presumably very small.

- HDSL-Capable Loop: average xDSL-capable loop appearing in the columns labeled "T1 (HDSL 4W)."
- HDSL-Equipped Loop: HDSL-Capable Loop + HDSL terminal unit appearing in the column labeled "T1 (HDSL 4W)."
- Additional Voice Network UNEs – the cost of the non-loop UNEs that are included in the platform cost.

With these definitions, the results in Exhibit DKD-15 can be summarized in the following table:

xDSL Costs

	G.lite		HDSL 4-Wire	
UNE Type	Copper Feeder	DLC Feeder	Copper Feeder	DLC Feeder
Capable Loop	$5.74	$11.90	$7.46	$15.47
Equipped Loop	N.A.	N.A.	$28.48	$36.50
Voice UNEs	$3.90	$3.90	N.A.	N.A.

Q. HOW DOES THE COST OF AN HDSL-EQUIPPED LOOP COMPARE TO THE QWEST PROPOSAL FOR A DS-1 (1.544 MBPS) LOOP?

A. The monthly cost of an HDSL-equipped loop estimated by the Adjunct Model is $28.48 for copper feeder and $36.50 for fiber (DLC) feeder. This leads to an average cost of $33.69 when weighted by the number of HDSL lines served by each type of feeder. By contrast, Qwest's proposal for a 1.544 Mbps link ranges from $89.89 in Zone 1 areas to $100.30 in Zone 3 areas[32].

[32] Mr. Weiss has made modifications to Qwest's DS1 cost calculations in his testimony. His adjustments produced a statewide average cost of $43.35, which is much closer to the number produced by the HAI xDSL Adjunct model.

VIII. CONCLUSION

Q. WHAT ARE YOUR RECOMMENDATIONS TO THE COMMISSION?

A. I recommend that the Commission adopt the HAI Model, version 5.2a, for the purpose of costing the unbundled network elements necessary for the provision of the UNE-platform. I also recommend the Commission use the HAI Model for the purpose of establishing cost based deaveraged zones for the unbundled loop.

The HAI Model is a precise, flexible tool that estimates the forward looking cost for Qwest to serve its customers in Arizona. The model relies on the location of actual customers in Arizona, as well as the location of Qwest switches. This, along with Arizona specific line counts and geographic information, allows the model to accurately estimate the cost to serve these customers.

In addition I recommend that the Commission establish prices for DSL services using The HAI XDSL Adjunct Model. Like the HAI Model, this model is open, flexible, and calculates Arizona specific costs for a variety of DSL services including a DS1 loop.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Wire Center	CLLI	Percent Residential Geocode
SUNRISE	AGFIAZSR	77.4%
ASHFORK	ASFKAZMA	0.0%
ARIZONA CITY	AZCYAZ03	7.1%
BUCKEYE	BCKYAZMA	67.7%
BISBEE	BISBAZMA	49.5%
BLACK CANYON	BLCNAZMA	0.0%
BENSON	BNSNAZMA	38.4%
SAINT DAVID	BNSNAZSD	0.0%
BEARDSLEY	BRDSAZMA	82.1%
CHANDLER MAIN	CHNDAZMA	74.7%
CHANDLER SOUTH	CHNDAZSO	97.0%
CHANDLER WEST	CHNDAZWE	83.4%
CHINO VALLEY	CHVYAZMA	40.3%
COOLIDGE	CLDGAZMA	56.5%
CAMP VERDE	CMVRAZMA	4.7%
RIMROCK	CMVRAZRR	45.0%
CIRCLE CITY	CRCYAZMA	40.2%
CORONADO	CRNDAZMA	90.9%
CASA GRANDE	CSGRAZMA	69.4%
COTTONWOOD-MAIN	CTWDAZMA	46.4%
COTTONWOOD-SOUTH	CTWDAZSO	86.4%
CAVE CREEK	CVCKAZMA	64.9%
DUDLEYVILLE	DDVLAZNM	26.2%
DOUGLAS	DGLSAZMA	62.6%
DEER VALLEY NORTH	DRVYAZNO	80.1%
ELOY	ELOYAZ01	45.1%
FLAGSTAFF EAST	FLGSAZEA	83.0%
FLAGSTAFF MAIN	FLGSAZMA	81.1%
FLAGSTAFF SOUTH	FLGSAZSO	82.2%
FLORENCE	FLRNAZMA	49.0%
FORT MCDOWELL	FTMDAZMA	91.4%
RIO VERDE	FTMDAZNO	49.3%
COLDWATER	GDYRAZCW	66.3%
GILA BEND	GLBNAZMA	0.1%
GLENDALE MAIN	GLDLAZMA	69.4%
GLOBE	GLOBAZMA	35.6%
GREEN VALLEY	GNVYAZMA	80.0%
GRAND CANYON	GRCNAZMA	0.0%
HIGLEY	HGLYAZMA	33.2%
QUEEN CREEK	HGLYAZQC	48.2%
HUMBOLDT	HMBLAZMA	37.4%
HAYDEN	HYDNAZMA	0.0%
JOSEPH CITY	JSCYAZMA	0.0%
KEARNY	KRNYAZMA	0.5%
LITCHFIELD PARK	LTPKAZMA	75.2%
MARANA WEST	MARNAZ02	64.1%
MAYER	MAYRAZMA	0.0%
GILBERT	MESAAZGI	76.7%
MESA	MESAAZMA	72.2%
MIAMI	MIAMAZMA	74.7%
MAMMOTH	MMTHAZMA	0.0%

Wire Center	CLLI	Percent Residential Geocode
NOGALES RIO RICO	NGLSAZ03	65.7%
NOGALES	NGLSAZMA	66.2%
NOGALES MIDWAY	NGLSAZMW	47.6%
NEW RIVER	NWRVAZMA	93.8%
ORACLE	ORCLAZMA	86.0%
PAGE	PAGEAZMA	0.0%
PHOENIX-FOOTHILLS	PHNXAZ81	98.0%
PHOENIX-BETHANY WEST	PHNXAZBW	75.0%
PHOENIX-CACTUS	PHNXAZCA	68.0%
PHOENIX-EAST	PHNXAZEA	65.7%
PHOENIX-GREENWAY	PHNXAZGR	80.9%
PHOENIX-LAVEEN	PHNXAZLV	43.9%
PHOENIX-MAIN	PHNXAZMA	56.4%
PHOENIX-MID RIVERS	PHNXAZMR	84.6%
PHNX-MAYVALE CAP	PHNXAZMY	67.4%
PHOENIX-NORTHEAST	PHNXAZNE	80.6%
PHOENIX-NORTH	PHNXAZNO	72.4%
PHOENIX-NORTHWEST	PHNXAZNW	66.2%
PHOENIX-PECOS	PHNXAZPP	67.6%
PHNX PEORIA	PHNXAZPR	75.6%
PHNX SOUTHEAST CAP	PHNXAZSE	76.9%
PHOENIX-SOUTH	PHNXAZSO	77.6%
PHOENIX-SUNNYSLOPE	PHNXAZSY	80.9%
PHOENIX WEST CAP	PHNXAZWE	61.8%
PIMA	PIMAAZMA	4.2%
PINE	PINEAZMA	0.0%
PALOMINAS	PLMNAZMA	30.2%
PRESCOTT EAST	PRSCAZEA	96.9%
PRESCOTT MAIN	PRSCAZMA	78.0%
PINNACLE PEAK	PRVYAZPP	82.4%
PATOGONIA ELGIN	PTGNAZEL	0.0%
PATAGONIA	PTGNAZMA	0.0%
PAYSON	PYSNAZMA	70.0%
SCOTTSDALE MAIN	SCDLAZMA	83.3%
SHEA	SCDLAZSH	72.3%
THUNDERBIRD	SCDLAZTH	86.5%
SEDONA	SEDNAZMA	74.9%
SEDONA SOUTH	SEDNAZSO	97.1%
SAFFORD	SFFRAZMA	54.4%
SOMERTON	SMTNAZMA	13.9%
SAN MANUEL	SNMNAZMA	91.6%
SUPERIOR	SPRRAZMA	79.7%
SUPERSTITION EAST	SPRSAZEA	59.6%
SUPERSTITION MAIN	SPRSAZMA	84.0%
SUPERSTITION WEST	SPRSAZWE	85.4%
SIERRA VISTA MAIN	SRVSAZMA	56.1%
SIERRA VISTA NO	SRVSAZNO	50.0%
SIERRA VISTA SO	SRVSAZSO	81.0%
STANFIELD	STFDAZMA	30.2%
CATALINA	TCSNAZCA	77.6%
CORTARO	TCSNAZCO	76.2%

MARICOPA	MRCPAZMA	42.1%
MUNDS PARK	MSPKAZMA	3.7%

Wire Center	CLLI	Percent Residential Geocode
FLOWING WELLS	TCSNAZFW	74.0%
TUCSON MAIN	TCSNAZMA	62.0%
MOUNT LEMMON	TCSNAZML	0.0%
TUCSON NORTH-1A CAP	TCSNAZNO	82.6%
RINCON	TCSNAZRN	75.3%
TUCSON SOUTHEAST	TCSNAZSE	70.8%
TCSN SOUTH CAP	TCSNAZSO	62.9%
TUCSON SOUTHWEST	TCSNAZSW	70.0%
TANQUE VERDE	TCSNAZTV	76.0%
TUCSON WEST	TCSNAZWE	59.5%
TEMPE MAIN	TEMPAZMA	83.6%
MCCLINTOCK	TEMPAZMC	75.1%
TOLLESON	TLSNAZMA	57.1%
TOMBSTONE	TMBSAZMA	0.0%
TONTO CREEK	TNCKAZMA	0.0%
TUBAC	TUBCAZMA	14.8%
VAIL NORTH	VAILAZNO	16.1%
VAIL SOUTH	VAILAZSO	47.6%
WICKENBURG	WCBGAZMA	49.8%
WHITE TANKS	WHTKAZMA	83.1%
WHITLOW	WHTLAZMA	83.7%
WILLCOX	WLCXAZMA	25.7%
WILLIAMS	WLMSAZMA	40.8%
WELLTON	WLTNAZMA	18.9%
WINTERSBURG	WNBGAZ01	29.8%
WINSLOW	WNSLAZMA	57.6%
YARNELL	YRNLAZMA	0.0%
YUMA FORTUNA	YUMAAZFT	96.6%
YUMA	YUMAAZMA	69.6%
YUMA SOUTHEAST	YUMAAZSE	76.7%

TCSN CRAYCROFT	TCSNAZCR	73.4%
TUCSON EAST	TCSNAZEA	77.4%

DENSITY ZONES	
0 to 5	18%
5 to 100	61%
100 to 200	70%
200 to 650	80%
650 to 850	87%
850 to 2,550	85%
2,550 to 5,000	81%
5,000 to 10,000	76%
Over 10,000	71%
Average	77%

Actuals for 1999 ($000s)

	Investments	Expenses	Calculated or User-defined factor	User-defined factor	
Plant-Specific Operations Expenses					
TPIS - General Support					
2111 Land	$ 10,973	$ -	0.0276	0.0276	
2112 Motor Vehicles	$ 71,167	$ 1,649	0.0276	0.0276	
2113 Aircraft	$ 0	$ 11	0.0276	0.0276	
2114 Special Purpose Vehicles	$ 32,609	$ 839	0.0276	0.0276	
2115 Garage Work Equipment	$ 0	$ -	0.0276	0.0276	
2116 Other Work Equipment	$ 0	$ -	0.0276	0.0276	
2121 Buildings	$ 170,865	$ 37,085	0.0906	0.0906	Land & Bldg Exp Applied to Bldgs
2122 Furniture	$ 1,993	$ 5,039	0.0906	0.0906	
2123 Office Equipment	$ 12,897	$ 5,997	0.0906	0.0906	
2124 General Purpose Computers	$ 88,936	$ 41,417	0.0906	0.0906	
2110 Total Land & Support Assets	$ 389,440	$ 92,037	0.0528	0.0528	
TPIS - Central Office Switching					
2211 Analog Electronic Switching	$ 13,275	$ 5,011	0.0558	0.0558	
2212 Digital Electronic Switching	$ 985,074	$ 23,446	0.0558	0.0558	
2210 Total Central Office Switching	$ 998,349	$ 28,457	0.0485	0.0485	
2220 Operator Systems	$ 5,517	$ -	-		
TPIS - Central Office Transmission					
2231 Satellite & Earth Station Facilities					
2231 Other Radio Facilities					
2231 Radio Systems					
2232 Circuit Equipment	$ 1,442,053	$ 22,496	0.0200	0.0200	
2230 Total Central Office Transmission	$ 1,442,053	$ 22,496	0.0200	0.0200	
TPIS - Information Orig/Term					
2311 Station Apparatus	$ 31,984	$ 12,961	0.4052		
2321 Customer Premises Wiring	$ -		0.0000		
2341 Large Private Branch Exchange	$ -	$ -	0.0000		
2351 Public Telephone Terminal Equipment	$ -	$ -	0.0000		
2362 Other Terminal Equipment	$ 56,816	$ 11,339	0.1996		
2310 Total Information Orig/Term	$ 88,800	$ 24,300	0.2736		
TPIS - Cable & Wire Facilities					
2411 Poles	$ 48,178	$ 279	0.0219	0.0219	
2421 Aerial Cable	$ 182,563	$ 24,738	0.0669	0.0669	
2422 Underground Cable	$ 472,706	$ 10,618	0.0210	0.0210	
2423 Buried Cable	$ 1,381,560	$ 135,100	0.0446	0.0446	
2424 Submarine Cable					
2425 Deep Sea Cable					
2426 Intrabuilding Network Cable					
2431 Aerial Wire					
2441 Conduit Systems	$ 348,037	$ 1,886	0.0058	0.0058	
2410 Total Cable & Wire Facilities	$ 2,433,044	$ 172,621	0.0709		
240 Total TPIS (before amortizable assets)	$ 4,967,763	$ 339,911	0.0684		

Alternative Cable Maintenance Factors

	Fiber	Copper
2411 Poles		
2421 Aerial Cable	0.0073	0.0669
2422 Underground Cable	0.0084	0.0210
2423 Buried Cable	0.0061	0.0446

Plant Non-Specific Operations Expenses

	Expenses	Investment	Factor		
6512 Provisioning Expenses	$ 573	$ 4,967,763	0.0001		
6531 Power Expenses	$ 12,431	$ 4,967,763	0.0025	11.75%	all
6532 Network Administration	$ (256)	$ 4,967,763	-0.0001	-0.24%	switching, interoffice
6533 Testing	$ 26,390	$ 4,967,763	0.0053	24.94%	all
6534 Plant Operations Administration	$ 61,332	$ 4,967,763	0.0123	57.96%	all
6535 Engineering	$ 5,347	$ 4,967,763	0.0011	5.05%	all
6540 Access Expense					
6530 Total Network Operations Expenses (includes provisioning)	$ 105,817	$ 4,967,763	0.0213		

per line network operations		(=total ARMIS 6530/total lines)
total lines (from net. invest. inputs)		3,173,116
annual net ops per line	$	33.35

Network Support Factor Calculation

	Expenses	Cable & Wire Inv	Factor
6112 Motor Vehicles	$ 1,649		
6113 Aircraft	$ 11		
6114 Special Purpose Vehicles	$ 839		
6115 Garage Work Equipment	$ -		
6116 Other Work Equipment	$ -		

Aircraft & Special Purpose Vehicles	$	2,488		$	2,433,044	0.0010

Customer Operations Expenses

		Expenses			Net Revenues	Factor
6611 Product Management *	$	28,904	$ 0.7591	$	977,607	0.0296
6612 Sales *	$	41,249	$ 1.0833	$	977,607	0.0422
6613 Product Advertising	$	13,391		$	977,607	0.0137
6610 Total Marketing Expenses	$	83,544				0.0855
6621 Call Completion Service	$	3,372		$	977,607	0.0034
6622 Number Services	$	14,524	$ 0.3814	$	977,607	0.0149
6623 Customer Services	$	108,643	$ 2.8532	$	977,607	0.1111
6620 Total Services Expenses	$	126,539	$ 4.70			0.1294
Billing/bill inquiry (per line/month)	$	1.22				
Directory listing (per line/month)		-				
700 Total Customer Operations Expenses	$	210,083.00		$	977,607	0.2149

0.2375

Corporate Operations Expenses

		Expenses		Revenues	Factor
6711 Executive	$	19,739	$	977,607	0.0202
6712 Planning	$	989	$	977,607	0.0010
6710 Total Executive & Planning	$	20,728	$	977,607	0.0212
6721 Accounting & Finance	$	10,541	$	977,607	0.0108
6722 External Relations	$	19,637	$	977,607	0.0201
6723 Human Resources	$	12,306	$	977,607	0.0126
6724 Information Management	$	86,071	$	977,607	0.0880
6725 Legal	$	8,961	$	977,607	0.0092
6726 Procurement	$	3,427	$	977,607	0.0035
6727 Research & Development	$	13	$	977,607	0.0000
6728 Other General & Administrative	$	67,023	$	977,607	0.0686
6720 Total General & Administrative	$	207,979	$	977,607	0.2127
710 Total Corporate Operations Expense	$	228,707	$	977,607	0.1040

0.2586

720 Total Operating Expenses $ 884,518
note: does not include dep/amort

49.61% Total Operations General Support Allocator
45.78% "Office Worker" General Support Allocator

Misc Expenses Calculation		2122 Furniture		2123 Office Equipment		2124 GP Computer		2112 Motor Vehicles	2121 Buildings		2115 Garage Work Equipment		2116 Other Work Equipment
Investment	$	1,993	$	12,897	$	88,936	$	71,167	85432.5000	$	0	$	0
Investment/TPIS		0.000		0.003		0.018		0.014	0.0172		0.000		0.000
Expense	$	5,039	$	5,997	$	41,417	$	1,649	18542.5000	$	-	$	-
Expense Factor		2.528		0.465		0.466		0.023	0.2170		-		-
Model TPIS	$	2,354,609	$	2,354,609	$	2,354,609	$	2,354,609	2354608.8258	$	2,354,609	$	2,354,609
Calculated Investment	$	945	$	6,113	$	42,154	$	33,732	40493.0989	$	0	$	0
Calculated Expense	$	2,388	$	2,842	$	19,631	$	782	8788.7313	$	-	$	-
Subtotal ($s)	$	15,403,755											
Total Misc Expense	$	15,403,755											

Other Taxes & Uncollectibles Calculation

		Expenses		Net Revenues	Factor
7230 Operating State & Local Income Tax	$	16,049	$	(88,423)	-
7240 Operating Other Taxes	$	73,908	$	(88,423)	0.0500
5300 Uncollectible Revenues	$	27,912	$	977,607	0.0286
retail					0.0224
wholesale					0.0009

Ratio of Net Plant to TPIS

TPIS	$	4,967,763
Net Plant	$	4,967,763
Ratio	$	1
Model Investment	$	-
Model % of Net Plant	$	-
Model % of TPIS		0%

COST OF NETWORK ELEMENTS

Arizona

Mountain Bell-Arizona

Loop elements	0-5 lines/sq mi	5-100 lines/sq mi	100-200 lines/sq mi	200-650 lines/sq mi	650-850 lines/sq mi	850-2550 lines/sq mi	2550-5000 lines/sq mi	5000-10000 lines/sq mi	>10000 lines/sq mi	Totals
NID										
Annual Cost	$ 241,095	$ 1,428,547	$ 483,323	$ 1,657,769	$ 576,289	$ 4,209,933	$ 5,419,264	$ 2,331,395	$ 795,565	$ 17,143,181
Unit Cost/month	0.48	0.48	0.47	0.47	0.45	0.47	0.45	0.42	0.36	0.45
Loop Distribution (DLC)										
Annual Cost	$ 27,882,062	$ 43,265,797	$ 5,847,557	$ 16,114,776	$ 5,548,495	$ 26,145,013	$ 28,653,149	$ 12,203,993	$ 2,440,666	$ 168,101,507
Unit Cost/month	57.44	16.39	7.39	6.24	6.15	3.87	3.49	3.41	2.41	6.23
Loop Distribution (non-DLC)										
Annual Cost	$ 201,622	$ 2,474,690	$ 1,452,856	$ 4,397,157	$ 1,428,187	$ 8,798,045	$ 12,332,274	$ 6,292,085	$ 2,285,526	$ 39,662,443
Unit Cost/month	10.76	7.26	6.23	4.81	3.87	3.93	3.23	3.15	1.93	3.57
Loop Distribution (all)										
Annual Cost	$ 28,083,685	$ 45,740,487	$ 7,300,413	$ 20,511,932	$ 6,976,682	$ 34,943,058	$ 40,985,423	$ 18,496,078	$ 4,726,192	$ 207,763,950
Unit Cost/month	55.70	15.35	7.13	5.86	5.49	3.88	3.41	3.32	2.15	5.46
Loop Concentration (DLC)										
Annual Cost	$ 8,260,370	$ 13,094,946	$ 3,207,722	$ 10,254,112	$ 3,545,676	$ 26,426,215	$ 31,806,577	$ 13,801,241	$ 3,789,037	$ 114,185,896
Unit Cost/month	17.02	4.96	4.05	3.97	3.93	3.91	3.88	3.85	3.74	4.24
Loop Concentration (non-DLC)										
Annual Cost	$ 5,065	$ 82,783	$ 58,287	$ 215,129	$ 84,990	$ 543,739	$ 946,775	$ 462,301	$ 220,082	$ 2,619,152
Unit Cost/month	0.27	0.24	0.25	0.24	0.23	0.24	0.25	0.23	0.19	0.24
Loop Concentration (all)										
Annual Cost	$ 8,265,436	$ 13,177,729	$ 3,266,010	$ 10,469,241	$ 3,630,666	$ 26,969,954	$ 32,753,352	$ 14,263,542	$ 4,009,119	$ 116,805,049
Unit Cost/month	16.39	4.42	3.19	2.99	2.86	3.00	2.72	2.56	1.82	3.07
Loop Feeder (DLC)										
Annual Cost	$ 8,591,554	$ 5,595,536	$ 450,494	$ 966,339	$ 438,843	$ 2,993,780	$ 3,928,473	$ 2,621,257	$ 804,386	$ 26,390,662
Unit Cost/month	17.70	2.12	0.57	0.37	0.49	0.44	0.48	0.73	0.79	0.98
Loop Feeder (non-DLC)										
Annual Cost	$ 40,472	$ 616,641	$ 482,145	$ 1,570,152	$ 610,092	$ 3,435,939	$ 5,664,798	$ 2,931,786	$ 1,203,400	$ 16,555,426
Unit Cost/month	2.16	1.81	2.07	1.72	1.65	1.54	1.48	1.47	1.02	1.49
Loop Feeder (all)										
Annual Cost	$ 8,632,026	$ 6,212,177	$ 932,638	$ 2,536,492	$ 1,048,935	$ 6,429,719	$ 9,593,271	$ 5,553,043	$ 2,007,786	$ 42,946,088
Unit Cost/month	17.12	2.08	0.91	0.73	0.82	0.71	0.80	1.00	0.91	1.13
Total Loop (DLC)										
Annual Cost	$ 44,966,119	$ 63,221,366	$ 9,879,094	$ 28,559,771	$ 9,942,121	$ 58,728,431	$ 68,084,426	$ 30,123,834	$ 7,400,964	$ 320,906,127
Unit Cost/month	92.63	23.95	12.49	11.05	11.02	8.69	8.30	8.41	7.30	11.90
Total Loop (non-DLC)										
Annual Cost	$ 256,123	$ 3,337,575	$ 2,103,290	$ 6,615,663	$ 2,290,451	$ 13,824,233	$ 20,666,885	$ 10,520,224	$ 4,137,697	$ 63,752,141
Unit Cost/month	13.66	9.79	9.02	7.24	6.21	6.18	5.40	5.27	3.49	5.74
Total Loop (all)										
Annual Cost	$ 45,222,242	$ 66,558,941	$ 11,982,384	$ 35,175,435	$ 12,232,573	$ 72,552,664	$ 88,751,311	$ 40,644,058	$ 11,538,661	$ 384,658,268
Unit Cost/month	89.70	22.33	11.70	10.06	9.62	8.07	7.38	7.29	5.25	10.10
Total lines	42,014	248,382	85,355	291,512	105,953	749,605	1,002,245	464,895	183,155	3,173,116
Total lines served by DLC	40,452	219,961	65,929	215,331	75,216	563,267	683,584	298,580	84,462	2,246,783

	Annual Cost	Units		Unit Cost		
End office switching	$ 107,029,446					
Line Port	32,108,834	2,959,791	switched lines	$ 0.90	per line/month	
Non-Line Port	74,920,612	62,141,633,323	actual minutes	$ 0.00121	per actual minute	(for rate per DEM, see "Cost detail" sheet)
Signaling network elements	$ 2,709,674					
Links	166,941	507	links	$ 27.45	per link per month	
STP	2,125,837	41,094,682,805	TCAP+ISUP msgs	$ 0.00005	per signaling message	
SCP	416,896	2,118,313,400	TCAP queries	$ 0.00020	per query	
Transport network elements						
Dedicated						
Sw+Sp Transport	$ 7,208,255	333,518	trunks	$ 1.80	per DS-0 equivalent per month	
Switched	2,597,706	120,193	trunks	$ 0.00018	per minute	
Special	4,610,549	213,325	trunks			
Transmission Terminal	14,946,393	333,518	trunks	$ 3.73	per DS-0 equivalent per month	
				$ 0.00037	per minute	
				$ 0.00055	total per minute	
Common						
Transport	$ 1,072,159	3,703,400,627	minutes	$ 0.00029	per minute per leg (orig or term)	
Transmission Terminal	1,581,413	3,703,400,627	minutes	$ 0.00042	per minute	
				$ 0.00071	total per minute	
Direct						
Transport	$ 3,842,984	16,120,464,725	minutes	$ 0.00024	per minute	
Transmission Terminal	6,965,238	16,120,464,725	minutes	$ 0.00043	per minute	
				$ 0.00067	total per minute	
Tandem switch	$ 1,732,606	3,322,868,975	minutes	$ 0.00052	per minute	
Operator systems	$ 5,762,649					
Public Telephones	$ 4,590,903					
Total (w/ Public)	$ 542,099,987					
Total cost of switched network elements (w/o Public)	$ 14.01	per line/month				

HAI Model Release 5.2a - Expense Module
Wire Center Level Calculations

clli	total lines	business lines	residential lines	special access lines	public lines	single line business lines	households
AGFIAZSR	35,788	3,294	31,959	468	67	187	29,495
ASFKAZMA	630	113	448	30	39	9	415
AZCYAZ03	1,405	62	1,329	11	3	4	1,232
BCKYAZMA	8,482	1,657	6,355	353	117	103	5,889
BISBAZMA	5,777	1,191	3,863	670	53	86	3,592
BLCNAZMA	1,794	210	1,441	124	19	16	1,342
BNSNAZMA	5,391	1,256	3,826	221	88	80	3,558
BNSNAZSD	1,083	98	966	11	8	7	894
BRDSAZMA	38,947	3,638	34,728	514	67	201	31,952
CHNDAZMA	67,545	12,583	52,098	2,456	408	811	48,029
CHNDAZSO	17,742	1,751	15,623	338	30	98	14,403
CHNDAZWE	44,578	14,980	26,251	3,002	345	847	24,128
CHVYAZMA	7,555	1,133	6,261	128	33	70	5,795
CLDGAZMA	5,650	1,074	4,183	344	49	69	3,899
CMVRAZMA	7,526	1,474	5,739	199	114	102	5,339
CMVRAZRR	1,522	92	1,414	13	3	10	1,309
CRCYAZMA	1,650	112	1,467	61	10	10	1,366
CRNDAZMA	11,544	1,079	10,203	233	29	67	9,407
CSGRAZMA	18,627	5,704	11,589	1,019	315	378	10,747
CTWDAZMA	13,394	3,700	9,066	501	127	250	8,412
CTWDAZSO	2,804	217	2,567	17	3	13	2,380
CVCKAZMA	19,621	3,558	15,492	505	66	204	14,323
DDVLAZNM	484	33	421	26	4	2	391
DGLSAZMA	8,655	1,962	6,027	501	165	146	5,617
DRVYAZNO	47,767	11,595	33,165	2,754	253	728	30,477
ELOYAZ01	6,159	1,047	4,599	253	260	90	4,291
FLGSAZEA	17,316	4,075	12,391	704	146	285	11,407
FLGSAZMA	34,731	15,075	15,406	3,629	621	827	14,271
FLGSAZSO	2,685	134	2,527	17	7	10	2,324
FLRNAZMA	5,358	868	3,481	610	399	83	3,231
FTMDAZMA	17,407	2,967	13,940	418	82	201	12,836
FTMDAZNO	2,355	163	2,178	11	3	9	2,019
GDYRAZCW	11,101	3,105	7,233	596	167	199	6,712
GLBNAZMA	1,187	305	710	121	51	24	660
GLDLAZMA	58,568	11,668	44,407	1,906	587	859	41,058
GLOBAZMA	8,890	2,263	5,817	679	131	159	5,388

HAI Model Release 5.2a - Expense Module
Wire Center Level Calculations

clli	total lines	business lines	residential lines	special access lines	public lines	single line business lines	households
GNVYAZMA	19,727	2,529	16,677	432	89	175	15,377
GRCNAZMA	2,987	977	993	864	153	79	912
HGLYAZMA	5,765	1,152	4,260	316	37	58	3,914
HGLYAZQC	5,829	814	4,786	199	30	55	4,432
HMBLAZMA	4,749	513	4,024	160	52	38	3,752
HYDNAZMA	926	186	632	99	9	14	587
JSCYAZMA	727	221	425	62	19	11	393
KRNYAZMA	1,395	245	1,070	69	11	18	987
LTPKAZMA	17,004	2,916	13,225	739	124	177	12,209
MARNAZ02	8,379	1,164	6,809	326	80	65	6,309
MAYRAZMA	1,296	-	1,296	-	-	-	1,199
MESAAZGI	68,756	16,337	49,315	2,822	282	1,039	45,337
MESAAZMA	107,614	32,444	67,467	6,688	1,015	2,355	62,339
MIAMAZMA	2,139	397	1,480	250	12	27	1,372
MMTHAZMA	891	113	739	29	10	8	687
MRCPAZMA	2,174	391	1,637	115	31	27	1,528
MSPKAZMA	2,641	117	2,472	36	16	8	2,255
NGLSAZ03	351	54	261	32	4	4	243
NGLSAZMA	6,732	1,978	3,455	1,168	131	150	3,220
NGLSAZMW	12,204	4,988	6,028	995	193	328	5,588
NWRVAZMA	5,331	956	4,179	153	43	55	3,858
ORCLAZMA	1,837	248	1,531	44	14	18	1,415
PAGEAZMA	5,742	1,937	3,091	573	141	132	2,835
PHNXAZ81	9,207	679	8,358	157	13	42	7,718
PHNXAZBW	17,258	1,629	15,233	356	40	91	13,981
PHNXAZCA	91,926	17,678	70,339	3,336	573	1,266	64,837
PHNXAZEA	43,203	19,186	15,250	7,983	784	1,362	14,173
PHNXAZGR	97,942	19,883	73,019	4,283	757	1,425	67,177
PHNXAZLV	2,860	469	2,293	83	15	35	2,113
PHNXAZMA	102,754	51,457	19,644	29,965	1,688	3,690	18,351
PHNXAZMR	57,770	8,516	47,615	1,407	232	570	43,969
PHNXAZMY	41,152	5,729	33,312	1,716	395	401	30,681
PHNXAZNE	76,966	31,199	37,831	7,393	543	2,398	35,094
PHNXAZNO	121,757	67,587	38,537	14,741	892	4,665	35,752
PHNXAZNW	58,804	13,002	41,865	3,334	603	1,058	38,747
PHNXAZPP	16,293	1,870	14,081	286	56	147	12,972

HAI Model Release 5.2a - Expense Module
Wire Center Level Calculations

clli	total lines	business lines	residential lines	special access lines	public lines	single line business lines	households
PHNXAZPR	46,168	8,367	36,172	1,298	331	501	33,254
PHNXAZSE	27,068	14,058	8,395	4,417	198	998	7,736
PHNXAZSO	32,345	8,335	21,001	2,576	433	583	19,482
PHNXAZSY	61,763	20,604	34,516	6,059	584	1,619	31,965
PHNXAZWE	46,151	19,341	20,731	4,929	1,150	1,455	19,254
PIMAAZMA	1,478	146	1,301	23	8	14	1,210
PINEAZMA	3,051	247	2,744	48	12	19	2,532
PLMNAZMA	843	101	739	-	3	6	689
PRSCAZEA	17,411	3,308	13,707	306	90	208	12,656
PRSCAZMA	42,646	13,580	26,743	1,945	378	808	24,740
PRVYAZPP	46,912	7,311	38,732	716	153	414	35,981
PTGNAZEL	1,173	218	922	28	5	15	853
PTGNAZMA	890	128	723	32	7	9	672
PYSNAZMA	13,924	3,388	9,936	479	121	220	9,209
SCDLAZMA	82,828	28,458	48,836	4,812	722	1,836	45,138
SCDLAZSH	46,505	9,088	35,435	1,811	171	573	32,740
SCDLAZTH	87,430	36,571	44,930	5,371	558	2,479	41,669
SEDNAZMA	15,177	6,222	8,294	525	136	331	7,695
SEDNAZSO	5,083	935	4,041	65	42	64	3,736
SFFRAZMA	12,270	3,643	7,944	537	146	233	7,355
SMTNAZMA	7,780	1,411	6,002	213	154	97	5,606
SNMNAZMA	2,027	382	1,444	174	27	27	1,324
SPRRAZMA	1,510	272	1,153	70	15	16	1,075
SPRSAZEA	30,843	3,413	26,709	490	231	217	24,821
SPRSAZMA	42,511	2,858	39,134	380	139	177	36,157
SPRSAZWE	89,551	13,367	73,245	2,427	512	868	67,532
SRVSAZMA	27,857	10,824	15,093	1,663	277	509	13,907
SRVSAZNO	2,312	255	1,991	51	15	21	1,843
SRVSAZSO	8,259	612	7,555	80	12	41	6,981
STFDAZMA	1,233	179	971	62	21	13	906
TCSNAZCA	30,001	4,468	24,609	816	108	298	22,794
TCSNAZCO	20,452	3,232	16,653	435	132	206	15,282
TCSNAZCR	42,964	12,787	26,271	3,502	404	950	24,298
TCSNAZEA	67,013	18,405	44,015	3,973	620	1,336	40,851
TCSNAZFW	37,204	10,367	24,308	2,124	405	733	22,580
TCSNAZMA	94,741	43,186	35,502	14,897	1,156	2,704	33,166

HAI Model Release 5.2a - Expense Module
Wire Center Level Calculations

clli	total lines	business lines	residential lines	special access lines	public lines	single line business lines	households
TCSNAZML	567	107	374	83	3	8	343
TCSNAZNO	51,839	9,210	40,738	1,661	230	609	37,514
TCSNAZRN	74,308	12,690	58,044	3,091	483	965	53,583
TCSNAZSE	10,067	1,434	7,862	491	280	116	7,249
TCSNAZSO	41,527	9,651	27,167	4,046	663	726	25,231
TCSNAZSW	19,402	1,305	17,562	421	114	100	16,233
TCSNAZTV	13,498	1,977	11,318	166	37	88	10,419
TCSNAZWE	6,142	297	5,780	47	18	21	5,313
TEMPAZMA	76,246	35,948	28,899	10,396	1,003	2,721	26,825
TEMPAZMC	92,175	31,062	55,531	5,048	534	1,943	51,136
TLSNAZMA	12,736	2,973	8,929	670	164	180	8,232
TMBSAZMA	1,267	279	952	25	11	19	888
TNCKAZMA	1,176	104	1,041	19	12	7	965
TUBCAZMA	2,566	376	2,120	51	19	25	1,962
VAILAZNO	1,419	110	1,263	44	2	5	1,161
VAILAZSO	2,794	215	2,488	76	15	14	2,293
WCBGAZMA	6,250	1,587	4,239	335	89	108	3,937
WHTKAZMA	2,383	294	1,945	62	82	25	1,798
WHTLAZMA	737	61	644	23	9	3	599
WLCXAZMA	4,523	1,245	2,855	355	68	82	2,648
WLMSAZMA	3,685	861	2,516	229	79	65	2,321
WLTNAZMA	2,390	380	1,913	59	38	26	1,774
WNBGAZ01	1,649	331	1,272	15	31	16	1,180
WNSLAZMA	5,223	1,349	3,239	416	219	108	3,005
YRNLAZMA	1,739	290	1,378	54	17	13	1,285
YUMAAZFT	13,610	1,009	12,370	109	122	72	11,475
YUMAAZMA	35,352	11,408	21,693	1,858	393	669	20,128
YUMAAZSE	25,666	7,430	16,298	1,487	451	493	15,066

clli	Distribution Unit Cost	HID Unit Cost	Concentrator Unit Cost	Feeder Unit Cost	EO Switching Line Port Unit Cost	EO Switching Usage Unit Cost	Signaling STP Unit Cost	Signaling SCP Unit Cost	Signaling Links Unit Cost	UNE Unit Costs: Dedicated Transport Unit Cost per DS0/mo	UNE Unit Costs: Dedicated Transport Unit Cost per min
AGFIAZSR	$ 3.17	$ 0.50	$ 3.54	$ 0.38	$ 0.75	$ 0.00106	$ 0.00005	$ 0.00021	$ 5.60	$ 1.06	$ 0.00011
ASFKAZMA	$ 65.83	$ 0.48	$ 12.62	$ 11.44	$ 5.19	$ 0.00755	$ 0.00009	$ 0.00023	$ 372.76	$ 133.29	$ 0.01327
AZCYAZ03	$ 42.71	$ 0.51	$ 10.70	$ 13.60	$ 2.80	$ 0.00403	$ 0.00007	$ 0.00022	$ 70.59	$ 21.72	$ 0.00216
BCKYAZMA	$ 17.50	$ 0.47	$ 4.43	$ 2.70	$ 1.08	$ 0.00149	$ 0.00005	$ 0.00020	$ 23.54	$ 6.95	$ 0.00069
BISBAZMA	$ 13.12	$ 0.45	$ 3.43	$ 2.84	$ 1.41	$ 0.00192	$ 0.00005	$ 0.00020	$ 19.52	$ 6.57	$ 0.00065
BLCNAZMA	$ 29.32	$ 0.48	$ 9.00	$ 5.22	$ 2.43	$ 0.00342	$ 0.00006	$ 0.00021	$ 73.21	$ 25.58	$ 0.00255
BNSNAZMA	$ 20.82	$ 0.47	$ 4.44	$ 6.05	$ 1.41	$ 0.00192	$ 0.00005	$ 0.00020	$ 27.18	$ 8.08	$ 0.00080
BNSNAZSD	$ 28.57	$ 0.50	$ 7.89	$ 5.53	$ 3.50	$ 0.00497	$ 0.00007	$ 0.00022	$ 170.82	$ 58.68	$ 0.00584
BRDSAZMA	$ 4.01	$ 0.50	$ 2.87	$ 0.66	$ 0.77	$ 0.00109	$ 0.00005	$ 0.00021	$ 5.03	$ 0.92	$ 0.00009
CHNDAZMA	$ 3.85	$ 0.48	$ 3.36	$ 0.70	$ 0.79	$ 0.00109	$ 0.00005	$ 0.00020	$ 3.93	$ 0.92	$ 0.00009
CHNDAZSO	$ 3.37	$ 0.50	$ 3.57	$ 0.18	$ 0.76	$ 0.00108	$ 0.00005	$ 0.00021	$ 8.19	$ 2.04	$ 0.00020
CHNDAZWE	$ 2.69	$ 0.44	$ 3.55	$ 0.70	$ 0.72	$ 0.00094	$ 0.00005	$ 0.00019	$ 2.15	$ 0.40	$ 0.00004
CHVYAZMA	$ 23.50	$ 0.49	$ 5.59	$ 3.48	$ 1.07	$ 0.00148	$ 0.00005	$ 0.00020	$ 26.49	$ 7.52	$ 0.00075
CLDGAZMA	$ 13.15	$ 0.47	$ 3.61	$ 2.15	$ 1.39	$ 0.00191	$ 0.00006	$ 0.00020	$ 18.67	$ 5.65091	$ 0.00056
CMVRAZMA	$ 14.28	$ 0.48	$ 2.69	$ 2.23	$ 1.20	$ 0.00166	$ 0.00005	$ 0.00020	$ 13.15	$ 3.70604	$ 0.00037
CMVRAZRR	$ 47.82	$ 0.50	$ 12.14	$ 23.30	$ 2.63	$ 0.00375	$ 0.00007	$ 0.00022	$ 95.67	$ 29.21984	$ 0.00291
CRCYAZMA	$ 32.02	$ 0.50	$ 7.91	$ 8.99	$ 2.52	$ 0.00361	$ 0.00007	$ 0.00022	$ 127.47	$ 43.63587	$ 0.00434
CRNDAZMA	$ 7.70	$ 0.50	$ 3.03	$ 1.65	$ 0.94	$ 0.00133	$ 0.00006	$ 0.00021	$ 17.30	$ 4.68268	$ 0.00047
CSGRAZMA	$ 8.41	$ 0.45	$ 3.16	$ 1.23	$ 0.83	$ 0.00110	$ 0.00005	$ 0.00020	$ 7.68	$ 1.84993	$ 0.00018
CTWDAZMA	$ 11.31	$ 0.46	$ 3.55	$ 1.22	$ 0.90	$ 0.00120	$ 0.00005	$ 0.00020	$ 9.93	$ 2.54535	$ 0.00025
CTWDAZSO	$ 8.37	$ 0.50	$ 3.72	$ 0.09	$ 1.67	$ 0.00236	$ 0.00006	$ 0.00021	$ 40.78	$ 14.66480	$ 0.00146
CVCKAZMA	$ 7.54	$ 0.48	$ 2.81	$ 0.91	$ 0.79	$ 0.00108	$ 0.00005	$ 0.00020	$ 9.42	$ 2.33799	$ 0.00023
DDVLAZNM	$ 41.12	$ 0.49	$ 7.64	$ 7.07	$ 6.64	$ 0.00951	$ 0.00009	$ 0.00022	$ 200.49	$ 73.13719	$ 0.00728
DGLSAZMA	$ 9.85	$ 0.46	$ 1.91	$ 2.61	$ 1.19	$ 0.00163	$ 0.00005	$ 0.00020	$ 27.70	$ 8.24188	$ 0.00082
DRVYAZNO	$ 3.75	$ 0.46	$ 2.72	$ 0.89	$ 0.76	$ 0.00102	$ 0.00005	$ 0.00020	$ 2.32	$ 0.40975	$ 0.00004
ELOYAZ01	$ 11.53	$ 0.48	$ 4.60	$ 2.48	$ 1.22	$ 0.00174	$ 0.00006	$ 0.00021	$ 17.53	$ 5.31971	$ 0.00053
FLGSAZEA	$ 9.60	$ 0.46	$ 2.92	$ 2.93	$ 0.88	$ 0.00119	$ 0.00005	$ 0.00020	$ 25.23	$ 6.09174	$ 0.00061
FLGSAZMA	$ 6.17	$ 0.41	$ 2.28	$ 1.85	$ 0.89	$ 0.00114	$ 0.00005	$ 0.00019	$ 1.79	$ 0.37582	$ 0.00004
FLGSAZSO	$ 7.83	$ 0.51	$ 1.37	$ 1.94	$ 1.89	$ 0.00271	$ 0.00006	$ 0.00021	$ 42.06	$ 14.95304	$ 0.00149
FLRNAZMA	$ 17.52	$ 0.46	$ 5.49	$ 5.75	$ 1.19	$ 0.00176	$ 0.00006	$ 0.00022	$ 14.80	$ 4.77807	$ 0.00048
FTMDAZMA	$ 6.99	$ 0.48	$ 2.00	$ 2.34	$ 0.90	$ 0.00123	$ 0.00005	$ 0.00020	$ 7.26	$ 1.72698	$ 0.00017
FTMDAZNO	$ 13.45	$ 0.50	$ 4.68	$ 4.05	$ 1.88	$ 0.00268	$ 0.00006	$ 0.00021	$ 41.22	$ 12.80295	$ 0.00127
GDYRAZCW	$ 6.25	$ 0.45	$ 2.78	$ 1.13	$ 1.00	$ 0.00135	$ 0.00005	$ 0.00020	$ 4.76	$ 1.29196	$ 0.00013
GLBNAZMA	$ 53.36	$ 0.44	$ 15.12	$ 10.43	$ 3.51	$ 0.00486	$ 0.00007	$ 0.00022	$ 271.09	$ 103.04941	$ 0.01026
GLDLAZMA	$ 3.44	$ 0.48	$ 2.84	$ 0.88	$ 0.85	$ 0.00116	$ 0.00005	$ 0.00020	$ 1.46	$ 0.35226	$ 0.00004
GLOBAZMA	$ 12.41	$ 0.45	$ 2.68	$ 2.52	$ 1.15	$ 0.00155	$ 0.00005	$ 0.00020	$ 34.56	$ 10.46245	$ 0.00104

UNE Unit Costs

clli	Distribution Unit Cost	NID Unit Cost	Concentrator Unit Cost	Feeder Unit Cost	EO Switching Line Port Unit Cost	EO Switching Usage Unit Cost	Signaling STP Unit Cost	Signaling SCP Unit Cost	Signaling Links Unit Cost	Dedicated Transport Unit Cost per DS0/mo	Dedicated Transport Unit Cost per min
GNVYAZMA	$ 10.40	$ 0.49	$ 3.21	$ 2.30	$ 0.82	$ 0.00115	$ 0.00005	$ 0.00020	$ 16.68	$ 3.81642	$ 0.00038
GRCNAZMA	$ 72.60	$ 0.37	$ 75.52	$ 8.79	$ 2.01	$ 0.00270	$ 0.00006	$ 0.00020	$ 55.10	$ 25.29147	$ 0.00252
HGLYAZMA	$ 11.92	$ 0.46	$ 3.78	$ 0.52	$ 1.28	$ 0.00174	$ 0.00005	$ 0.00020	$ 14.66	$ 4.91590	$ 0.00049
HGLYAZQC	$ 17.71	$ 0.48	$ 5.34	$ 2.03	$ 1.25	$ 0.00174	$ 0.00006	$ 0.00020	$ 16.77	$ 5.17091	$ 0.00051
HMBLAZMA	$ 21.68	$ 0.49	$ 4.87	$ 4.28	$ 1.21	$ 0.00171	$ 0.00006	$ 0.00021	$ 21.95	$ 6.57687	$ 0.00065
HYDNAZMA	$ 19.45	$ 0.45	$ 9.33	$ 2.30	$ 3.91	$ 0.00533	$ 0.00007	$ 0.00021	$ 160.21	$ 64.08594	$ 0.00638
JSCYAZMA	$ 44.95	$ 0.44	$ 13.05	$ 6.87	$ 4.73	$ 0.00634	$ 0.00008	$ 0.00021	$ 294.84	$ 111.82714	$ 0.01113
KRNYAZMA	$ 32.74	$ 0.47	$ 7.93	$ 9.04	$ 2.92	$ 0.00403	$ 0.00007	$ 0.00021	$ 83.41	$ 26.60167	$ 0.00265
LTPKAZMA	$ 5.07	$ 0.48	$ 2.07	$ 0.79	$ 0.88	$ 0.00122	$ 0.00005	$ 0.00020	$ 7.12	$ 1.73528	$ 0.00017
MARNAZ02	$ 21.18	$ 0.48	$ 5.66	$ 3.36	$ 1.03	$ 0.00144	$ 0.00006	$ 0.00021	$ 20.10	$ 5.68376	$ 0.00057
MAYRAZMA	$ 42.72	$ 0.52	$ 8.39	$ 8.23	$ 2.98	$ 0.00433	$ 0.00007	$ 0.00023	$ 285.38	$ 95.66064	$ 0.00952
MESAAZGI	$ 4.04	$ 0.46	$ 2.81	$ 0.59	$ 0.81	$ 0.00109	$ 0.00005	$ 0.00020	$ 1.49	$ 0.35227	$ 0.00004
MESAAZMA	$ 5.09	$ 0.45	$ 3.21	$ 0.81	$ 0.95	$ 0.00126	$ 0.00005	$ 0.00019	$ 0.89	$ 0.24580	$ 0.00002
MIAMAZMA	$ 15.79	$ 0.45	$ 5.02	$ 3.39	$ 2.21	$ 0.00301	$ 0.00006	$ 0.00020	$ 30.09	$ 11.33852	$ 0.00113
MMTHAZMA	$ 61.37	$ 0.49	$ 14.06	$ 18.53	$ 3.77	$ 0.00530	$ 0.00008	$ 0.00022	$ 105.79	$ 33.83152	$ 0.00337
MRCPAZMA	$ 47.21	$ 0.47	$ 8.09	$ 6.30	$ 2.06	$ 0.00286	$ 0.00006	$ 0.00021	$ 70.07	$ 24.25729	$ 0.00242
MSPKAZMA	$ 6.84	$ 0.50	$ 3.73	$ 0.21	$ 1.75	$ 0.00252	$ 0.00006	$ 0.00022	$ 44.78	$ 16.18503	$ 0.00161
NGLSAZ03	$ 12.40	$ 0.46	$ 0.33	$ 1.69	$ 9.55	$ 0.01328	$ 0.00010	$ 0.00021	$ 29.47	$ 11.47503	$ 0.00114
NGLSAZMA	$ 14.02	$ 0.41	$ 3.42	$ 1.92	$ 1.32	$ 0.00174	$ 0.00005	$ 0.00019	$ 7.18	$ 2.42257	$ 0.00024
NGLSAZMW	$ 10.88	$ 0.42	$ 2.80	$ 1.15	$ 0.95	$ 0.00121	$ 0.00005	$ 0.00019	$ 21.97	$ 6.39223	$ 0.00064
NWRVAZMA	$ 19.44	$ 0.48	$ 4.44	$ 1.19	$ 1.31	$ 0.00181	$ 0.00006	$ 0.00020	$ 24.77	$ 7.95513	$ 0.00079
ORCLAZMA	$ 25.62	$ 0.49	$ 5.11	$ 5.26	$ 2.30	$ 0.00321	$ 0.00006	$ 0.00021	$ 68.33	$ 22.48814	$ 0.00224
PAGEAZMA	$ 10.87	$ 0.43	$ 3.94	$ 0.81	$ 1.35	$ 0.00178	$ 0.00005	$ 0.00020	$ 108.35	$ 39.43608	$ 0.00393
PHNXAZ81	$ 5.14	$ 0.50	$ 2.33	$ 1.25	$ 1.07	$ 0.00152	$ 0.00006	$ 0.00021	$ 5.37	$ 1.45122	$ 0.00014
PHNXAZBW	$ 3.77	$ 0.50	$ 3.10	$ 0.94	$ 0.81	$ 0.00115	$ 0.00005	$ 0.00021	$ 5.23	$ 1.24012	$ 0.00012
PHNXAZCA	$ 3.36	$ 0.47	$ 3.25	$ 0.92	$ 0.86	$ 0.00118	$ 0.00005	$ 0.00020	$ 1.22	$ 0.26989	$ 0.00003
PHNXAZEA	$ 3.13	$ 0.39	$ 2.44	$ 0.89	$ 0.83	$ 0.00103	$ 0.00005	$ 0.00018	$ 0.62	$ 0.13025	$ 0.00001
PHNXAZGR	$ 3.16	$ 0.47	$ 3.10	$ 0.91	$ 0.86	$ 0.00117	$ 0.00005	$ 0.00020	$ 1.18	$ 0.25929	$ 0.00003
PHNXAZLV	$ 16.64	$ 0.48	$ 4.20	$ 0.56	$ 1.67	$ 0.00230	$ 0.00006	$ 0.00020	$ 27.30	$ 9.61937	$ 0.00096
PHNXAZMA	$ 2.66	$ 0.32	$ 2.23	$ 0.76	$ 0.83	$ 0.00099	$ 0.00005	$ 0.00018	$ 1.56	$ 0.58140	$ 0.00006
PHNXAZMR	$ 3.22	$ 0.49	$ 2.88	$ 0.82	$ 0.85	$ 0.00118	$ 0.00005	$ 0.00020	$ 1.70	$ 0.40540	$ 0.00004
PHNXAZMY	$ 3.33	$ 0.48	$ 2.57	$ 0.83	$ 0.79	$ 0.00111	$ 0.00005	$ 0.00021	$ 2.63	$ 0.48374	$ 0.00005
PHNXAZNE	$ 2.88	$ 0.42	$ 2.52	$ 0.92	$ 0.82	$ 0.00105	$ 0.00005	$ 0.00019	$ 0.57	$ 0.14027	$ 0.00001
PHNXAZNO	$ 2.24	$ 0.38	$ 1.87	$ 0.95	$ 1.01	$ 0.00122	$ 0.00005	$ 0.00018	$ 0.40	$ 0.14386	$ 0.00001
PHNXAZNW	$ 3.22	$ 0.47	$ 2.50	$ 1.03	$ 0.88	$ 0.00120	$ 0.00005	$ 0.00020	$ 1.43	$ 0.35568	$ 0.00004
PHNXAZPP	$ 2.75	$ 0.49	$ 3.85	$ 0.68	$ 0.78	$ 0.00109	$ 0.00005	$ 0.00021	$ 4.09	$ 0.98313	$ 0.00010

UNE Unit Costs

clli	Distribution Unit Cost	NID Unit Cost	Concentrator Unit Cost	Feeder Unit Cost	EO Switching Line Port Unit Cost	EO Switching Usage Unit Cost	Signaling STP Unit Cost	Signaling SCP Unit Cost	Signaling Links Unit Cost	Dedicated Transport Unit Cost per DS0/mo	Dedicated Transport Unit Cost per min
PHNXAZPR	$ 3.38	$ 0.48	$ 2.88	$ 0.77	$ 0.76	$ 0.00104	$ 0.00005	$ 0.00020	$ 2.60	$ 0.45972	$ 0.00005
PHNXAZSE	$ 3.12	$ 0.38	$ 1.80	$ 1.23	$ 0.83	$ 0.00100	$ 0.00005	$ 0.00018	$ 1.23	$ 0.29994	$ 0.00003
PHNXAZSO	$ 5.72	$ 0.45	$ 3.16	$ 0.84	$ 0.82	$ 0.00111	$ 0.00005	$ 0.00020	$ 1.72	$ 0.36216	$ 0.00004
PHNXAZSY	$ 3.24	$ 0.43	$ 2.83	$ 0.85	$ 0.86	$ 0.00112	$ 0.00005	$ 0.00019	$ 0.84	$ 0.21898	$ 0.00002
PHNXAZWE	$ 4.08	$ 0.41	$ 2.88	$ 0.80	$ 0.76	$ 0.00098	$ 0.00005	$ 0.00019	$ 1.04	$ 0.28459	$ 0.00003
PIMAAZMA	$ 39.58	$ 0.50	$ 9.86	$ 11.82	$ 2.71	$ 0.00383	$ 0.00007	$ 0.00022	$ 267.74	$ 88.71191	$ 0.00883
PINEAZMA	$ 19.55	$ 0.50	$ 5.44	$ 2.36	$ 1.58	$ 0.00224	$ 0.00006	$ 0.00021	$ 70.22	$ 23.42286	$ 0.00233
PLMNAZMA	$ 31.20	$ 0.50	$ 8.03	$ 5.89	$ 3.84	$ 0.00539	$ 0.00008	$ 0.00022	$ 264.17	$ 92.07630	$ 0.00917
PRSCAZEA	$ 6.88	$ 0.48	$ 2.30	$ 1.02	$ 0.86	$ 0.00118	$ 0.00005	$ 0.00020	$ 12.03	$ 2.83412	$ 0.00028
PRSCAZMA	$ 7.34	$ 0.45	$ 2.57	$ 1.42	$ 0.80	$ 0.00106	$ 0.00005	$ 0.00019	$ 5.82	$ 1.06407	$ 0.00011
PRVYAZPP	$ 4.05	$ 0.49	$ 3.09	$ 0.41	$ 0.73	$ 0.00101	$ 0.00005	$ 0.00020	$ 9.30	$ 1.59996	$ 0.00016
PTGNAZEL	$ 28.98	$ 0.48	$ 8.74	$ 7.57	$ 3.30	$ 0.00453	$ 0.00007	$ 0.00021	$ 136.11	$ 46.16872	$ 0.00460
PTGNAZMA	$ 98.65	$ 0.48	$ 19.96	$ 44.52	$ 3.78	$ 0.00527	$ 0.00008	$ 0.00022	$ 142.31	$ 44.91010	$ 0.00447
PYSNAZMA	$ 6.42	$ 0.47	$ 2.38	$ 2.16	$ 0.94	$ 0.00127	$ 0.00005	$ 0.00020	$ 15.40	$ 3.89797	$ 0.00039
SCDLAZMA	$ 3.09	$ 0.44	$ 2.38	$ 0.94	$ 0.96	$ 0.00125	$ 0.00005	$ 0.00019	$ 0.88	$ 0.20375	$ 0.00002
SCDLAZSH	$ 3.23	$ 0.47	$ 2.96	$ 0.72	$ 0.75	$ 0.00102	$ 0.00005	$ 0.00020	$ 3.21	$ 0.56587	$ 0.00006
SCDLAZTH	$ 3.22	$ 0.43	$ 3.19	$ 0.59	$ 0.88	$ 0.00112	$ 0.00005	$ 0.00019	$ 0.86	$ 0.24989	$ 0.00002
SEDNAZMA	$ 7.38	$ 0.43	$ 2.88	$ 1.55	$ 0.87	$ 0.00112	$ 0.00005	$ 0.00019	$ 6.85	$ 1.70410	$ 0.00017
SEDNAZSO	$ 8.12	$ 0.48	$ 2.04	$ 1.43	$ 1.46	$ 0.00201	$ 0.00006	$ 0.00020	$ 27.37	$ 8.83404	$ 0.00088
SFFRAZMA	$ 10.01	$ 0.45	$ 2.26	$ 1.91	$ 1.00	$ 0.00133	$ 0.00005	$ 0.00020	$ 20.89	$ 5.48384	$ 0.00055
SMTNAZMA	$ 13.61	$ 0.48	$ 3.54	$ 1.21	$ 1.13	$ 0.00157	$ 0.00006	$ 0.00020	$ 16.53	$ 4.86527	$ 0.00048
SNMNAZMA	$ 8.48	$ 0.46	$ 1.72	$ 3.13	$ 2.42	$ 0.00333	$ 0.00006	$ 0.00021	$ 26.15	$ 9.29852	$ 0.00093
SPRRAZMA	$ 11.25	$ 0.47	$ 4.31	$ 2.71	$ 2.74	$ 0.00378	$ 0.00007	$ 0.00021	$ 96.93	$ 33.16057	$ 0.00330
SPRSAZEA	$ 7.20	$ 0.50	$ 2.95	$ 0.84	$ 0.83	$ 0.00118	$ 0.00005	$ 0.00021	$ 10.28	$ 2.04466	$ 0.00020
SPRSAZMA	$ 3.47	$ 0.51	$ 3.01	$ 0.58	$ 0.76	$ 0.00109	$ 0.00005	$ 0.00021	$ 5.57	$ 0.98219	$ 0.00010
SPRSAZWE	$ 3.24	$ 0.49	$ 3.09	$ 0.63	$ 0.87	$ 0.00121	$ 0.00005	$ 0.00020	$ 1.75	$ 0.39052	$ 0.00004
SRVSAZMA	$ 5.55	$ 0.43	$ 2.70	$ 0.89	$ 0.89	$ 0.00114	$ 0.00005	$ 0.00019	$ 7.07	$ 1.52287	$ 0.00015
SRVSAZNO	$ 20.31	$ 0.49	$ 3.50	$ 2.57	$ 2.05	$ 0.00289	$ 0.00006	$ 0.00021	$ 68.26	$ 23.34007	$ 0.00232
SRVSAZSO	$ 13.99	$ 0.50	$ 4.66	$ 2.05	$ 1.02	$ 0.00145	$ 0.00006	$ 0.00021	$ 27.79	$ 7.56529	$ 0.00075
STFDAZMA	$ 39.78	$ 0.48	$ 8.09	$ 7.13	$ 3.24	$ 0.00456	$ 0.00007	$ 0.00021	$ 83.36	$ 29.36859	$ 0.00292
TCSNAZCA	$ 4.55	$ 0.49	$ 2.52	$ 0.88	$ 0.86	$ 0.00120	$ 0.00005	$ 0.00020	$ 4.66	$ 0.94797	$ 0.00009
TCSNAZCO	$ 4.46	$ 0.48	$ 2.40	$ 1.26	$ 0.82	$ 0.00114	$ 0.00005	$ 0.00020	$ 6.92	$ 1.56705	$ 0.00016
TCSNAZCR	$ 4.34	$ 0.44	$ 2.67	$ 0.96	$ 0.79	$ 0.00104	$ 0.00005	$ 0.00019	$ 2.18	$ 0.41889	$ 0.00004
TCSNAZEA	$ 3.68	$ 0.45	$ 2.79	$ 0.96	$ 0.83	$ 0.00110	$ 0.00005	$ 0.00020	$ 0.83	$ 0.19861	$ 0.00002
TCSNAZFW	$ 3.87	$ 0.45	$ 2.73	$ 0.90	$ 0.82	$ 0.00110	$ 0.00005	$ 0.00020	$ 1.98	$ 0.39029	$ 0.00004
TCSNAZMA	$ 3.62	$ 0.39	$ 2.32	$ 0.87	$ 0.95	$ 0.00118	$ 0.00005	$ 0.00018	$ 6.39	$ 2.03159	$ 0.00020

											UNE Unit Costs	
clli	Distribution Unit Cost	NID Unit Cost	Concentrator Unit Cost	Feeder Unit Cost	EO Switching Line Port Unit Cost	EO Switching Usage Unit Cost	Signaling STP Unit Cost	Signaling SCP Unit Cost	Signaling Links Unit Cost	Dedicated Transport Unit Cost per DS0/mo	Dedicated Transport Unit Cost per min
TCSNAZML	$ 12.01	$ 0.44	$ 11.73	$ 1.41	$ 6.32	$ 0.00859	$ 0.00008	$ 0.00021	$ 69.87	$ 29.37255	$ 0.00292
TCSNAZNO	$ 5.14	$ 0.48	$ 3.33	$ 0.67	$ 0.86	$ 0.00118	$ 0.00005	$ 0.00020	$ 2.71	$ 0.45252	$ 0.00005
TCSNAZRN	$ 5.02	$ 0.48	$ 3.15	$ 0.95	$ 0.78	$ 0.00107	$ 0.00005	$ 0.00020	$ 1.48	$ 0.34562	$ 0.00003
TCSNAZSE	$ 8.03	$ 0.48	$ 2.94	$ 1.03	$ 1.01	$ 0.00144	$ 0.00006	$ 0.00021	$ 8.65	$ 2.37689	$ 0.00024
TCSNAZSO	$ 5.09	$ 0.45	$ 3.08	$ 0.92	$ 0.78	$ 0.00106	$ 0.00005	$ 0.00020	$ 2.12	$ 0.41727	$ 0.00004
TCSNAZSW	$ 12.32	$ 0.50	$ 4.22	$ 1.68	$ 0.74	$ 0.00106	$ 0.00005	$ 0.00021	$ 5.05	$ 1.16384	$ 0.00012
TCSNAZTV	$ 7.54	$ 0.49	$ 2.32	$ 0.90	$ 0.92	$ 0.00127	$ 0.00005	$ 0.00020	$ 9.49	$ 2.50934	$ 0.00025
TCSNAZWE	$ 11.98	$ 0.51	$ 3.28	$ 1.21	$ 1.25	$ 0.00179	$ 0.00006	$ 0.00021	$ 11.95	$ 3.40193	$ 0.00034
TEMPAZMA	$ 2.83	$ 0.39	$ 2.88	$ 0.80	$ 0.81	$ 0.00101	$ 0.00005	$ 0.00018	$ 0.58	$ 0.14860	$ 0.00001
TEMPAZMC	$ 2.70	$ 0.44	$ 3.01	$ 0.68	$ 0.88	$ 0.00115	$ 0.00005	$ 0.00019	$ 0.99	$ 0.28037	$ 0.00003
TLSNAZMA	$ 5.71	$ 0.46	$ 2.64	$ 0.92	$ 0.95	$ 0.00128	$ 0.00005	$ 0.00020	$ 4.97	$ 1.31090	$ 0.00013
TMBSAZMA	$ 36.75	$ 0.47	$ 8.24	$ 4.90	$ 3.09	$ 0.00420	$ 0.00007	$ 0.00021	$ 208.45	$ 71.65687	$ 0.00713
TNCKAZMA	$ 38.58	$ 0.50	$ 8.14	$ 10.89	$ 3.27	$ 0.00467	$ 0.00007	$ 0.00022	$ 286.58	$ 97.65472	$ 0.00972
TUBCAZMA	$ 54.22	$ 0.48	$ 9.36	$ 10.77	$ 1.78	$ 0.00248	$ 0.00006	$ 0.00021	$ 95.65	$ 29.80212	$ 0.00297
VAILAZNO	$ 46.88	$ 0.49	$ 8.00	$ 11.41	$ 2.84	$ 0.00402	$ 0.00007	$ 0.00022	$ 102.66	$ 33.45716	$ 0.00333
VAILAZSO	$ 27.48	$ 0.49	$ 7.50	$ 7.90	$ 1.69	$ 0.00240	$ 0.00006	$ 0.00022	$ 112.65	$ 37.13284	$ 0.00370
WCBGAZMA	$ 19.79	$ 0.46	$ 3.75	$ 4.82	$ 1.33	$ 0.00180	$ 0.00005	$ 0.00020	$ 24.57	$ 7.27585	$ 0.00072
WHTKAZMA	$ 12.31	$ 0.49	$ 2.35	$ 1.81	$ 2.04	$ 0.00294	$ 0.00006	$ 0.00022	$ 36.79	$ 13.06749	$ 0.00130
WHTLAZMA	$ 38.88	$ 0.50	$ 6.84	$ 1.23	$ 4.44	$ 0.00636	$ 0.00008	$ 0.00022	$ 148.49	$ 55.07050	$ 0.00548
WLCXAZMA	$ 31.48	$ 0.44	$ 5.21	$ 9.31	$ 1.44	$ 0.00192	$ 0.00006	$ 0.00020	$ 57.86	$ 19.01960	$ 0.00189
WLMSAZMA	$ 28.24	$ 0.46	$ 4.83	$ 6.28	$ 1.62	$ 0.00222	$ 0.00006	$ 0.00021	$ 141.19	$ 48.33342	$ 0.00481
WLTNAZMA	$ 48.49	$ 0.48	$ 8.44	$ 14.38	$ 1.88	$ 0.00263	$ 0.00006	$ 0.00022	$ 431.44	$ 143.51578	$ 0.01429
WNBGAZ01	$ 67.84	$ 0.48	$ 12.06	$ 14.98	$ 2.47	$ 0.00341	$ 0.00007	$ 0.00022	$ 456.74	$ 150.82564	$ 0.01502
WNSLAZMA	$ 13.47	$ 0.45	$ 4.66	$ 2.23	$ 1.24	$ 0.00172	$ 0.00006	$ 0.00021	$ 48.92	$ 16.65417	$ 0.00166
YRNLAZMA	$ 61.33	$ 0.48	$ 11.62	$ 17.11	$ 2.41	$ 0.00334	$ 0.00006	$ 0.00021	$ 143.99	$ 45.84982	$ 0.00456
YUMAAZFT	$ 9.40	$ 0.51	$ 4.19	$ 0.39	$ 0.82	$ 0.00117	$ 0.00006	$ 0.00021	$ 12.63	$ 3.35998	$ 0.00033
YUMAAZMA	$ 6.42	$ 0.45	$ 3.85	$ 0.51	$ 0.76	$ 0.00100	$ 0.00005	$ 0.00019	$ 5.17	$ 1.02063	$ 0.00010
YUMAAZSE	$ 8.82	$ 0.45	$ 3.79	$ 1.11	$ 0.71	$ 0.00095	$ 0.00005	$ 0.00020	$ 5.30	$ 1.16631	$ 0.00012

clli	Dedicated Transmission Unit Cost per DS0/mo	Dedicated Transmission Unit Cost per min	Direct Transport Unit Cost per minute	Direct Transmisssion Unit Cost	Common Transport Unit Cost per minute per leg	Common Transmission Unit Cost per minute	Tandem Switching Unit Cost	Operator Total Cost/Line/Mo	Public Telephone Unit Cost
AGFIAZSR	$ 5.32	$ 0.00053	$ 0.00011	$ 0.00052	$ 0.00011	$ 0.00049	$ 0.00057	$ 0.14	$ 13.40
ASFKAZMA	$ 28.88	$ 0.00288	$ 0.02083	$ 0.00448	$ 0.01327	$ 0.00286	$ 0.00103	$ 3.82	$ 13.24
AZCYAZ03	$ 20.62	$ 0.00205	$ 0.00259	$ 0.00241	$ 0.00216	$ 0.00202	$ 0.00080	$ 0.64	$ 13.25
BCKYAZMA	$ 5.46	$ 0.00054	$ 0.00076	$ 0.00057	$ 0.00069	$ 0.00052	$ 0.00057	$ 0.22	$ 13.29
BISBAZMA	$ 4.39	$ 0.00044	$ 0.00072	$ 0.00047	$ 0.00065	$ 0.00043	$ 0.00056	$ 0.22	$ 13.30
BLCNAZMA	$ 11.48	$ 0.00114	$ 0.00300	$ 0.00132	$ 0.00255	$ 0.00113	$ 0.00074	$ 0.61	$ 13.26
BNSNAZMA	$ 6.83	$ 0.00068	$ 0.00089	$ 0.00073	$ 0.00080	$ 0.00066	$ 0.00059	$ 0.25	$ 13.27
BNSNAZSD	$ 23.58	$ 0.00235	$ 0.00732	$ 0.00290	$ 0.00584	$ 0.00231	$ 0.00088	$ 1.55	$ 13.25
BRDSAZMA	$ 5.19	$ 0.00052	$ 0.00010	$ 0.00051	$ 0.00009	$ 0.00048	$ 0.00057	$ 0.14	$ 13.39
CHNDAZMA	$ 4.18	$ 0.00042	$ 0.00010	$ 0.00041	$ 0.00009	$ 0.00039	$ 0.00054	$ 0.14	$ 13.38
CHNDAZSO	$ 5.74	$ 0.00057	$ 0.00022	$ 0.00057	$ 0.00020	$ 0.00054	$ 0.00058	$ 0.15	$ 13.39
CHNDAZWE	$ 3.43	$ 0.00034	$ 0.00004	$ 0.00034	$ 0.00004	$ 0.00032	$ 0.00052	$ 0.13	$ 13.40
CHVYAZMA	$ 7.07	$ 0.00070	$ 0.00081	$ 0.00073	$ 0.00075	$ 0.00067	$ 0.00057	$ 0.23	$ 13.27
CLDGAZMA	$ 5.93	$ 0.00059	$ 0.00062	$ 0.00063	$ 0.00056	$ 0.00057	$ 0.00059	$ 0.21	$ 13.30
CMVRAZMA	$ 6.48	$ 0.00064	$ 0.00041	$ 0.00068	$ 0.00037	$ 0.00062	$ 0.00058	$ 0.18	$ 13.30
CMVRAZRR	$ 19.47	$ 0.00194	$ 0.00342	$ 0.00224	$ 0.00291	$ 0.00190	$ 0.00077	$ 0.76	$ 13.24
CRCYAZMA	$ 14.81	$ 0.00147	$ 0.00519	$ 0.00173	$ 0.00434	$ 0.00145	$ 0.00077	$ 0.99	$ 13.25
CRNDAZMA	$ 5.99	$ 0.00060	$ 0.00050	$ 0.00060	$ 0.00047	$ 0.00056	$ 0.00058	$ 0.18	$ 13.33
CSGRAZMA	$ 4.16	$ 0.00041	$ 0.00020	$ 0.00043	$ 0.00018	$ 0.00039	$ 0.00054	$ 0.15	$ 13.33
CTWDAZMA	$ 4.71	$ 0.00047	$ 0.00027	$ 0.00048	$ 0.00025	$ 0.00044	$ 0.00055	$ 0.16	$ 13.32
CTWDAZSO	$ 13.29	$ 0.00132	$ 0.00165	$ 0.00145	$ 0.00146	$ 0.00128	$ 0.00071	$ 0.36	$ 13.31
CVCKAZMA	$ 5.10	$ 0.00051	$ 0.00025	$ 0.00051	$ 0.00023	$ 0.00048	$ 0.00056	$ 0.15	$ 13.35
DDVLAZNM	$ 30.72	$ 0.00306	$ 0.01171	$ 0.00489	$ 0.00728	$ 0.00304	$ 0.00119	$ 2.32	$ 13.24
DGLSAZMA	$ 4.98	$ 0.00050	$ 0.00090	$ 0.00052	$ 0.00082	$ 0.00048	$ 0.00057	$ 0.23	$ 13.31
DRVYAZNO	$ 3.63	$ 0.00036	$ 0.00004	$ 0.00036	$ 0.00004	$ 0.00034	$ 0.00053	$ 0.13	$ 13.40
ELOYAZ01	$ 6.43	$ 0.00064	$ 0.00061	$ 0.00071	$ 0.00053	$ 0.00062	$ 0.00061	$ 0.20	$ 13.30
FLGSAZEA	$ 4.83	$ 0.00048	$ 0.00065	$ 0.00049	$ 0.00061	$ 0.00046	$ 0.00055	$ 0.20	$ 13.32
FLGSAZMA	$ 3.01	$ 0.00030	$ 0.00004	$ 0.00031	$ 0.00004	$ 0.00029	$ 0.00050	$ 0.13	$ 13.36
FLGSAZSO	$ 13.77	$ 0.00137	$ 0.00169	$ 0.00151	$ 0.00149	$ 0.00133	$ 0.00071	$ 0.36	$ 13.31
FLRNAZMA	$ 4.60	$ 0.00046	$ 0.00058	$ 0.00054	$ 0.00048	$ 0.00045	$ 0.00062	$ 0.20	$ 13.28
FTMDAZMA	$ 5.41	$ 0.00054	$ 0.00018	$ 0.00054	$ 0.00017	$ 0.00051	$ 0.00056	$ 0.15	$ 13.34
FTMDAZNO	$ 15.09	$ 0.00150	$ 0.00145	$ 0.00166	$ 0.00127	$ 0.00146	$ 0.00071	$ 0.37	$ 13.28
GDYRAZCW	$ 4.54	$ 0.00045	$ 0.00014	$ 0.00047	$ 0.00013	$ 0.00043	$ 0.00056	$ 0.14	$ 13.35
GLBNAZMA	$ 14.01	$ 0.00140	$ 0.01327	$ 0.00179	$ 0.01026	$ 0.00138	$ 0.00084	$ 2.37	$ 13.24
GLDLAZMA	$ 4.42	$ 0.00044	$ 0.00004	$ 0.00044	$ 0.00004	$ 0.00041	$ 0.00055	$ 0.13	$ 13.39
GLOBAZMA	$ 4.60	$ 0.00046	$ 0.00114	$ 0.00048	$ 0.00104	$ 0.00044	$ 0.00055	$ 0.26	$ 13.30

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GNVYAZMA	$ 5.31	$ 0.00053	$ 0.00040	$ 0.00053	$ 0.00038	$ 0.00050	$ 0.00056	$ 0.17	$ 13.32
GRCNAZMA	$ 4.27	$ 0.00043	$ 0.00309	$ 0.00051	$ 0.00252	$ 0.00042	$ 0.00057	$ 0.48	$ 13.24
HGLYAZMA	$ 6.09	$ 0.00061	$ 0.00054	$ 0.00064	$ 0.00049	$ 0.00059	$ 0.00058	$ 0.19	$ 13.31
HGLYAZQC	$ 7.06	$ 0.00070	$ 0.00056	$ 0.00074	$ 0.00051	$ 0.00068	$ 0.00059	$ 0.20	$ 13.28
HMBLAZMA	$ 7.95	$ 0.00079	$ 0.00073	$ 0.00085	$ 0.00065	$ 0.00077	$ 0.00061	$ 0.23	$ 13.28
HYDNAZMA	$ 15.28	$ 0.00152	$ 0.00856	$ 0.00202	$ 0.00638	$ 0.00151	$ 0.00087	$ 1.67	$ 13.26
JSCYAZMA	$ 21.61	$ 0.00215	$ 0.01601	$ 0.00307	$ 0.01113	$ 0.00214	$ 0.00093	$ 3.20	$ 13.24
KRNYAZMA	$ 15.15	$ 0.00151	$ 0.00320	$ 0.00180	$ 0.00265	$ 0.00149	$ 0.00077	$ 0.76	$ 13.25
LTPKAZMA	$ 4.73	$ 0.00047	$ 0.00018	$ 0.00048	$ 0.00017	$ 0.00045	$ 0.00056	$ 0.15	$ 13.38
MARNAZ02	$ 5.68	$ 0.00057	$ 0.00062	$ 0.00059	$ 0.00057	$ 0.00054	$ 0.00057	$ 0.20	$ 13.28
MAYRAZMA	$ 25.76	$ 0.00256	$ 0.01135	$ 0.00300	$ 0.00952	$ 0.00252	$ 0.00084	$ 2.06	$ -
MESAAZGI	$ 4.09	$ 0.00041	$ 0.00004	$ 0.00041	$ 0.00004	$ 0.00038	$ 0.00054	$ 0.13	$ 13.39
MESAAZMA	$ 3.48	$ 0.00035	$ 0.00003	$ 0.00035	$ 0.00002	$ 0.00033	$ 0.00052	$ 0.13	$ 13.37
MIAMAZMA	$ 7.99	$ 0.00080	$ 0.00130	$ 0.00090	$ 0.00113	$ 0.00078	$ 0.00067	$ 0.32	$ 13.28
MMTHAZMA	$ 22.97	$ 0.00229	$ 0.00447	$ 0.00300	$ 0.00337	$ 0.00226	$ 0.00092	$ 1.12	$ 13.24
MRCPAZMA	$ 10.86	$ 0.00108	$ 0.00280	$ 0.00123	$ 0.00241	$ 0.00106	$ 0.00069	$ 0.56	$ 13.25
MSPKAZMA	$ 12.99	$ 0.00129	$ 0.00185	$ 0.00144	$ 0.00161	$ 0.00126	$ 0.00072	$ 0.38	$ 13.32
NGLSAZ03	$ 33.28	$ 0.00331	$ 0.00207	$ 0.00597	$ 0.00114	$ 0.00330	$ 0.00127	$ 0.62	$ 13.26
NGLSAZMA	$ 3.29	$ 0.00033	$ 0.00027	$ 0.00036	$ 0.00024	$ 0.00032	$ 0.00052	$ 0.16	$ 13.30
NGLSAZMW	$ 4.25	$ 0.00042	$ 0.00069	$ 0.00044	$ 0.00064	$ 0.00041	$ 0.00053	$ 0.20	$ 13.32
NWRVAZMA	$ 7.61	$ 0.00076	$ 0.00087	$ 0.00080	$ 0.00079	$ 0.00073	$ 0.00060	$ 0.24	$ 13.28
ORCLAZMA	$ 14.84	$ 0.00148	$ 0.00264	$ 0.00171	$ 0.00224	$ 0.00145	$ 0.00075	$ 0.58	$ 13.26
PAGEAZMA	$ 5.49	$ 0.00055	$ 0.00441	$ 0.00060	$ 0.00392	$ 0.00053	$ 0.00056	$ 0.61	$ 13.29
PHNXAZ81	$ 6.62	$ 0.00066	$ 0.00016	$ 0.00067	$ 0.00014	$ 0.00062	$ 0.00060	$ 0.15	$ 13.36
PHNXAZBW	$ 5.72	$ 0.00057	$ 0.00013	$ 0.00057	$ 0.00012	$ 0.00054	$ 0.00058	$ 0.14	$ 13.38
PHNXAZCA	$ 4.10	$ 0.00041	$ 0.00003	$ 0.00041	$ 0.00003	$ 0.00038	$ 0.00054	$ 0.13	$ 13.39
PHNXAZEA	$ 2.48	$ 0.00025	$ 0.00001	$ 0.00026	$ 0.00001	$ 0.00024	$ 0.00048	$ 0.13	$ 13.41
PHNXAZGR	$ 3.91	$ 0.00039	$ 0.00003	$ 0.00039	$ 0.00003	$ 0.00037	$ 0.00054	$ 0.13	$ 13.39
PHNXAZLV	$ 10.62	$ 0.00106	$ 0.00108	$ 0.00116	$ 0.00096	$ 0.00103	$ 0.00068	$ 0.29	$ 13.29
PHNXAZMA	$ 2.00	$ 0.00020	$ 0.00006	$ 0.00021	$ 0.00006	$ 0.00019	$ 0.00043	$ 0.13	$ 13.43
PHNXAZMR	$ 4.49	$ 0.00045	$ 0.00004	$ 0.00044	$ 0.00004	$ 0.00042	$ 0.00055	$ 0.13	$ 13.40
PHNXAZMY	$ 4.25	$ 0.00042	$ 0.00005	$ 0.00043	$ 0.00005	$ 0.00040	$ 0.00055	$ 0.13	$ 13.40
PHNXAZNE	$ 3.08	$ 0.00031	$ 0.00001	$ 0.00031	$ 0.00001	$ 0.00029	$ 0.00051	$ 0.13	$ 13.41
PHNXAZNO	$ 2.68	$ 0.00027	$ 0.00002	$ 0.00027	$ 0.00001	$ 0.00025	$ 0.00049	$ 0.13	$ 13.43
PHNXAZNW	$ 3.76	$ 0.00037	$ 0.00004	$ 0.00038	$ 0.00004	$ 0.00035	$ 0.00054	$ 0.13	$ 13.40
PHNXAZPP	$ 5.40	$ 0.00054	$ 0.00010	$ 0.00054	$ 0.00010	$ 0.00050	$ 0.00058	$ 0.14	$ 13.39

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PHNXAZPR	$ 4.52	$ 0.00045	$ 0.00005	$ 0.00045	$ 0.00005	$ 0.00042	$ 0.00055	$ 0.13	$ 13.40
PHNXAZSE	$ 2.59	$ 0.00026	$ 0.00003	$ 0.00026	$ 0.00003	$ 0.00025	$ 0.00048	$ 0.13	$ 13.42
PHNXAZSO	$ 3.54	$ 0.00035	$ 0.00004	$ 0.00036	$ 0.00004	$ 0.00034	$ 0.00053	$ 0.13	$ 13.36
PHNXAZSY	$ 3.11	$ 0.00031	$ 0.00002	$ 0.00031	$ 0.00002	$ 0.00030	$ 0.00051	$ 0.13	$ 13.40
PHNXAZWE	$ 3.10	$ 0.00031	$ 0.00003	$ 0.00032	$ 0.00003	$ 0.00030	$ 0.00051	$ 0.13	$ 13.39
PIMAAZMA	$ 20.21	$ 0.00201	$ 0.01054	$ 0.00236	$ 0.00883	$ 0.00198	$ 0.00078	$ 1.92	$ 13.25
PINEAZMA	$ 11.52	$ 0.00115	$ 0.00262	$ 0.00125	$ 0.00233	$ 0.00111	$ 0.00068	$ 0.49	$ 13.28
PLMNAZMA	$ 29.29	$ 0.00292	$ 0.01240	$ 0.00389	$ 0.00917	$ 0.00288	$ 0.00093	$ 2.61	$ 13.25
PRSCAZEA	$ 5.70	$ 0.00057	$ 0.00030	$ 0.00057	$ 0.00028	$ 0.00053	$ 0.00056	$ 0.16	$ 13.35
PRSCAZMA	$ 3.92	$ 0.00039	$ 0.00011	$ 0.00039	$ 0.00011	$ 0.00037	$ 0.00053	$ 0.14	$ 13.35
PRVYAZPP	$ 4.84	$ 0.00048	$ 0.00017	$ 0.00047	$ 0.00016	$ 0.00045	$ 0.00056	$ 0.14	$ 13.39
PTGNAZEL	$ 19.91	$ 0.00198	$ 0.00557	$ 0.00237	$ 0.00460	$ 0.00195	$ 0.00085	$ 1.19	$ 13.25
PTGNAZMA	$ 22.46	$ 0.00224	$ 0.00591	$ 0.00293	$ 0.00447	$ 0.00221	$ 0.00090	$ 1.45	$ 13.24
PYSNAZMA	$ 4.79	$ 0.00048	$ 0.00042	$ 0.00048	$ 0.00039	$ 0.00045	$ 0.00056	$ 0.17	$ 13.34
SCDLAZMA	$ 3.54	$ 0.00035	$ 0.00002	$ 0.00035	$ 0.00002	$ 0.00033	$ 0.00053	$ 0.13	$ 13.40
SCDLAZSH	$ 4.17	$ 0.00042	$ 0.00006	$ 0.00041	$ 0.00006	$ 0.00039	$ 0.00055	$ 0.13	$ 13.40
SCDLAZTH	$ 3.46	$ 0.00034	$ 0.00003	$ 0.00034	$ 0.00002	$ 0.00033	$ 0.00052	$ 0.13	$ 13.40
SEDNAZMA	$ 4.98	$ 0.00050	$ 0.00018	$ 0.00050	$ 0.00017	$ 0.00047	$ 0.00054	$ 0.15	$ 13.34
SEDNAZSO	$ 8.56	$ 0.00085	$ 0.00097	$ 0.00090	$ 0.00088	$ 0.00082	$ 0.00062	$ 0.26	$ 13.32
SFFRAZMA	$ 4.64	$ 0.00046	$ 0.00059	$ 0.00047	$ 0.00055	$ 0.00044	$ 0.00055	$ 0.20	$ 13.32
SMTNAZMA	$ 6.33	$ 0.00063	$ 0.00053	$ 0.00066	$ 0.00048	$ 0.00060	$ 0.00059	$ 0.19	$ 13.30
SNMNAZMA	$ 9.61	$ 0.00096	$ 0.00108	$ 0.00110	$ 0.00093	$ 0.00094	$ 0.00070	$ 0.30	$ 13.30
SPRRAZMA	$ 14.66	$ 0.00146	$ 0.00394	$ 0.00171	$ 0.00330	$ 0.00144	$ 0.00077	$ 0.80	$ 13.28
SPRSAZEA	$ 5.05	$ 0.00050	$ 0.00022	$ 0.00050	$ 0.00020	$ 0.00047	$ 0.00056	$ 0.15	$ 13.35
SPRSAZMA	$ 5.37	$ 0.00053	$ 0.00010	$ 0.00052	$ 0.00010	$ 0.00049	$ 0.00057	$ 0.14	$ 13.40
SPRSAZWE	$ 4.37	$ 0.00044	$ 0.00004	$ 0.00043	$ 0.00004	$ 0.00041	$ 0.00055	$ 0.13	$ 13.39
SRVSAZMA	$ 3.82	$ 0.00038	$ 0.00016	$ 0.00039	$ 0.00015	$ 0.00036	$ 0.00052	$ 0.15	$ 13.36
SRVSAZNO	$ 13.02	$ 0.00130	$ 0.00267	$ 0.00145	$ 0.00232	$ 0.00127	$ 0.00071	$ 0.54	$ 13.27
SRVSAZSO	$ 7.41	$ 0.00074	$ 0.00081	$ 0.00075	$ 0.00075	$ 0.00070	$ 0.00059	$ 0.23	$ 13.30
STFDAZMA	$ 16.50	$ 0.00164	$ 0.00361	$ 0.00200	$ 0.00292	$ 0.00162	$ 0.00083	$ 0.77	$ 13.25
TCSNAZCA	$ 4.58	$ 0.00046	$ 0.00010	$ 0.00045	$ 0.00009	$ 0.00043	$ 0.00055	$ 0.14	$ 13.38
TCSNAZCO	$ 5.26	$ 0.00052	$ 0.00017	$ 0.00052	$ 0.00016	$ 0.00049	$ 0.00057	$ 0.15	$ 13.38
TCSNAZCR	$ 3.51	$ 0.00035	$ 0.00004	$ 0.00036	$ 0.00004	$ 0.00033	$ 0.00052	$ 0.13	$ 13.38
TCSNAZEA	$ 3.64	$ 0.00036	$ 0.00002	$ 0.00037	$ 0.00002	$ 0.00034	$ 0.00053	$ 0.13	$ 13.39
TCSNAZFW	$ 3.84	$ 0.00038	$ 0.00004	$ 0.00039	$ 0.00004	$ 0.00036	$ 0.00053	$ 0.13	$ 13.39
TCSNAZMA	$ 2.48	$ 0.00025	$ 0.00022	$ 0.00025	$ 0.00020	$ 0.00024	$ 0.00048	$ 0.14	$ 13.39

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TCSNAZML	$ 19.13	$ 0.00190	$ 0.00464	$ 0.00300	$ 0.00292	$ 0.00189	$ 0.00100	$ 1.01	$ 13.26
TCSNAZNO	$ 4.27	$ 0.00043	$ 0.00005	$ 0.00042	$ 0.00005	$ 0.00040	$ 0.00054	$ 0.13	$ 13.37
TCSNAZRN	$ 4.06	$ 0.00040	$ 0.00004	$ 0.00040	$ 0.00003	$ 0.00038	$ 0.00054	$ 0.13	$ 13.37
TCSNAZSE	$ 5.01	$ 0.00050	$ 0.00026	$ 0.00053	$ 0.00024	$ 0.00048	$ 0.00058	$ 0.16	$ 13.33
TCSNAZSO	$ 3.30	$ 0.00033	$ 0.00004	$ 0.00034	$ 0.00004	$ 0.00031	$ 0.00052	$ 0.13	$ 13.37
TCSNAZSW	$ 5.44	$ 0.00054	$ 0.00012	$ 0.00054	$ 0.00012	$ 0.00051	$ 0.00056	$ 0.14	$ 13.31
TCSNAZTV	$ 5.97	$ 0.00059	$ 0.00027	$ 0.00059	$ 0.00025	$ 0.00056	$ 0.00057	$ 0.16	$ 13.35
TCSNAZWE	$ 8.80	$ 0.00088	$ 0.00037	$ 0.00091	$ 0.00034	$ 0.00083	$ 0.00062	$ 0.18	$ 13.31
TEMPAZMA	$ 2.64	$ 0.00026	$ 0.00002	$ 0.00027	$ 0.00001	$ 0.00025	$ 0.00049	$ 0.13	$ 13.41
TEMPAZMC	$ 3.61	$ 0.00036	$ 0.00003	$ 0.00036	$ 0.00003	$ 0.00034	$ 0.00053	$ 0.13	$ 13.41
TLSNAZMA	$ 4.94	$ 0.00049	$ 0.00014	$ 0.00051	$ 0.00013	$ 0.00047	$ 0.00056	$ 0.14	$ 13.36
TMBSAZMA	$ 19.31	$ 0.00192	$ 0.00857	$ 0.00227	$ 0.00713	$ 0.00189	$ 0.00082	$ 1.78	$ 13.25
TNCKAZMA	$ 23.38	$ 0.00233	$ 0.01192	$ 0.00282	$ 0.00972	$ 0.00230	$ 0.00088	$ 2.31	$ 13.25
TUBCAZMA	$ 12.20	$ 0.00121	$ 0.00341	$ 0.00136	$ 0.00297	$ 0.00118	$ 0.00068	$ 0.68	$ 13.25
VAILAZNO	$ 17.14	$ 0.00171	$ 0.00399	$ 0.00201	$ 0.00333	$ 0.00168	$ 0.00078	$ 0.87	$ 13.25
VAILAZSO	$ 12.01	$ 0.00120	$ 0.00418	$ 0.00132	$ 0.00370	$ 0.00117	$ 0.00068	$ 0.72	$ 13.26
WCBGAZMA	$ 5.80	$ 0.00058	$ 0.00080	$ 0.00061	$ 0.00072	$ 0.00056	$ 0.00057	$ 0.23	$ 13.28
WHTKAZMA	$ 12.31	$ 0.00123	$ 0.00154	$ 0.00142	$ 0.00130	$ 0.00120	$ 0.00073	$ 0.35	$ 13.29
WHTLAZMA	$ 26.15	$ 0.00260	$ 0.00784	$ 0.00369	$ 0.00548	$ 0.00258	$ 0.00100	$ 1.58	$ 13.25
WLCXAZMA	$ 6.38	$ 0.00064	$ 0.00212	$ 0.00069	$ 0.00189	$ 0.00062	$ 0.00058	$ 0.41	$ 13.26
WLMSAZMA	$ 8.25	$ 0.00082	$ 0.00547	$ 0.00091	$ 0.00481	$ 0.00080	$ 0.00062	$ 0.85	$ 13.26
WLTNAZMA	$ 15.39	$ 0.00153	$ 0.01651	$ 0.00174	$ 0.01429	$ 0.00150	$ 0.00069	$ 2.57	$ 13.24
WNBGAZ01	$ 20.72	$ 0.00206	$ 0.01795	$ 0.00242	$ 0.01502	$ 0.00203	$ 0.00076	$ 3.08	$ 13.24
WNSLAZMA	$ 5.81	$ 0.00058	$ 0.00192	$ 0.00065	$ 0.00166	$ 0.00056	$ 0.00060	$ 0.36	$ 13.29
YRNLAZMA	$ 14.64	$ 0.00146	$ 0.00536	$ 0.00168	$ 0.00456	$ 0.00143	$ 0.00074	$ 1.05	$ 13.24
YUMAAZFT	$ 6.31	$ 0.00063	$ 0.00036	$ 0.00063	$ 0.00033	$ 0.00059	$ 0.00058	$ 0.17	$ 13.33
YUMAAZMA	$ 3.77	$ 0.00038	$ 0.00011	$ 0.00038	$ 0.00010	$ 0.00036	$ 0.00053	$ 0.14	$ 13.35
YUMAAZSE	$ 3.99	$ 0.00040	$ 0.00013	$ 0.00041	$ 0.00012	$ 0.00038	$ 0.00053	$ 0.14	$ 13.33

Cost Adjustments for Future Demand

n is the planning horizon
P_L is the per line annual cost that must be recovered by the incumbent LEC.
L_0 is the demand for lines at time zero
L_n is the demand for lines at time n and this equals $L_0 \times e^{gn}$
e is the exponential function
g is the annual growth rate in lines
t is a variable representing time
r is the weighted cost of capital
C_{Ln} is the total annual cost of engineering distribution to handle the demand at time n, L_n.

The goal of this exercise is to determine the proper cost per line that must be recovered by the ILEC accounting for the growth in lines that will occur in the network.

In order for the ILEC to fully recover cost the present value of the ILECs "recovered cost per line", P_L, must equal the present value of the annual cost of the network. This can be represented by the formula (1) below.

We want to solve this equation for P_L.

(1) $$\int_0^n P_L \times L_0 \; e^{gt} \times e^{-rt} \, dt \quad = \quad \int_0^n C_{L_n} \times e^{-rt} \, dt$$

Equation (1) can be simplified to (2):

(2) $$P_L \times L_0 \times \int_0^n e^{-(r-g)t} \, dt \quad = \quad C_{L_n} \times \int_0^n e^{-rt} \, dt$$

Equation (2) can be solved to get (3):

(3) $$P_L \times L_0 \times \frac{-1}{(r-g)} \times e^{-(r-g)t} \Big|_0^n \quad = \quad C_{L_n} \times \frac{-1}{r} \times e^{-rt} \Big|_0^n$$

Equation (3) becomes (4):

(4) $$\frac{P_L \times L_0}{(r-g)} \times \left(1 - e^{-(r-g)n}\right) \quad = \quad \frac{C_{L_n}}{r} \times \left(1 - e^{-rn}\right)$$

And equation (4) can be solved for P_L which is represented in (5).

(5) $$P_L \quad = \quad \frac{(r-g)}{r} \times \frac{\left(1 - e^{-rn}\right)}{\left(1 - e^{-(r-g)n}\right)} \times \frac{C_{L_n}}{L_0}$$

This result tells us that the cost per line that must be recovered is a fraction of the total annual cost divided by the current demand. It can be noted that P_L decreases as g increases, r decreases, and n increases.

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

SUBJECT	PAGE
Construction on Public Highways or Other Easements	3
General	1
Other Construction or Conditions	10
Provisioning Agreement for Housing Developments	5
Rural Construction Charges (Additional)	4
Special Assemblies, Facilities and Finishes of Equipment	10
Special Service Arrangements	10
Temporary Construction	10

(D)

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.1 GENERAL

A. Reasonable rates and charges involve consideration of costs and the degree of risk associated with furnishing telephone service. Certain situations involve substantial extra cost or risk, e.g., the facilities required will be temporary; facilities are ordered in advance of actual customer demand for service; unusual costs are involved in furnishing the service or facilities; exchange service is ordered for areas where the telephone facilities are not available.

B. The provision of telephone service may require the payment of a construction, zone connection, facility or temporary development charge by the customer ordering telephone service or requesting facilities. This charge is in addition to the regular rates, nonrecurring and installation charges applicable for the exchange service provided. The Company may, at its discretion, modify requirements and charges pertaining to supporting structures which include, but are not limited to, pipes, conduits, poles, trenches, and backboards for the placement of telephone facilities in housing developments, commercial properties and business (C)
developments where an alternative facilities based service provider is available. (C)

C. Applicants requesting service at locations that have been served previously will not be assessed construction charges. Construction charges will be associated with the premises for which they were established rather than the customer. Credit for construction charges will not be transferred from one premises to another.

D. The Company shall not be required to provide facilities, at the request of a developer, within new areas of land development which meet any of the conditions listed in 4.4., following, unless an agreement is reached and a contract is signed.

E. Advance payments or deposits for exchange service, if required under the regulations contained in Section 2 of this Tariff, shall be paid at the time agreement is made between the applicant and the Company to provide such exchange service.

F. With approval of the Company, arrangements may be made for the payment of construction, and/or zone connection charges in monthly installments spread over a reasonable period, generally not to exceed one year. All unpaid installments become due upon termination of service.

G. With approval of the Company, a customer may furnish material, transportation, labor, board or lodging as all or part payment of the charge in lieu of cash.

H. The ownership of any pole line, circuit or other facilities provided wholly or in part at the expense of an applicant under this Tariff shall at all times be vested exclusively in the Company or another company with which the Company has a joint agreement.

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.1 GENERAL (Cont'd)

I. Except as otherwise provided herein, the terms and conditions in this Tariff contemplate that the type of construction required to provide the quantity and grade of telephone service involved will be determined by the Company. The customer will be required to pay the added costs involved when a different type of construction than that proposed by the Company is desired.

J. Where applicants are so located that it is necessary or desirable to use private and/or government right-of-way to furnish service, such applicants may be required to provide or pay the cost of providing such right-of-way in addition to any applicable charges.

K. All necessary construction will be undertaken at the discretion of the Company consistent with budgetary responsibilities and consideration for the impact on the general body of customers, but in no case more than six months after the request for service necessitating the construction. The Company bears all responsibility for informing customers on a timely basis of all conditions necessary to establish service.

L. Service station customers who request local exchange service will be classed as new applicants for the application of construction. New service station customers will be assessed the appropriate construction charges applicable at the point of connection. (C) (C)

M. When construction is required to serve a new applicant, the Company will take whatever steps necessary to determine all prospects who may desire to be served from the new construction or an extension. Only those prospects having signed a line extension contract will be included in the project. All applicants are grouped in a single project when there is no more than one mile of construction between successive applicants and the terrain makes it economically reasonable for the applicants. Separate projects are established whenever the construction between any two consecutive applicants exceeds one mile. Two or more projects are combined whenever this results in lower charges (or no increase in charges) for the applicants in the preceding project.

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.2 CONSTRUCTION ON PUBLIC HIGHWAYS OR OTHER EASEMENTS (D)

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.2 CONSTRUCTION ON PUBLIC HIGHWAYS OR OTHER EASEMENTS (Cont'd)

4.2.2 SPECIAL RURAL CONSTRUCTION CHARGES (C)

A. Special rural construction charges may apply as specified herein. (C)

1. Costs for existing facilities will be determined in the following manner:

   a. A Telephone Plant Index (TPI) translator, specific to the type and vintage year of plant involved, will be applied to the current construction costs for the existing circuit to calculate the original cost of the circuit.

   b. A depreciation factor, specific to the type and vintage year of plant involved, will be applied to the original cost determined in a., to calculate at net book cost, or original construction cost less accrued depreciation.

2. Additional construction charges will be determined as follows:

   a. Any additional construction charges to the rural customer will not exceed the customer's pro rata share of original construction costs, less accrued depreciation, on existing facilities, as determined in 1., preceding, plus the customer's pro rata share of the construction costs of new facilities, less a credit of the lesser of $3,000 or the sum of the aforementioned costs. (C)

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.4 PROVISIONING AGREEMENT FOR HOUSING DEVELOPMENTS (M) (C)

A. Description (N)

A Provisioning Agreement for Housing Developments (PAHD) is a contractual arrangement between the Company and the Developer/Builder for the provision of distribution facilities, including conduit for the service lateral trench within new areas of residential development.

B. Terms and Conditions

1. A PAHD is required where Developers/Builders plan to develop four or more lots. Less than four lots will be treated according to the terms set forth under other portions of this Section 4, if applicable.

2. The Developer/Builder will provide trench and backfill for the facilities and be responsible for those costs. In areas where the Company has trench and backfill agreements with other utilities, the Developer/Builder is responsible for the Company's trench and backfill cost.

3. To accommodate Developer/Builder coordination schedules, with the Company's approval, the Developer/Builder has the option of placing Company provided facilities in the trench.

4. The PAHD will include, but is not limited to: a description of the development; an addressed, recorded plat; trench and backfill specifications; easements; surface grade requirements; and coordination of inspection schedules.

5. If the Developer is not the Builder, the Builder or premises owner will be responsible for the provision of the trench including, at a minimum, one inch conduit with adequate pull string, for the service drop to the living unit.

6. The Company will provide the facilities at no charge to the Developer/Builder as long as the cost does not exceed the Company determined cap, which shall equal the distribution and drop portion of the average exchange loop investment, times the number of lots in the development. The Company may require payment by the Developer/Builder of all costs in excess of the cap prior to the start of any required construction.

7. Distribution facilities covered in the PAHD cannot be used for subsequent developments until they are covered by a new PAHD.

8. The PAHD may vary terms and conditions as appropriate to respond to developer needs in those developments where an alternative provider is available. (N)

[1] This page cancels the following: Pages 6 through 9, Release 1. (N)

(M) Material moved to Section 104.

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.5 SPECIAL SERVICE ARRANGEMENTS

4.5.1 SPECIAL ASSEMBLIES, FACILITIES AND FINISHES OF EQUIPMENT

Rates and charges in connection with special assemblies, special facilities and special finishes of equipment will be based on the costs involved in each individual case.

4.6 OTHER CONSTRUCTION OR CONDITIONS

A. Special Types of Construction

1. Where a special type of construction is desired by a customer, such as where underground construction is requested in locations where aerial construction would be regularly used, or where conditions imposed by the customer involved excessive costs, or where underground construction is legally required by ordinance, covenant, tract restriction or otherwise, the customer or customers served by such facilities or the tract developer shall be required to pay the difference between the cost of the underground or other special type of construction and the average cost of construction normally used by the Company.

2. Where existing aerial facilities are requested to be relocated underground in an area where the Company would not, except for such request, relocate its facilities underground, the Company may charge the cost of such relocation of the persons requesting the relocation of such facilities.

B. Temporary Construction

Where temporary construction is necessary to provide service, the applicant will be required to pay a construction charge equal to the estimated net cost of installing and removing the temporary construction.

4. CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

4.6 OTHER CONSTRUCTION OR CONDITIONS (Cont'd)

C. Construction under Unusual Conditions

1. Construction required to provide service on a seasonal basis, or to provide foreign exchange service may be subject to construction charges provided for herein. (C)

2. Additional construction charges in these instances are billed in even multiples of $1.00; any fraction of $1.00 is disregarded.

3. Special construction charges will be applicable where, at the request of the customer, the Company constructs a greater quantity of facilities than that which the Company would otherwise construct or normally utilize.

D. Regrades in Rural Areas

Generally, construction charges will not apply for the addition of circuits or facilities required to provide better grades of service in rural areas where pole line facilities are in place. In unusual cases, where the cost of providing such facilities is excessive in relation to the anticipated revenue, construction charges may be applied, based on the circumstances in each case.

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Building the Future-Proof Telco

By David Diamond

Qwest will soon have more capacity than AT&T, MCI, Sprint, and WorldCom put together. And none of them saw the upstart coming.

As ambitious projects go, this one conjures images of the laying of the railroads, the 19th-century phenomenon that catapulted the United States from the slowpoke days of horses and sailing ships and canal barges into the Industrial Age. But Joseph Nacchio, CEO of Qwest Communications International, which is hurriedly sinking 16,285 route miles of fiber-optic cable into American soil in an effort to truly catapult the nation into the Information Age, prefers another historical metaphor.

"Let's say it's 1859. I come out of the hills of Pennsylvania. I tell you, 'Hey, guess what I just found? I've got this new source of energy. It's oil. And it's going to dramatically lower the cost of energy.' You look at me kind of cockeyed and say, 'Hey, what are you crazy? The coal guys - they've got the railroads, they've got the distribution, they've got the customers.' The last thing I can say to you is, 'Heck, don't worry about it. See all those horses out there crapping in the street? Sixty years from now there's going to be something called automobiles that will burn this stuff and 80 years from now these guys in Delaware will use it to make something called plastics.'"

OK, so the folks who discovered oil in Titusville, Pennsylvania, couldn't see that clearly into the future. But they did have a vision: They knew that in an energy-based economy, if you could change the price performance of energy, something big was bound to happen. Likewise, Nacchio predicts, "if we can change the price performance of bandwidth and long distance, if we can collapse distance and time, something big is going to happen. We're not going to be the guys that are going to design it,"he continues, "it's going to be all the complementary industries. It's going to be like an organic system. There are other folks that contribute to the ecology. We just take the one key element of the system - bandwidth - and push it dramatically."

Dramatically is the operative word here. From out of nowhere, Denver-based Qwest is becoming the fifth company to run a nationwide fiber-optic network, and the one with the most promise of meeting the country's postmillennial communications needs. Qwest's network, expected to be running full tilt by mid-1999, will be packet-switched and capable of handling both data and voice traffic. And, according to Nacchio, it could by next year be carrying as much as 80 percent of the Net's backbone over its fourth-generation fiber, even if competitors double their capacity. As early as next spring it will have more bandwidth than the networks of AT&T, Sprint, MCI, and WorldCom combined - with enough left over to carry all of today's IP traffic. In fact, the network could carry all of today's telecommunications traffic on four of its 48 fibers. Eventually, Qwest will be able to carry more than 2 trillion bits per second, compared with around 40 billion bits per second over the systems of today's brand-name telcos.

Already, the upstart company has come forward with the first application for its high-speed network: 7.5-cents-a-minute long distance service - over the Net - in nine US cities as of mid-March. Because of all the available bandwidth, the service doesn't suffer from the poor quality of compressed voice. Qwest's Q.talk, unlike other long distance Net offerings, doesn't have to squeeze voice from 64 kilobits to as low as 7 kilobits, so it eliminates latency problems such as stutters and lags.

Though the company still relies somewhat on the traditional circuit-switch method of telecommunications - where the entire call, pauses and all, is sent over dedicated lines between two parties - it's moving toward an entirely packet-switched network. With packet switching, a phone conversation is chopped into little packets and sent through to its destination. For maximum efficiency, packets are sent only when there are packets to send.

Qwest is operating under an if-you-build-it-they-will-come vision. Bandwidth restrictions, the company believes, have held back development of all manner of innovation. Now, the prospect of virtually endless throughput will free up the planet for a host of new applications in such areas as high-speed video and multimedia.

It's not everyone's view of the future. In fact, some critics envision a bandwidth glut. But in Nacchio's mind, that's the sort of reaction one might expect from coal barons dumbfounded at the sight of oil gurgling exuberantly out of new wells. "When AT&T, MCI, and Sprint were building fiber networks in the '80s," recalls Lewis Wilks, Qwest's president of business markets, who was at MCI at that time, "we all continually expressed a belief that we would never exhaust the supply. Suppliers have continually underestimated the demands of the market." David Yedwab, a telecom analyst and executive vice president at Eastern Management Group in Bedminster, New Jersey, adds, "At this point in time, network capacity is like the first corollary to Murphy's Law: Whatever capacity there is will be filled up by the time it takes to build it."

Meanwhile, the basic phone line hasn't improved materially over the last 15 years. Though computer clock speed has increased a thousandfold and dropped in price to one-tenth of what it was, phone lines have seen no capacity increase at twice the price. You can pay US$80 for an ISDN line and maybe be able to transmit at 1.5 Mbps. Even if you transmit via cable or digital subscriber line, it's still nowhere near the increase in the speed of, say, a 300-MHz Pentium II. "Qwest will give people the ability to interact as fast as they can compute," says Tom Friedberg, an industry analyst with Denver-based Janco Partners.

CEO Nacchio is a 26-year AT&T veteran who ran its two biggest businesses - consumer and business long distance. He's the fellow you should be thanking when you get paid to switch long distance carriers, a phenomenon he's credited with implementing. Nacchio was considered a possible successor to former chair Robert Allen, but he lost out in October 1996 when, in a surprise move, Chicago publishing executive John Walter was named AT&T president and heir apparent, though C. Michael Armstrong is now chair. Nacchio clearly is ready to take on his former employer, and even sounds as if he's dancing on a dinosaur.

Indeed, he makes an art form out of being blunt. "The retail long distance business in the US is an $85 billion business controlled by people who don't get it," he says, with characteristic Jersey-boy-does-good directness. "There are significant changes in demand and the cost of supply, and we're walking in with a low-cost position. An opportunity like this doesn't come along that often. When everybody was looking the other way, Qwest decided to build its own network. Qwest should never have been allowed to exist."

"I don't know where he comes up with that," snorts Frank Ianna, AT&T's executive vice president of network and computing services. "Anyone can deploy fiber, but that doesn't make a service that is functional and usable for mission-critical operations. Where's their track record?"

Nacchio's entrepreneurial bravado is eliciting a strong reaction over at MCI, too. "I see a lot of hype about the kind of fiber they're carrying the network on, but not about anything else," says Jack Wimmer, MCI's executive director of network technology and planning. "I mean, do they have consolidated billing for their business customers? The fundamental difference between carriers is not the fiber. The real difference is in the range of services they provide."

The fact is, while Qwest may be driving pretty strong to the hoop, by no means is it assured a slam-dunk. For one thing, Qwest faces the daunting task of convincing customers it can serve them better than its more powerful competitors. When AT&T recently announced plans to boost the capacity of its nearly 41,000 route miles of fiber, some skeptics suggested the company would have trouble meeting its plans to upgrade, if only because its cables are not uniform. But AT&T has an edge that is difficult to ignore: an installed base of customers that thrashes the competition. In its efforts to launch a communications revolution, Qwest must deal with the nagging fact that AT&T carries more than one-quarter of a billion calls per average business day.

Another potential problem involves POPs, the points of presence that connect Qwest's nationwide network and local exchanges. Qwest needs access to those switches, but they're owned by local exchange carriers like the Baby Bells, companies that have been reluctant to let a high-speed competitor come in and take away business they want themselves.

Qwest is not the only player pushing for local-switch access, which was assured under the Telecommunications Act of 1996. But while legislation opened up the long distance market to local carriers and vice versa, analyst Friedberg says local exchange carriers are using "bureaucracy and delay to slow the inevitable." Southwestern Bell, for example, has sued the federal government, challenging the constitutionality of the Telecom Act's efforts to spur competition. Thus far, it hasn't been a snag for Qwest, according to Wilks. "We've had no trouble getting connectivity," he says.

But the speed doesn't happen until Qwest has access to the last mile, the local routes. To that end, Wilks says, the company is working closely with the Baby Bells, cable companies, and all the major wireless companies to complete its network. Wilks considers Qwest's backbone a way for local carriers to leverage a host of new technologies, such as digital subscriber lines, cable modems, and high-speed Internet access.

The company made a big move toward overcoming these obstacles when, in March, it announced a planned $4.4 billion merger for stock with LCI International, the fast-growing long distance carrier. While the merger must be approved by shareholders and regulators - Qwest expects that to happen by the end of May - it could be the big edge the company needs. The combined entity will create the nation's fourth-largest long distance player, assuming the WorldCom-MCI deal goes through. "It gives Qwest a lot of traffic. It may be an inexpensive way of loading the network," says analyst Friedberg. "And there are some switching synergies." Other synergies, too. Friedberg views Nacchio and LCI chair and CEO H. Brian Thompson (an MCI alum) as "the black sheep of their former companies pushing to get revenge."

Among the benefits of the merger: Qwest, which gets to keep its name, inherits an instant sales force. For the business market alone that means Qwest will add 500 salespeople to its current 100-person business sales force. Thompson says LCI is the only company in the industry that can bill in one-second increments. And when it comes to local access, LCI has a local division - headed by former Justice Department antitrust chief Anne Bingaman - that resells local loops.

Meanwhile, nothing is slowing the construction of the Qwest network - except, perhaps, some bad weather.

Right now, an army of 1,500 latter-day railroaders is slaving to make the mammoth project a reality: 16,000 miles at an average 120 miles a week. The vast majority of the cable is being laid alongside existing railroad tracks, installed by four or more "rail plow" cars. A custom-designed 25-foot arm extends from those cars and digs up the earth 12 feet from the side of the tracks. It then lays in protective tubing - 2-inch-diameter high-density polyethylene conduit - and cables 4 feet below the surface.

Throughout America, hundreds of itinerant Qwesties are working on the network much the way their great-great-grandfathers might have worked on the railroad. Instead of tents and wood shacks, these guys live in Motel 6s or Airstreams equipped with 18-inch satellite dishes for pulling in hometown sports. As of the end of February, 10,000 rail miles - or 93 million feet of conduit and 8,000 miles of cable - has been installed. Rail plows have run through dried lava fields in New Mexico, through the 6-mile Moffat Tunnel in Colorado, and down river gorges in Oregon. There's one in Kentucky, one in New York's Amtrak tunnel, and one making its way through the pines of Georgia, digging up red clay along tracks that were instrumental in a rebel blockade during the Civil War.

Philip Anschutz, who owns more than 86 percent of Qwest - 55 percent of a combined Qwest-LCI - previously owned the Southern Pacific Railroad. When he sold the railroad to Union Pacific in 1996, he negotiated to buy the rights of way alongside the tracks of both railroads. Combined, they represent the cable route of a significant portion of the network. The rest of the cable is run along lines for which Qwest leases the right of way for up to 50 years, or along interstate highways, where it leases rights of way from transportation authorities for 20 or 25 years. Eighty-five percent of the Qwest network is strung along railroads.

Before selling his railway to Union Pacific, Anschutz spun off a corporate division named Southern Pacific Construction, which does cable repair and additional builds for big telecom carriers.

"We realized we could charge enough that we could afford to put some in for ourselves," says Nacchio. "When everybody was saying there's enough capacity, Phil made the bet."

In 1995, Qwest laid out its plans for a nationwide network, with connections into Mexico and later an intercontinental cable to Europe. At the time, the major telcos were focusing on other arenas. The Internet was just taking off. And there were some breakthroughs in the componentry of the long distance networks. For example, glass had moved to its fourth generation with Lucent Technologies's development of nonzero dispersion-shifted fiber. With its improved dispersion characteristics, you could send a signal between 50 and 60 miles before having to capture and regenerate it, compared with 30 miles using the old glass.

Today, the biggest thing working in Qwest's favor is undoubtedly the railroad itself, the monumental transportation infrastructure that was painfully laid from coast to coast by Chinese immigrants and raucous laborers. The new telco didn't have to go out and negotiate for as much as 6,400 miles of railroad right of way. "Other people can build fiber networks, but only Qwest has indefeasible railroad rights of way," says analyst Friedberg.

The trick for Qwest was to build the network with other people's money. Even with its railway advantage, the company estimated it would cost $2.4 billion to string the darn thing along prairies, into cities, down canyons, over purple mountains' majesty, et cetera. The company raised only $800 million in capital through senior debt and a June 1997 IPO. Why not raise the remainder by letting other telcos piggyback along - charge them to have their cable installed side by side with Qwest's?

The company lured in what Nacchio calls "anchor tenants" - telcos that have ponied up a total of $1.4 billion for Qwest to lay their cable alongside its own on some 13,000 miles of the network. Among the owners of what Qwest calls "dark fiber" are GTE, Frontier, and WorldCom. Says Nacchio: "We raised enough money that way that we essentially built our network for free."

But isn't he helping out his competitors? "Our business model would argue that we got more out of it than they did," he retorts. "We knew we'd compete with them sooner or later, but we needed their cash."

Qwest has its sights set on three markets. First, other carriers, whether they are large telcos like WorldCom, Baby Bells entering the long distance business, or Internet service providers. Qwest estimates there are 400 to 500 such carriers that could use its network. The second group comprises traditional US businesses looking for such advanced services as voice-over-IP and voice-and-data. The third market consists of regular consumers. Qwest has already made a move on other telcos' customers by offering a service known in the industry as "dial around." Customers in 30 or so US cities who want traditional long distance voice service dial a code (10056) and then the number they want. The call goes over Qwest's network and users get billed by their local phone company. Qwest charges 10 to 12 cents a minute for all domestic calls, 24 hours a day, seven days a week.

Creating an Internet backbone takes an amazing amount of coordination.

"I said I needed a backhoe and a forklift for Charlotte," barks Mike Smith, Qwest's rail-plow manager, into his cell phone. "But cancel it because we're going to Greensboro instead. But send the truck." It's afternoon on a colorless Georgia Tuesday and Smith is having maybe his 13th cell phone conversation of the day. A beefy Oklahoma rancher, he has orchestrated construction in about a dozen states before parking his Airstream in a funky trailer park in a small town amid pines and Confederate flags. He drives a white Ford Expedition bearing the Qwest logo from site to site along the northernmost reaches of the network's Atlanta-Tallahassee stretch. At his side is Burt Meiklejohn, railroad operations manager. A native of New Mexico who also has been all over the network, it's his job to coordinate the rail plow with railroads on which it leases rights of way. Meiklejohn, too, is on the heavy side, and is constantly joking with the more steadfast Smith. The two are like a married couple - or "virtual brothers," according to Meiklejohn, who provides a running commentary on Smith's driving habits, reminds him when to turn, and finishes his sentences.

The task at hand is the installation of thousands of miles of conduit. The next step will be to use compressors at "handhole" stations each mile along the route to pull the fiber through the conduit and connect the cable. The system allows for new line to be pulled through in the future, in case the technology improves or bandwidth needs escalate.

In fact, throughout the US, Qwest workers are laying two conduits. There's an orange one containing 48 of the company's own fiber-optic cables (each one as thick as a human hair), as well as 48 for other carriers. The second conduit is black and empty. It's there for future use.

"Ten years from now if there's a leapfrog in the glass, if there's another generation, we simply pull another cable or two without having to dig up the ground," says Nacchio.

Qwest's network - 3,700 miles of it is up and running - will be a bidirectional Sonet (synchronous optical network) ring. The bidirectional configuration means that if a fiber is cut, traffic can be rerouted in the other direction in 50 milliseconds. Self-healing is the term used in the industry. "Their technology is state of the art and low cost," says Christine Nairne, an

analyst with Hambrecht & Quist. Qwest will eventually be capable of transmitting data at 10 Gbps, although initially it is operating at 622 Mbps.

Each of the 48 fibers in Qwest's network can be divided into at least eight wavelengths - aka windows - and each wavelength has the potential of transmitting data at a rate of 10 Gbps. Qwest has already lit its second window and may be lighting up more if demand increases. "That's a lot of bandwidth we could bring online," says Nacchio. "What we're expecting is that two windows will produce the first billion dollars of revenue. We've got virtually unlimited capacity, without ever digging or pulling again."

In Georgia, the rail plow is ahead of schedule, digging up the red clay at a rate of three miles a day. One moment Smith and Meiklejohn are calculating how long it will take the man who restores the gravel portion near the track to catch up with the unexpectedly fast work of the plow. The next moment they're determining where the nine-car train can be pulled off the tracks so a scheduled freight can pass. The next moment they're dissing the work of the railroad's flag guys, whose job it is to mark various other utility lines that might pose impediments to the rail plow - blue flags indicate a water line, yellow a gas line, orange a phone line.

Somewhere south of Atlanta, an AT&T lineman watches while the rail-plow workers approach an orange-flagged AT&T fiber-optic cable. He looks on as the Qwesties determine whether to thread the line above or below their competitor's cable. Cutting AT&T's cable could be an expensive proposition for Qwest, which would have to compensate for the damage. Yes, without even trying, AT&T is out there making things difficult, like some giant obstacle created by nature centuries ago.

Nacchio makes it sound like ancient history as he rattles off when fiber-optic cables were sunk: early '80s MCI; mid '80s Sprint; AT&T and WorldCom between '88 and '90. "They're all underinvested in their core networks," he says. As for the merger of MCI and WorldCom, which is expected to be completed by the end of 1998 pending Justice Department approval, he has this to offer: "They're collecting antiquities. You put two old platforms together and you get one big old platform." The problem, as Nacchio sees it, is that the competitors are sitting on glass that's fully utilized - and they can't get at it. "The networks the telephone companies built in the '80s were based on the hypothesis that fiber-optic cable was so superior to coaxial cable or digital radio that you'd never need more fiber - the stuff was direct buried," he says. "You dug a trench 2 feet down, threw it in, covered it up, boom. Now you can't get at that glass. You can't pull it out.

"What happened over the last four or five years was the guys who controlled the long distance industry were smelling that the Telecommunications Act of 1996 was going the wrong way for them," he continues. "They essentially lost it - the Bells ran them down. And they went on a diversification strategy. They went into such complementary technologies and markets as global and wireless communication." They also stuck with the circuit- switch method, as opposed to moving into the more efficient packet switching.

Charles Fleckenstein, Sprint's manager of technology services, refuses to accept Nacchio's assertion that the long distance companies have too much invested in past-tense technology. There's exasperation in his voice when he retorts, "Glass is glass." Sprint, MCI, and AT&T are each embarking on ambitious plans to pump more light through their fiber-optic cables by using wave-division multiplexing technology, which Qwest is also employing. Multiplexing allows for multiple wavelengths of light on a single fiber-optic strand, which means more information can be moved down a line.

"Let me put it this way," says AT&T's Ianna. "Anybody could be out there with fiber. The key is turning that into a viable, useable service." In any case, AT&T invested $7 billion last year to get its network, which employs both packet- and circuit-switch technology, up to snuff. Ianna says he expects network traffic to grow by 60 percent next year.

Regardless, Nacchio sees no hope of any competitor even coming close to catching up. He's convinced that AT&T will not be effective in its announced strategy for adding bandwidth through Lucent's multiplexing technology. The trouble with AT&T's plans, according to Larry Seese, Qwest's executive vice president of network engineering and operations, is that its network lacks uniformity. "AT&T's is a mixture of very old glass. They won't be able to run 10 gigabits through the system."

Sprint, which gambled big on PCS wireless technology, is generally rumored to be up for sale - as such, a major capital project is the last thing it needs, say analysts. Instead of investing heavily in cable, it is improving its electronics via multiplexing and ATM switching. WorldCom and MCI, also in an upgrading frenzy, will gain capacity with WorldCom's running of fiber along sections of Qwest's network. And other networks, like Williams, IXC, and Metromedia Fiber, are in expansion mode, but they won't have the consistent uniform capacity that Qwest is creating with its cable.

"In telecom now, giving someone a four-year head start means you might as well not be there," boasts Nacchio. "I feel like an emerging oil baron."

"Joe is a great guy, but he might be exaggerating slightly," responds James Crowe, president and CEO of Level 3 Communications, which in January staked its own claim to the information revolution.

Level 3 came to life with the same leadership (Crowe) and the same financing (Omaha-based Peter Kiewit Sons) as did MSF Commu- nications, the local telecom phenom that went public in May 1993 and was acquired by WorldCom in 1996 for $14.3 billion. Level 3 will be investing as much as $3 billion in a network that differs significantly from Qwest's. Unlike its long-distance-only competitor, Level 3 will be an end-to-end network - it will own the last mile. But like Qwest, Level 3 will be an IP-only operation. Reasons Crowe: "Trying to be good at two things is a hard way to serve the Lord."

Crowe, who was chair of MSF, had been on Qwest's board until last November, and he wants to make it clear that he is a friend of Anschutz and Nacchio. Crowe sees room for both new companies. "This is not a zero-sum game for us," he insists. "And the match is not between Level 3 and Qwest. The real battle is carriers like Level 3 and Qwest versus the legacy guys. It's really an IP versus circuit-switch battle."

To the citizens of the Georgia towns along the cable route there is not much evidence that a mammoth project is under way. At railway crossings, when drivers look left or right they may catch a glimpse of a nine-car train digging up the earth, but it doesn't look any different than a track-repair operation. On roads that run alongside the rails, drivers can see places where the orange and black conduits peek out from the ground; those are places where the cable will be encased in steel pipe to protect it from a particular hazard. Or they might see a backhoe operator flattening out the ballast along the track after the rail plow has been through. None of it attracts much attention. Likewise, the dozen or so men working this site aren't making much of an impact on the communities. The crew members stay in their motels or Airstreams and eat at family-style chain restaurants, and when the rail plow is 50 or so miles down the line, they move to a new motel or trailer park and eat at the same restaurant chains.

Back in Denver, where the oversize blue Qwest logo now dominates the skyline, Nacchio has assembled a telecom dream team. The CEO himself was hired by Anschutz, following a clandestine meeting in a hangar at a Teterboro, New Jersey, airport. (Nacchio replaced the original CEO, Douglas Hansen, because the company needed a leader who could help the company raise money in the public markets.) Qwest's powerhouse lineup includes Seese, who was drafted from AT&T, where he ran its voice and data networks; Wilks, former president of GTE Communications; Anthony J. Broadman, who oversees fiber sales and held several senior positions at Sprint; Stephen M. Jacobsen, who's in charge of consumer markets and was a regional vice president with AT&T's consumer and small-business unit; and Nayel Shafei, who oversees product development and graduated from the MIT Media Lab. Get the picture?

"They are phenomenally impressive, both in their background and in their ability to articulate a vision of telecommunications services for the future," says Hambrecht & Quist's Nairne. "There's every indication that they have the team to do it." The company's 1997 revenue of $670 million represented more than a 200 percent increase over the previous year, and it generated earnings of $14.5 million. Nairne expects revenues will rise to nearly $1 billion in 1998.

"If you look at our mission statement, we talk about being able to transmit images the way telephone networks transmit voice," says Nacchio. By the middle of 1999 the network will encompass 125 US cities, as well as 14 Mexican markets and a handful of European cities. Q.talk, the company's voice-over-IP service, is a precursor to the converting of all systems to packet technology for voice and other applications.

Technology aside, Qwest does face the challenge of muscling its way into the nation's long distance consciousness. The proposed merger with LCI will obviously help - it will create a combined customer base of more than 2.3 million business and residential customers. Meanwhile, the company is embarking on a $50 million advertising effort aimed at business and consumers. Nacchio is Jersey confident. "Look, at AT&T we were swapping 200,000 customers a day with the other long distance carriers. That many would leave and that many would come back. Qwest can sneak in there," he says. The Yankee Group, however, puts the figure closer to 70,000.

Some telco watchers have suggested that what Nacchio is doing is merely creating a company that his larger competitors will be forced to buy. Nacchio himself denies there's a sale sign being hoisted over Qwest's big blue logo - though it would be Anschutz's call anyway. "There are people speculating that Qwest's network has been designed to be sold," says analyst Yedwab. "But in the interim it has been designed to be a very good business, and they've been hiring an awful lot of senior management talent you wouldn't hire if you were just building a business to sell."

Meanwhile, a nine-car rail-plow train is creeping along tracks in Georgia, installing the future at the deliberate speed of one mile an hour. As it plods forward, conduit unrolls from huge spools. The pipe is threaded through the plow arm, and at a slow and even pace, it's then installed into the trench that the plow arm's steel shank is steadily digging into the red clay.

Ray Holly, the hefty former crane operator who runs the rail plow, sits in a glassed-in cab, pushing levers and communicating via headset with the engineer who operates the 125-ton locomotive. A safety inspector named Billy Hitchcock stands in an open car, keeping track of the footage in a notebook. When he gets back to his motel room, he will transfer his work into a Pentium 233 laptop, and then transmit the information via fax modem to the engineers at the

Network Management Center in Denver.

Two young laborers from Montana walk beside the train, ready to jump into action if anything goes wrong. One munches on a piece of meat, which he describes as "Oklahoma white-tail deer." The other sucks on a piece of straw. The train pulls past fundamentalist churches and tarpaper shacks and convenience stores and subdivisions. The young men step over Miller bottles and corn chip bags.

The gathering dust conjures images of an earlier era, when the rails themselves were planted. And the men's Western attire further contributes to an eerie sense of déjà vu. It's as if they are living out some unexpected legacy. And Miller bottles and corn chip bags notwithstanding, there's something truly sweet about this little scene: the layering of one monumental infrastructure on another, the recycling of one era's visionary enterprise for another's. The laborers who laid the rails in the 1800s had no way of knowing their work would launch more than one revolution. But if Qwest's mammoth project succeeds - and there's no evidence yet that it won't - it would be nice to hear somebody give them some credit.

Contributing writer David Diamond (ddiamond@well.com) wrote "Whose Internet Is It, Anyway?" in Wired 6.04. He lives in Kentfield, California.

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Arizona -- Qwest Deaveraged Loop Cost
(utilizing HM 5.2a results)

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
0	PHNXAZNO	PHOENIX-NORTH	121,757	3.84%	$ 5.43	$0.38	$ 2.24	$ 0.95	$ 1.87	1
0	PHNXAZMA	PHOENIX-MAIN	102,754	3.24%	$ 5.98	$0.32	$ 2.66	$ 0.76	$ 2.23	1
0	PHNXAZSE	PHNX SOUTHEAST CAP	27,068	0.85%	$ 6.54	$0.38	$ 3.12	$ 1.23	$ 1.80	1
0	PHNXAZNE	PHOENIX-NORTHEAST	76,966	2.43%	$ 6.74	$0.42	$ 2.88	$ 0.92	$ 2.52	1
0	TEMPAZMC	MCCLINTOCK	92,175	2.90%	$ 6.84	$0.44	$ 2.70	$ 0.68	$ 3.01	1
0	PHNXAZEA	PHOENIX-EAST	43,203	1.36%	$ 6.85	$0.39	$ 3.13	$ 0.89	$ 2.44	1
0	SCDLAZMA	SCOTTSDALE MAIN	82,828	2.61%	$ 6.86	$0.44	$ 3.09	$ 0.94	$ 2.38	1
0	TEMPAZMA	TEMPE MAIN	76,246	2.40%	$ 6.90	$0.39	$ 2.83	$ 0.80	$ 2.88	1
0	TCSNAZMA	TUCSON MAIN	94,741	2.99%	$ 7.21	$0.39	$ 3.62	$ 0.87	$ 2.32	1
0	PHNXAZNW	PHOENIX-NORTHWEST	58,804	1.85%	$ 7.21	$0.47	$ 3.22	$ 1.03	$ 2.50	1
0	PHNXAZMY	PHNX-MAYVALE CAP	41,152	1.30%	$ 7.21	$0.48	$ 3.33	$ 0.83	$ 2.57	1
0	PHNXAZSY	PHOENIX-SUNNYSLOPE	61,763	1.95%	$ 7.36	$0.43	$ 3.24	$ 0.85	$ 2.83	1
0	CHNDAZWE	CHANDLER WEST	44,578	1.40%	$ 7.38	$0.44	$ 2.69	$ 0.70	$ 3.55	1
0	SCDLAZSH	SHEA	46,505	1.47%	$ 7.38	$0.47	$ 3.23	$ 0.72	$ 2.96	1
0	PHNXAZMR	PHOENIX-MID RIVERS	57,770	1.82%	$ 7.40	$0.49	$ 3.22	$ 0.82	$ 2.88	1
0	SCDLAZTH	THUNDERBIRD	87,430	2.76%	$ 7.43	$0.43	$ 3.22	$ 0.59	$ 3.19	1
0	SPRSAZWE	SUPERSTITION WEST	89,551	2.82%	$ 7.45	$0.49	$ 3.24	$ 0.63	$ 3.09	1
0	PHNXAZPR	PHNX PEORIA	46,168	1.45%	$ 7.51	$0.48	$ 3.38	$ 0.77	$ 2.88	1
0	SPRSAZMA	SUPERSTITION MAIN	42,511	1.34%	$ 7.56	$0.51	$ 3.47	$ 0.58	$ 3.01	1
0	AGFIAZSR	SUNRISE	35,788	1.13%	$ 7.59	$0.50	$ 3.17	$ 0.38	$ 3.54	1
0	CHNDAZSO	CHANDLER SOUTH	17,742	0.56%	$ 7.62	$0.50	$ 3.37	$ 0.18	$ 3.57	1
0	PHNXAZGR	PHOENIX-GREENWAY	97,942	3.09%	$ 7.64	$0.47	$ 3.16	$ 0.91	$ 3.10	1
0	GLDLAZMA	GLENDALE MAIN	58,568	1.85%	$ 7.64	$0.48	$ 3.44	$ 0.88	$ 2.84	1
0	PHNXAZPP	PHOENIX-PECOS	16,293	0.51%	$ 7.78	$0.49	$ 2.75	$ 0.68	$ 3.85	1
0	DRVYAZNO	DEER VALLEY NORTH	47,767	1.51%	$ 7.82	$0.46	$ 3.75	$ 0.89	$ 2.72	1
0	TCSNAZEA	TUCSON EAST	67,013	2.11%	$ 7.88	$0.45	$ 3.68	$ 0.96	$ 2.79	1
0	MESAAZGI	GILBERT	68,756	2.17%	$ 7.91	$0.46	$ 4.04	$ 0.59	$ 2.81	1
0	TCSNAZFW	FLOWING WELLS	37,204	1.17%	$ 7.96	$0.45	$ 3.87	$ 0.90	$ 2.73	1
0	PHNXAZCA	PHOENIX-CACTUS	91,926	2.90%	$ 8.00	$0.47	$ 3.36	$ 0.92	$ 3.25	1

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
0	BRDSAZMA	BEARDSLEY	38,947	1.23%	$ 8.03	$0.50	$ 4.01	$ 0.66	$ 2.87	1
0	PRVYAZPP	PINNACLE PEAK	46,912	1.48%	$ 8.04	$0.49	$ 4.05	$ 0.41	$ 3.09	1
0	PHNXAZWE	PHOENIX WEST CAP	46,151	1.45%	$ 8.18	$0.41	$ 4.08	$ 0.80	$ 2.88	1
0	PHNXAZBW	PHOENIX-BETHANY WEST	17,258	0.54%	$ 8.31	$0.50	$ 3.77	$ 0.94	$ 3.10	1
0	CHNDAZMA	CHANDLER MAIN	67,545	2.13%	$ 8.39	$0.48	$ 3.85	$ 0.70	$ 3.36	1
0	TCSNAZCR	TCSN CRAYCROFT	42,964	1.35%	$ 8.42	$0.44	$ 4.34	$ 0.96	$ 2.67	1
0	LTPKAZMA	LITCHFIELD PARK	17,004	0.54%	$ 8.42	$0.48	$ 5.07	$ 0.79	$ 2.07	1
0	TCSNAZCA	CATALINA	30,001	0.95%	$ 8.43	$0.49	$ 4.55	$ 0.88	$ 2.52	1
0	TCSNAZCO	CORTARO	20,452	0.64%	$ 8.60	$0.48	$ 4.46	$ 1.26	$ 2.40	1
0	PHNXAZ81	PHOENIX-FOOTHILLS	9,207	0.29%	$ 9.22	$0.50	$ 5.14	$ 1.25	$ 2.33	2
0	TCSNAZSO	TCSN SOUTH CAP	41,527	1.31%	$ 9.54	$0.45	$ 5.09	$ 0.92	$ 3.08	2
0	MESAAZMA	MESA	107,614	3.39%	$ 9.56	$0.45	$ 5.09	$ 0.81	$ 3.21	2
0	SRVSAZMA	SIERRA VISTA MAIN	27,857	0.88%	$ 9.57	$0.43	$ 5.55	$ 0.89	$ 2.70	2
0	TCSNAZRN	RINCON	74,308	2.34%	$ 9.60	$0.48	$ 5.02	$ 0.95	$ 3.15	2
0	TCSNAZNO	TUCSON NORTH-1A CAP	51,839	1.63%	$ 9.61	$0.48	$ 5.14	$ 0.67	$ 3.33	2
0	TLSNAZMA	TOLLESON	12,736	0.40%	$ 9.74	$0.46	$ 5.71	$ 0.92	$ 2.64	2
0	PHNXAZSO	PHOENIX-SOUTH	32,345	1.02%	$ 10.17	$0.45	$ 5.72	$ 0.84	$ 3.16	2
0	GDYRAZCW	COLDWATER	11,101	0.35%	$ 10.61	$0.45	$ 6.25	$ 1.13	$ 2.78	2
0	PRSCAZEA	PRESCOTT EAST	17,411	0.55%	$ 10.68	$0.48	$ 6.88	$ 1.02	$ 2.30	2
0	FLGSAZMA	FLAGSTAFF MAIN	34,731	1.09%	$ 10.70	$0.41	$ 6.17	$ 1.85	$ 2.28	2
1	YUMAAZMA	YUMA	35,352	1.11%	$ 11.23	$0.45	$ 6.42	$ 0.51	$ 3.85	2
0	TCSNAZTV	TANQUE VERDE	13,498	0.43%	$ 11.25	$0.49	$ 7.54	$ 0.90	$ 2.32	2
0	MSPKAZMA	MUNDS PARK	2,641	0.08%	$ 11.28	$0.50	$ 6.84	$ 0.21	$ 3.73	2
0	PYSNAZMA	PAYSON	13,924	0.44%	$ 11.42	$0.47	$ 6.42	$ 2.16	$ 2.38	2
0	SPRSAZEA	SUPERSTITION EAST	30,843	0.97%	$ 11.49	$0.50	$ 7.20	$ 0.84	$ 2.95	2
0	FLGSAZSO	FLAGSTAFF SOUTH	2,685	0.08%	$ 11.65	$0.51	$ 7.83	$ 1.94	$ 1.37	2
0	CVCKAZMA	CAVE CREEK	19,621	0.62%	$ 11.74	$0.48	$ 7.54	$ 0.91	$ 2.81	2
0	PRSCAZMA	PRESCOTT MAIN	42,646	1.34%	$ 11.78	$0.45	$ 7.34	$ 1.42	$ 2.57	2
0	FTMDAZMA	FORT MCDOWELL	17,407	0.55%	$ 11.82	$0.48	$ 6.99	$ 2.34	$ 2.00	2
0	SEDNAZSO	SEDONA SOUTH	5,083	0.16%	$ 12.06	$0.48	$ 8.12	$ 1.43	$ 2.04	2
0	SEDNAZMA	SEDONA	15,177	0.48%	$ 12.24	$0.43	$ 7.38	$ 1.55	$ 2.88	2
0	TCSNAZSE	TUCSON SOUTHEAST	10,067	0.32%	$ 12.48	$0.48	$ 8.03	$ 1.03	$ 2.94	2
0	CTWDAZSO	COTTONWOOD-SOUTH	2,804	0.09%	$ 12.68	$0.50	$ 8.37	$ 0.09	$ 3.72	2
0	CRNDAZMA	CORONADO	11,544	0.36%	$ 12.88	$0.50	$ 7.70	$ 1.65	$ 3.03	2

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
0	CSGRAZMA	CASA GRANDE	18,627	0.59%	$ 13.25	$ 0.45	$ 8.41	$ 1.23	$ 3.16	2
0	SNMNAZMA	SAN MANUEL	2,027	0.06%	$ 13.79	$ 0.46	$ 8.48	$ 3.13	$ 1.72	2
1	YUMAAZSE	YUMA SOUTHEAST	25,666	0.81%	$ 14.17	$ 0.45	$ 8.82	$ 1.11	$ 3.79	2
1	YUMAAZFT	YUMA FORTUNA	13,610	0.43%	$ 14.48	$ 0.51	$ 9.40	$ 0.39	$ 4.19	2
1	SFFRAZMA	SAFFORD	12,270	0.39%	$ 14.62	$ 0.45	$ 10.01	$ 1.91	$ 2.26	2
1	DGLSAZMA	DOUGLAS	8,655	0.27%	$ 14.84	$ 0.46	$ 9.85	$ 2.61	$ 1.91	2
0	NGLSAZ03	NOGALES RIO RICO	351	0.01%	$ 14.89	$ 0.46	$ 12.40	$ 1.69	$ 0.33	2
0	NGLSAZMW	NOGALES MIDWAY	12,204	0.38%	$ 15.26	$ 0.42	$ 10.88	$ 1.15	$ 2.80	2
0	FLGSAZEA	FLAGSTAFF EAST	17,316	0.55%	$ 15.91	$ 0.46	$ 9.60	$ 2.93	$ 2.92	2
1	PAGEAZMA	PAGE	5,742	0.18%	$ 16.05	$ 0.43	$ 10.87	$ 0.81	$ 3.94	2
0	GNVYAZMA	GREEN VALLEY	19,727	0.62%	$ 16.40	$ 0.49	$ 10.40	$ 2.30	$ 3.21	2
0	CTWDAZMA	COTTONWOOD-MAIN	13,394	0.42%	$ 16.53	$ 0.46	$ 11.31	$ 1.22	$ 3.55	3
0	HGLYAZMA	HIGLEY	5,765	0.18%	$ 16.69	$ 0.46	$ 11.92	$ 0.52	$ 3.78	3
0	WHTKAZMA	WHITE TANKS	2,383	0.08%	$ 16.96	$ 0.49	$ 12.31	$ 1.81	$ 2.35	3
0	TCSNAZWE	TUCSON WEST	6,142	0.19%	$ 16.98	$ 0.51	$ 11.98	$ 1.21	$ 3.28	3
1	GLOBAZMA	GLOBE	8,890	0.28%	$ 18.06	$ 0.45	$ 12.41	$ 2.52	$ 2.68	3
0	TCSNAZSW	TUCSON SOUTHWEST	19,402	0.61%	$ 18.71	$ 0.50	$ 12.32	$ 1.68	$ 4.22	3
1	SPRRAZMA	SUPERIOR	1,510	0.05%	$ 18.75	$ 0.47	$ 11.25	$ 2.71	$ 4.31	3
1	SMTNAZMA	SOMERTON	7,780	0.25%	$ 18.84	$ 0.48	$ 13.61	$ 1.21	$ 3.54	3
0	ELOYAZ01	ELOY	6,159	0.19%	$ 19.09	$ 0.48	$ 11.53	$ 2.48	$ 4.60	3
0	CLDGAZMA	COOLIDGE	5,650	0.18%	$ 19.38	$ 0.47	$ 13.15	$ 2.15	$ 3.61	3
0	CMVRAZMA	CAMP VERDE	7,526	0.24%	$ 19.67	$ 0.48	$ 14.28	$ 2.23	$ 2.69	3
0	NGLSAZMA	NOGALES	6,732	0.21%	$ 19.78	$ 0.41	$ 14.02	$ 1.92	$ 3.42	3
1	BISBAZMA	BISBEE	5,777	0.18%	$ 19.84	$ 0.45	$ 13.12	$ 2.84	$ 3.43	3
1	WNSLAZMA	WINSLOW	5,223	0.16%	$ 20.81	$ 0.45	$ 13.47	$ 2.23	$ 4.66	3
0	SRVSAZSO	SIERRA VISTA SO	8,259	0.26%	$ 21.21	$ 0.50	$ 13.99	$ 2.05	$ 4.66	3
0	PHNXAZLV	PHOENIX-LAVEEN	2,860	0.09%	$ 21.87	$ 0.48	$ 16.64	$ 0.56	$ 4.20	3
0	FTMDAZNO	RIO VERDE	2,355	0.07%	$ 22.69	$ 0.50	$ 13.45	$ 4.05	$ 4.68	3
1	MIAMAZMA	MIAMI	2,139	0.07%	$ 24.65	$ 0.45	$ 15.79	$ 3.39	$ 5.02	3
0	BCKYAZMA	BUCKEYE	8,482	0.27%	$ 25.09	$ 0.47	$ 17.50	$ 2.70	$ 4.43	3
0	NWRVAZMA	NEW RIVER	5,331	0.17%	$ 25.55	$ 0.48	$ 19.44	$ 1.19	$ 4.44	3
0	HGLYAZQC	QUEEN CREEK	5,829	0.18%	$ 25.57	$ 0.48	$ 17.71	$ 2.03	$ 5.34	3
1	TCSNAZML	MOUNT LEMMON	567	0.02%	$ 25.57	$ 0.44	$ 12.01	$ 1.41	$ 11.73	3
0	SRVSAZNO	SIERRA VISTA NO	2,312	0.07%	$ 26.87	$ 0.49	$ 20.31	$ 2.57	$ 3.50	3

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
0	PINEAZMA	PINE	3,051	0.10%	$ 27.84	$0.50	$19.55	$ 2.36	$ 5.44	3
1	WCBGAZMA	WICKENBURG	6,250	0.20%	$ 28.82	$0.46	$19.79	$ 4.82	$ 3.75	3
0	FLRNAZMA	FLORENCE	5,358	0.17%	$ 29.22	$0.46	$17.52	$ 5.75	$ 5.49	3
0	MARNAZ02	MARANA WEST	8,379	0.26%	$ 30.68	$0.48	$21.18	$ 3.36	$ 5.66	3
0	HMBLAZMA	HUMBOLDT	4,749	0.15%	$ 31.31	$0.49	$21.68	$ 4.28	$ 4.87	3
1	HYDNAZMA	HAYDEN	926	0.03%	$ 31.53	$0.45	$19.45	$ 2.30	$ 9.33	3
1	BNSNAZMA	BENSON	5,391	0.17%	$ 31.77	$0.47	$20.82	$ 6.05	$ 4.44	3
0	CHVYAZMA	CHINO VALLEY	7,555	0.24%	$ 33.05	$0.49	$23.50	$ 3.48	$ 5.59	3
0	ORCLAZMA	ORACLE	1,837	0.06%	$ 36.48	$0.49	$25.62	$ 5.26	$ 5.11	3
1	WLMSAZMA	WILLIAMS	3,685	0.12%	$ 39.81	$0.46	$28.24	$ 6.28	$ 4.83	3
1	BNSNAZSD	SAINT DAVID	1,083	0.03%	$ 42.50	$0.50	$28.57	$ 5.53	$ 7.89	3
0	VAILAZSO	VAIL SOUTH	2,794	0.09%	$ 43.37	$0.49	$27.48	$ 7.90	$ 7.50	3
0	BLCNAZMA	BLACK CANYON	1,794	0.06%	$ 44.01	$0.48	$29.32	$ 5.22	$ 9.00	3
1	PLMNAZMA	PALOMINAS	843	0.03%	$ 45.61	$0.50	$31.20	$ 5.89	$ 8.03	3
1	PTGNAZEL	PATOGONIA ELGIN	1,173	0.04%	$ 45.76	$0.48	$28.98	$ 7.57	$ 8.74	3
1	WLCXAZMA	WILLCOX	4,523	0.14%	$ 46.45	$0.44	$31.48	$ 9.31	$ 5.21	3
1	WHTLAZMA	WHITLOW	737	0.02%	$ 47.44	$0.50	$38.88	$ 1.23	$ 6.84	3
1	CRCYAZMA	CIRCLE CITY	1,650	0.05%	$ 49.41	$0.50	$32.02	$ 8.99	$ 7.91	3
1	KRNYAZMA	KEARNY	1,395	0.04%	$ 50.18	$0.47	$32.74	$ 9.04	$ 7.93	3
1	TMBSAZMA	TOMBSTONE	1,267	0.04%	$ 50.37	$0.47	$36.75	$ 4.90	$ 8.24	3
1	STFDAZMA	STANFIELD	1,233	0.04%	$ 55.48	$0.48	$39.78	$ 7.13	$ 8.09	3
1	DDVLAZNM	DUDLEYVILLE	484	0.02%	$ 56.32	$0.49	$41.12	$ 7.07	$ 7.64	3
1	TNCKAZMA	TONTO CREEK	1,176	0.04%	$ 58.11	$0.50	$38.58	$10.89	$ 8.14	3
0	MAYRAZMA	MAYER	1,296	0.04%	$ 59.86	$0.52	$42.72	$ 8.23	$ 8.39	3
1	PIMAAZMA	PIMA	1,478	0.05%	$ 61.76	$0.50	$39.58	$11.82	$ 9.86	3
1	MRCPAZMA	MARICOPA	2,174	0.07%	$ 62.07	$0.47	$47.21	$ 6.30	$ 8.09	3
1	JSCYAZMA	JOSEPH CITY	727	0.02%	$ 65.31	$0.44	$44.95	$ 6.87	$ 13.05	3
0	VAILAZNO	VAIL NORTH	1,419	0.04%	$ 66.78	$0.49	$46.88	$11.41	$ 8.00	3
0	AZCYAZ03	ARIZONA CITY	1,405	0.04%	$ 67.53	$0.51	$42.71	$13.60	$ 10.70	3
1	WLTNAZMA	WELLTON	2,390	0.08%	$ 71.78	$0.48	$48.49	$14.38	$ 8.44	3
0	TUBCAZMA	TUBAC	2,566	0.08%	$ 74.83	$0.48	$54.22	$10.77	$ 9.36	3
1	GLBNAZMA	GILA BEND	1,187	0.04%	$ 79.36	$0.44	$53.36	$10.43	$ 15.12	3
0	CMVRAZRR	RIMROCK	1,522	0.05%	$ 83.76	$0.50	$47.82	$23.30	$ 12.14	3
1	ASFKAZMA	ASHFORK	630	0.02%	$ 90.37	$0.48	$65.83	$11.44	$ 12.62	3

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
1	YRNLAZMA	YARNELL	1,739	0.05%	$ 90.55	$ 0.48	$ 61.33	$17.11	$ 11.62	3
1	MMTHAZMA	MAMMOTH	891	0.03%	$ 94.45	$ 0.49	$ 61.37	$18.53	$ 14.06	3
0	WNBGAZ01	WINTERSBURG	1,649	0.05%	$ 95.36	$ 0.48	$ 67.84	$14.98	$ 12.06	3
1	GRCNAZMA	GRAND CANYON	2,987	0.09%	$157.28	$ 0.37	$ 72.60	$ 8.79	$ 75.52	3
1	PTGNAZMA	PATAGONIA	890	0.03%	$163.61	$ 0.48	$ 98.65	$44.52	$ 19.96	3

For Sale	CLLI	Wire Center	Total Lines	Percent of Total	Total Loop Cost	NID	Distribution	Feeder	Concentration	Zone
38	**Total (Before Sale of Exchanges)**		**3,173,116**		**$ 10.11**	**$ 0.45**	**$ 5.46**	**$ 1.13**	**$ 3.07**	
0	Zone 1 (38 Wire Centers)		2,160,203	68.1%	$ 7.34	$ 0.44	$ 3.31	$ 0.80	$ 2.78	
6	Zone 2 (36 Wire Centers)		780,163	24.6%	$ 11.23	$ 0.46	$ 6.64	$ 1.15	$ 2.98	
32	Zone 3 (62 Wire Centers)		232,750	7.3%	$ 32.06	$ 0.47	$ 21.40	$ 4.16	$ 6.04	
	Total (After Sale of Exchanges)		**2,993,026**		**$ 9.14**	**$ 0.45**	**$ 4.77**	**$ 1.01**	**$ 2.91**	
	Zone 1 (38 Wire Centers)		2,160,203	72.2%	$ 7.34	$ 0.44	$ 3.31	$ 0.80	$ 2.78	
	Zone 2 (30 Wire Centers)		678,868	22.7%	$ 10.91	$ 0.46	$ 6.37	$ 1.17	$ 2.90	
	Zone 3 (30 Wire Centers)		153,955	5.1%	$ 26.59	$ 0.48	$ 18.19	$ 3.14	$ 4.78	

Arizona

Mountain Bell-Arizona

Cost per line per month	ADSL		G.lite		T1 (HDSL 4W)		T1 (HDSL-2 2W)	
	copper	DLC	copper	DLC	copper	DLC	copper	DLC
average xDSL-capable loop	$ 5.74	$ 11.90	$ 5.74	$ 11.90	$ 7.46	$ 15.47	$ 5.74	$ 11.90
additional voice network UNEs	$ 3.90	$ 3.90	$ 3.90	$ 3.90				
splitter at NID	$ 0.82	$ 0.82						
remote terminal upgrade		$ 1.11		$ 1.11				
splitter at wire center	$ 0.97		$ 0.97					
DSLAM/CU or HDSL terminal unit	$ 8.07	$ 7.17	$ 8.07	$ 7.17	$ 21.02	$ 21.03	$ 24.48	$ 24.48
dedicated transport	$ 0.73	$ 0.73	$ 0.73	$ 0.73	$ 132.85	$ 132.85	$ 132.85	$ 132.85
ATM edge switch port	$ 0.06	$ 0.06	$ 0.06	$ 0.06				
element manager	$ 0.87	$ 0.87	$ 0.87	$ 0.87				
total xDSL lines	55,434	156,836	55,434	156,836	3,063	5,567	3,063	5,567
total xDSL cost/line/month	$ 21.16	$ 26.56	$ 20.34	$ 25.74	$ 161.33	$ 169.35	$ 163.07	$ 169.24

HAI xDSL Adjunct Model version R2
April 2, 2001

For use with HAI Model v. 5.2a

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JAMES M. IRVIN
Commissioner
MARC SPITZER
Commissioner

IN THE MATTER OF INVESTIGATION INTO U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH CERTAIN WHOLESALE PRICING REQUIREMENTS FOR UNBUNDLED NETWORK ELEMENTS AND RESALE DISCOUNTS	)	**DOCKET NO. T-00000A-00-0194**

TESTIMONY OF JOSEPH GILLAN

ON BEHALF OF THE JOINT CASE OF

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

AND

WORLDCOM, INC.

MAY 16, 2001

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I. INTRODUCTION AND WITNESS QUALIFICATION

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Joseph Gillan. My business address is P. O. Box 541038, Orlando, Florida 32854. I am an economist with a consulting practice specializing in telecommunications.

Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATIONAL BACKGROUND AND RELATED EXPERIENCE.

A. I am a graduate of the University of Wyoming where I received B.A. and M.A. degrees in economics. From 1980 to 1985, I was on the staff of the Illinois Commerce Commission where I had responsibility for the policy analysis of issues created by the emergence of competition in regulated markets, in particular the telecommunications industry. While at the Commission, I served on the staff subcommittee for the NARUC Communications Committee and was appointed to the Research Advisory Council overseeing NARUC's research arm, the National Regulatory Research Institute.

In 1985, I left the Commission to join U.S. Switch, a venture firm organized to develop interexchange access networks in partnership with independent local telephone companies. At the end of 1986, I resigned my position of Vice President-Marketing/ Strategic Planning to begin a consulting practice. Over the past twenty years, I have provided testimony before more than 35 state commissions, four state legislatures, the Commerce Committee of the United States Senate, and the Federal/State Joint Board on Separations Reform. I currently serve on the Advisory Council to New Mexico State University's Center for Regulation.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of AT&T Communications of the Mountain States, Inc. ("AT&T"), and WorldCom, Inc. ("WorldCom"). Although sponsored by these carriers, my testimony adopts the perspective of competition more generally. The rates and policies set in this proceeding will have a far-reaching impact on the level of competition in Arizona, both now and well into the future.

Q. PLEASE SUMMARIZE THE PRINCIPAL POINTS OF YOUR TESTIMONY.

A. My testimony addresses two main areas. First, the testimony emphasizes precisely *why* establishing cost-based rates for access to the existing network is so important to the future telecommunications choices available to Arizona consumers. Second, the testimony focuses on a number of issues specific to the unbundled network element platform ("UNE Platform" or "UNE-P"), the entry strategy most likely to support mass-market – which is to say, average residential and small business – competition.

As the Commission approaches the central issue of this proceeding – that is, determining the price entrants will pay to access the existing network – a number of points are important:

* The existing exchange network is an inherited resource, representing the cumulative investment of more than a century. The sheer magnitude of the existing network makes its duplication unlikely, particularly over any reasonable time horizon.

* The fundamental role of UNEs is to assure that this inherited network resource is available to multiple providers, so that it provides a springboard to a competitive future defined by new and different

technological choices. New technologies, however, take time to deploy and require capital that is best attracted by firms with existing customers and experienced operations.

* Because local voice is a threshold requirement for almost all complementary services (such as, for instance, long distance and Internet access), competition in this core market will affect the degree of competition in all adjacent markets as well. The drive to one-stop shopping and packaged services makes it imperative that local competition succeed, or competition more generally may perish.

Collectively, these conclusions explain why the Commission should aggressively pursue UNE-based local competition – it is, after all, the only path shown capable of creating the necessary baseline for a competitive future. Moreover, if the Commission applies *focused* regulation here, at the wholesale level where inputs are generic ingredients, then the competition that will result will likely, over time, justify *less* regulation at the retail level where differentiation and innovation will be key. The starting point, however, must be wholesale prices that reflect underlying costs.

Q. BEFORE YOU CONTINUE WITH ADDITIONAL DETAILS, ARE THERE ANY PRELIMINARY COMMENTS THAT YOU WOULD LIKE TO MAKE?

A. Yes. Although much regulatory attention over the past five years has focused on implementing the decisions of the Federal Communications Commission (FCC), it is important to appreciate the much larger role of played by *State* action opening local markets. Importantly, these FCC rules are national *minimums* that a State may not fall below. But whether local competition ever really develops will fundamentally be

determined by State Commissions, acting aggressively to make sure that entrants have cost-based access to the network elements – and network element combinations – needed to compete. The nation's experience over the past five years makes clear that State initiatives above and beyond federal minimums will be necessary if the promise of local competition is to ever become a reality.

Second, it is important to appreciate that the competitive sector of the telecommunications industry stands at the brink of collapse, as CLEC after CLEC declares bankruptcy, missed revenue targets, market curtailments and layoffs. As the Wall Street Journal noted, the attempt to establish a competitive local marketplace is "...shaping up to be one of the biggest financial fiascoes ever with losses to investors expected to approach the $150 billion government cleanup of the savings-and-loan industry a decade ago."[1] There is a very real possibility that this industry will be re-monopolized, not simply missing the *opportunity* of local competition (as though such an outcome, by itself, would not be bad enough), but also *reversing* the competitive gains of the past decade in long distance and the Internet. As CBS MarketWatch observed: "As incredible as it seems, we are well on our way to re-creating regional versions of the old Bell System monopoly, controlled by the four giant regional Bell companies --- SBC, Verizon, Bell South and Qwest/U S WEST."[2] As I discuss in more detail below, competitive market penetration in Arizona is trivial even today, five years after the existing network was suppose to be made available to *all* providers on nondiscriminatory terms. The "unthinkable" is no longer unthinkable – each State stands at a crossroads,

[1] *Telecom Industry Faces Reckoning – Buried In Debt, Firms Are Falling In Record Numbers*, Wall Street Journal, May 11, 2001.
[2] CBS MarketWatch, May 3, 2001.

between a monopoly or competitive future, with the decisions of each State's Commission deciding which path its markets will follow.

Q. WHAT SPECIFIC ISSUES DOES YOUR TESTIMONY ADDRESS?

A. In addition to providing an overall discussion concerning the importance of UNE-based entry to competition in Arizona, my testimony also addresses a number of specific issues relative to the UNE Platform as the entry strategy most successful at promoting broad local competition for most Arizona residences and small businesses. The UNE Platform is the purchase of network elements in a combination that provides an entrant a broad geographic footprint and low transactions cost (i.e., the cost to migrate a customer to a new provider). These basic attributes – broad coverage and efficient migration costs – are exactly what is needed to support widespread competition for typical customers.

Q. WHY IS IT SO IMPORTANT THAT CUSTOMER MIGRATION – I.E., TRANSACTIONS COST – BE MINIMIZED?

A. The introduction of local competition, and the interLATA authority that would then follow, will transform the telecommunications industry. Today, customers typically obtain local service from one carrier (Qwest), while obtaining long distance service from another (for instance, AT&T, WorldCom, Sprint or any of a number of others). In the future, however, most customers are likely to make a single choice for both products, choosing a full service provider that offers all-distance service.

Importantly, the "transactions cost" associated with a customer's decision to combine its long distance service with its local service is trivially small because this process (i.e., changing a customer's presubscribed interexchange carrier) has been fully automated. As a result, "long distance" customers can easily migrate to Qwest for an all-distance

package. Only UNE-P, however, holds the near-term ability to reduce transactions costs to effect a customers' decision to select any carrier other than Qwest. Restructuring the market to an efficient new equilibrium requires that these migration costs not prevent -- much less *distort* – consumer choices, an outcome possible only with unrestricted availability of UNE-P.

Q. WHAT MUST OCCUR FOR UNE-P TO BE AVAILABLE?

A. Significantly, for the UNE-P to be viable, it must be priced correctly and designed to support mass-market application. To achieve this objective, the Commission should require that Qwest offer:

* Each element necessary for UNE-P, including unbundled local switching, throughout the State. Qwest is proposing to impose what it calls "market" rates for local switching in some areas that are far beyond its cost, and would effectively preclude competitive entry.

* Shared transport that includes the termination of <u>all</u> intraLATA calling, and provides transit capability to other CLEC switches interconnected with Qwest.

* Operator Service and Directory Assistance (OS/DA) functions at cost-based rates until a standardized "custom routing" solution that would enable entrants to use alternative providers of OS and DA service is defined, priced and implemented by Qwest in a manner that supports practical competition.

As a practical matter, competition for traditional analog voice services requires access to network element combinations. Now is the time to implement this important entry strategy.

II. THE STATUS OF LOCAL COMPETITION IN ARIZONA

Q. WHY DOES YOUR TESTIMONY ADDRESS THE *LEVEL* OF LOCAL COMPETITION IN A *COST* PROCEEDING?

A. The reason that I begin this testimony with a discussion of the status of local competition in Arizona is that fundamentally the level of UNE-based local competition is the ultimate *measure* of whether nondiscriminatory conditions are actually being achieved.[3] It is clear that establishing a competitive local exchange market is one of the most difficult policy objectives of modern times. It has been five years since the Telecommunications Act of 1996 ("the Act") was passed, and yet little competition has emerged. This experience shows that the path to local competition requires more than simply removing legal barriers and *permitting* entry – competition must be *promoted* by providing entrants nondiscriminatory access to the existing network. Nondiscriminatory access means cost-based rates, efficient (and equal) OSS support, and policies intended to facilitate CLEC use of UNEs, not frustrate it.

Q. WHAT IS THE STATUS OF UNE-BASED COMPETITION IN ARIZONA TODAY?

A. There are a number of different ways to measure competitive activity in Arizona, but the overall conclusion remains the same. Local competition – particularly local competition relying on the use of network elements – has yet to achieve any significant penetration in

[3] Certainly nobody could seriously suggest that local competition is failing for a lack of effort or investment. Since the Act was passed, investors have pumped more than $56 billion into the *smaller* competitive local entrants that have attempted every conceivable entry strategy. Source: Association for Local Telecommunications Services, February 20, 2001. In addition, AT&T and WorldCom have invested billions more pursuing entry across a larger scale, including AT&T's effort to transform cable networks to telephony.

Arizona. Consider the following comparison between the number of voice-equivalent unbundled loops (and even resold lines) to a comparable measure for Qwest:

Table 1: Estimated CLEC Market Share – Arizona
(Voice Grade Equivalent Lines)

	VGE Lines	Share
UNE VGE Loops[4]	22,871	0.3%
Resold VGEs[5]	34,572	0.5%
Qwest VGEs[6]	6,676,088	99.1%
Total	6,733,531	

Furthermore, expanding the analysis to include an estimate of total competition, including customers entirely served using CLEC facilities, does not materially change the result. To measure switch-based voice competition, I compared the relative level of traffic originated on CLEC switches,[7] to the level of minutes originated by Qwest customers.[8] According to this analysis, CLECs using their own switching facilities have achieved only 3% of the voice market, as measured by minutes. By any measure, local competition in Arizona has (thus far) been a failure.

Q. ARE THERE ENTRY STRATEGIES THAT WOULD MATERIALLY INCREASE THE LEVEL OF LOCAL COMPETITION?

A. Yes. Widespread competition for average consumers requires that competitors be able to access and use network elements in a simple and cost-effective manner. This means, as a

[4] Source: Qwest response to AT&T 002-0046.
[5] Source: Qwest response to AT&T 002-0044.
[6] Source: Qwest VGE lines estimated by applying the regionwide VGE-to-access line ratio announced by Qwest in its 1stQ 2001 Earnings Release (Attachment C) to its Arizona access lines reported in ARMIS for 2000. Qwest was requested to supply its Arizona-specific VGE demand in AT&T 002-043, but has not yet responded.
[7] Source: Direct Testimony of Qwest witness Brotherson, March 15, 2001, page 31.
[8] Source: ARMIS 43-04 (2000), Dial Equipment Minutes. Originating usage was determined by assuming that Qwest customer traffic is in balance (i.e., ½ of its local minutes are originating minutes).

practical matter, that entrants must have access to logical combinations of network elements to provide service. Although it is possible to "piece together" serving arrangements using individual UNEs, the experience of the past five years demonstrates that these "hand crafted" arrangements are primarily useful to serve larger business customers desiring more specialized services.

The only way to achieve mass-market competition, however, is by providing entrants with access to a UNE-based solution that has a broad geographic footprint, as well as a low transaction cost to effect the customer's decision to change local providers. When loops and local switching (with shared transport) are available as combinations, these critical prerequisites are satisfied. Because the existing network is used, a broad market footprint is assured (assuming no unreasonable restriction on UNE-availability). Furthermore, because the combination includes local switching, provisioning systems can be automated, minimizing the nonrecurring cost to change carriers.

Q. ARE THE ILECS WELL AWARE OF THE IMPORTANCE OF UNE COMBINATIONS TO LOCAL COMPETITION?

A. Yes. The importance of network element combinations to local competition is well understood by the incumbent local telephone industry. No less ILEC-oriented publication than the United States Telephone Association's own magazine observed that individual network elements are difficult to use at volume:

> Because of their fragmentary nature, UNEs will be operationally difficult to order and to provision on both sides. Product packages that comprise appropriate and pre-set UNE combinations could reduce some of the difficulties.[9]

[9] *Wholesale Marketing Strategy*, Salvador Arias, Teletimes, United States Telephone Association, Volume 12, No. 3, 1998.

Moreover, whenever an ILEC confronts the same economic problem as a CLEC – i.e., how to offer competitive local exchange service on a broad scale – the answer that they reach is no different than what I have discussed here: UNE-P. For instance, SBC revealed during the review of its merger with Ameritech that its out-of-region entry strategy was premised on the use of network element combinations to serve the residential and small business market.[10] Further, in Pennsylvania, Bell Atlantic was ordered to file a plan to separate its operation into wholesale and retail affiliates. As part of that filing, Bell Atlantic (now Verizon) proposed to use UNE-P as its principal entry strategy to offer retail services.[11] When incumbents confront the same conditions as entrants, they reach the same conclusion: Network element combinations are the only practical means of offering mass-market services.

Q. IS THERE QUANTITATIVE EVIDENCE THAT DEMONSTRATES THAT UNE-P CAN MAKE A REAL DIFFERENCE, BRINGING COMPETITIVE BENEFIT TO CUSTOMERS THAT OTHERWISE WOULD REMAIN A CAPTIVE CONSUMER LEAVE THE ILEC?

A. Yes. Although delayed by litigation, UNE-P has finally become available in a few markets, first in New York and later in Texas and a few other states. Data from these states confirm that the strategy can serve mass-market customers – i.e., those residential and small business customers that desire conventional analog phone service. For instance, Table 2 (below) contrasts the rapid expansion of local competition in New York

[10] *See* Deposition and Testimony of James Kahan on behalf of SBC, Public Utilities Commission of Ohio, Case No. 98-1082-TP-AMT.

[11] *See* Re Structural Separation of Verizon Pennsylvania Inc. Retail and Wholesale Operations, Pennsylvania Public Utility Commission, Docket No. M-00001353.

achieved by UNE-P to the very limited competitive inroads that had been achieved by UNE loops obtained individually.

Table 2: The Growth of UNE-Based Competition in New York

Entry Strategy	12/31/99	6/30/99	12/31/99
Individual UNE-Loops	49,442	62,817	80,000
UNE-Platform	0	75,000	400,000

There are now well over 1 million customers receiving competitive local exchange services in New York from carriers using UNE-P.[12] The accelerated competition made possible by UNE-P is all the more remarkable when one considers that individual loops had been available in New York since before the Act was enacted. As a result, the above table compares the penetration of UNE-loops after more than *five* years to the growth of UNE-P at its *introduction*. The experience of UNE-P in New York drew the praise of none other than Qwest itself – albeit, a Qwest that had not yet acquired U S WEST:

> MCI WorldCom's use of the unbundled network element platform ("UNE platform") in the New York local exchange market demonstrates that access to the ILEC unbundled switching element is essential for CLEC entry on a high volume, commercial scale.[13]

The ability of UNE-P to accommodate the commercial volumes necessary for mass-market competition has been further validated in New York, where Verizon provisioned more than 250,000 UNE-P orders in July 2000.[14]

[12] Application by Verizon New England for Authorization to Provide In-Region, InterLATA Services in Massachusetts, CC Docket No. 00-176, September 22, 2000, page 18.
[13] Reply Comments of Qwest Communications Corporation, CC Docket 96-98, filed June 10, 1999, page 62.
[14] Opinion 00-12, New York Public Service Commission, Case 00-C-0127, page 13.

Q. IS THERE CONFIRMING DATA FROM OTHER STATES?

A. Yes. For instance, even though BellSouth only began offering UNE-P in February 2000,[15] in less than one year it had achieved the same penetration in Georgia as UNE-Loops had achieved after four years.[16] UNE-P is now responsible for nearly 70% of the growth in UNE-based competition in Georgia, with a focus on residential and small business customers.[17]

Evidence from Texas is similarly encouraging. UNE-P is supporting competitive entry in Texas at a rate of more than 22,000 lines per month.[18] The inescapable conclusion is that implementing UNE-P is central to achieving the goal of a competitive local exchange marketplace.

Q. IS BROAD COMPETITION LIKELY TO DEVELOP IN THE ABSENCE OF NETWORK ELEMENT COMBINATIONS?

A. No, I do not believe that it will. The existing exchange network is massive and vast, representing the cumulative investment of more than a century, much of it protected from competition by government policy. This is not to say, of course, that the ILECs' network *facilities* are as old as this. But competing in local markets requires more than mere facilities. It also requires rights-of-way, business relationships, customer familiarity and a host of other inputs that require time to develop and perfect. The ILECs' century-long

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[15] *See* BellSouth Ex Parte, Federal Communications Commission, Docket 96-98, October 13, 2000.

[16] At the end of June 1999, there were BellSouth reported 26,646 unbundled loops in Georgia, with no UNE-P loops at all. In June 2000, there were 26,708 UNE-P loops, even though BellSouth had only introduced UNE-P at cost-based rates that February.

[17] See PACE Ex Parte, Federal Communications Commission, Docket 96-98, January 8, 2001, page 11.

[18] Source: Supplemental Joint Affidavit of Candy R. Conway and William R. Dysart, CC Docket No. 00-4, page 16. UNE-P volumes are averaged for December 1999 and January 2000, the two months of current data provided in the Affidavit.

head start – not to mention the scale economies achieved through a protected monopoly – means that a competitive local market will not occur through happenstance or luck.

Nor should the Commission expect technological change to solve the competitive dilemma soon, if at all. Many new technologies – advanced data services, for instance – are most successful when marketed in packages combined with local voice. The fact is that voice is *the* killer application, and a necessary component of any successful product suite. Because UNE-P reduces barriers to this fundamental market, it holds the promise of promoting competition more broadly across complementary product markets (such as Internet access and long distance). Critically, however, the reverse is equally true – failing to reduce barriers to the local voice market will inevitably reduce competition for complementary services as well, perhaps to the point of "re-monopolization" by an ILEC capable of leveraging its exchange dominance into all related markets.

III. IMPLEMENTING UNE-P

Q. WHAT ACTIONS MUST THE COMMISSION TAKE TO ESTABLISH UNE-P AS A VIABLE ENTRY STRATEGY IN ARIZONA?

A. To begin, the Commission must establish correct rate levels for *all* unbundled network elements, which would include those elements that comprise UNE-P. Cost-based rates should provide the entrant a cost for facilities that is comparable to that of the incumbent. Consequently, if Qwest is viable – which its financial reports clearly indicate -- then other UNE-based entrants should be viable as well.

Second, the Commission should resolve issues needed to facilitate the use of UNE-P by

entrants. Actions that the Commission must take in this regard would include:

* Requiring Qwest to offer unbundled local switching throughout its territory, without restriction.

* Shared transport should include the termination of all call types, including calls that Qwest has labeled "toll," as well providing the transit function to reach end-users served by CLECs interconnected with Qwest.

* Access to Operator Services and Directory Assistance (OS/DA) as network elements should continue until a standardized "custom routing" solution is defined, priced and implemented.

Q. WOULD THE RATES FOR UNES PROPOSED BY QWEST IN THIS PROCEEDING PERMIT ECONOMICALLY VIABLE ENTRY TO THE RESIDENTIAL MARKET?

A. No, they would not. As explained in more detail below, a comprehensive evaluation of the profitability of using UNE-P to enter the residential market in Arizona demonstrates that entry would not be economically viable at Qwest's proposed UNE rates. Three "model" customer profiles were evaluated: a customer purchasing purely local exchange service, a "typical" residential customer as described by Qwest in a earlier proceeding,[19] and a CustomChoice (SM) customer. These profiles "bracket" the range of potential customers. As shown below, however, entry is systematically precluded except perhaps

[19] Source: In the Matter of the Petition of MCIMetro Access Transmission Services, Inc. For Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. § 252(b) of the Telecommunications Act of 1996, et. al., Docket No. U-3175-96-479, et. al., Direct Testimony of Geraldine G. Santos-Rach, September 25, 1996, Appendix 3. AT&T also request updated revenue information from Qwest in data request AT&T 002-049. Qwest objected to this request and did not respond. Revenue estimate for access and toll have been updated using data from Qwest's 2000 ARMIS 43-03 and 43-08 Reports.

for the very "highest revenue" customers.

Table 3: Revenue Potential for Three Customer Profiles (Base Rate Area)

Revenue Category	Customer Profile		
	Pure Local	"Average"	Custom Choice
Local	$14.38	$14.38	$32.95
EUCL	$4.35	$4.35	$4.35
Features	$2.79	$2.79	
IntraLATA toll		$0.27	$0.27
IntraState Access		$1.57	$1.57
Interstate Access[20]		$1.68	$1.68
Subtotal	$21.52	$25.04	$40.82
Discounted Revenue[21]	$19.37	$22.86	$37.06

Comparing these revenue estimates to the cost of UNE-P[22] at the rates proposed by Qwest in this proceeding demonstrates that UNE-P would generally not be a viable to serve residential customers in Arizona irrespective of their revenue profile.[23]

Table 4: Estimated Margin – Residential Customers

	Pure Local	"Average"	Custom Choice
Revenue/Line	$19.37	$22.86	$37.06
UNE-P Cost/Line[24]	$34.80	$39.00	$39.00
Margin/Line	($15.43)	($16.14)	($1.94)

[20] Adjusted to reflect estimated reductions under CALLS access plan.
[21] This analysis assumes that a CLEC would need to discount the end-user's services by 10% to attract a customer. Because access charges are paid by the carrier -- and not the customer -- access revenues were not discounted.
[22] It is also important to appreciate that this analysis is deliberately conservative. For example, the assumed local usage of 750 minutes effectively assumes that the customer does not use the Internet. Of course, such an assumption is unreasonable in today's market.
[23] In calculating the cost that a new entrant would pay to Qwest for the UNE-P elements, this analysis assumed that the new entrant would incur costs for 750 minutes of local usage per month, 20 minutes for intraLATA toll and 300 minutes of interLATA toll. The cost numbers are conservative because they assume no Internet usage. In addition, consistent with the revenue profile of a "pure local" customer, the analysis assumes no toll minutes for that customer.
[24] Average calculated using Zone distributions provided by Qwest (Millions, page 39).

Although the table above provides the estimated average margin statewide, an analysis focuses only on entry in the lowest cost areas is no more promising. Even if an entrant competed *only* in the lowest cost zone – a strategy at odds with the broad applicability of an UNE-P based approach – the only product it would even *contemplate* introducing would be a competitive alternative to CustomChoice. In the lowest cost zone, the UNE-P cost would be $33.12 – permitting a positive gross margin of roughly $4.00 per month. Of course, before any carrier *actually* offered such a product, the expected gross margin would not only need to be positive, but sufficient to cover the CLEC's own costs of customer acquisition and service. As I explain below, these costs are significant and would clearly more than absorb the miniscule margin for even a CustomChoice customer in the lowest cost zone. Moreover, the above Table assumes that cost-based rates for local switching are available ubiquitously, and not on a restricted basis as proposed by Qwest.

Q. IS IT PLAUSIBLE THAT QWEST IS LOSING MONEY BROADLY ACROSS THE RESIDENTIAL MARKET AS IMPLIED BY TABLE 3?

A. No. If Qwest's proposed UNE rates accurately reflected Qwest's underlying costs, then this would imply that Qwest was hemorrhaging across its residential customer base. Although the above analysis indicates that CustomChoice has a positive gross margin in some circumstances (roughly 10%), even the fully mature Qwest incurs SG&A (sales, general and administrative) costs of 22.9% (down from 25.9% last year), which makes even its CustomChoice package unprofitable.[26] Overall, Qwest enjoys a gross margin of

[25] It is also important to appreciate that this analysis is deliberately conservative. For example, the assumed local usage of 750 minutes effectively assumes that the customer does not use the Internet. Of course, such an assumption is unreasonable in today's market.

[26] Source: *Qwest Communications Reports Strong Fourth Quarter*, April 24, 2001.

over 62%. The only plausible explanation for the results presented in Table 4 is that Qwest's proposed UNE rates are inflated.

Q. HAS QWEST PROPOSED EVEN HIGHER RATES THAT WOULD MAKE *ANY* FORM OF PROFITABLE ENTRY UNLIKELY?

A. Yes. Qwest has also proposes to charge what it calls "market rates" for local switching in any market where it is not "required" by the FCC to offer unbundled local switching at cost-based rates.[27] Although Qwest has not yet proposed these "market rates" in this proceeding, in other states the rate they would charge is nearly $14.00/month. If Qwest makes a similar proposal here, Qwest would be claiming that there is both a "market" for local switching and it can inflate its rates by more than 950%. Precisely what kind of "market" would support such pricing? Only a market where Qwest remains an effective monopoly. Further, as the above margin analysis showed, an increase in the local switching rate by such an amount would effectively make it impossible to serve *any* customer, irrespective of its revenue profile. Abusing a line from the Wizard of OZ, competition would not be "merely dead, but really, really, really dead."

Q. THE ABOVE GROSS MARGIN ANALYSIS CONSIDERS ONLY THE COST OF THE UNES NEEDED TO PROVIDE SERVICE. DO ENTRANTS INCUR OTHER COSTS?

A. Yes. The above analysis estimates only the gross margin opportunity. That is, it estimates only the margin between expected revenues and what an entrant would pay (on a per line basis) to the ILEC for UNE-P. Even where this relationship is positive,

[27] In Docket No. T-00000A-97-0238, Qwest's 271 filing, Qwest's Appendix A contains Local Switching rates - market based rates, under development.

however, the entrant would still incur substantial costs for customer acquisition and support. As noted, Qwest's SG&A – an SG&A that would be substantially lower than an entrant's because of Qwest's economies of scale, mature operation and far lower customer "acquisition" costs – are nearly 25%. Even for an ILEC in the role of entrant, customer acquisition costs are substantial. Indeed, because of such costs, GTE decided that out-of-region entry was prohibitively costly. As GTE explained to the FCC:

> Since its first launch into California in September 1997, GTECC [GTE's "CLEC' affiliate] has learned that the assumptions upon which it built its business plan were simply too optimistic. In addition to encountering higher than expected costs of service delivery – i.e., order entry, provisioning, billing and customer care – GTECC has learned that customer acquisition costs, especially for the out-of-franchise small business customers, are higher than expected. For example, in February 1998, GTE BD&I estimated the following average small business customer acquisition costs:

	In-Franchise	Near Out-of-Franchise
3-9 Employees	$900	$1,600
9-50 Employees	$1,300	$2,300

> GTECC's September 1998 year-to-date acquisition cost, however, was much higher than any of these estimates -- $3,309 per small business customer. And since this figure includes in-franchise acquisitions – which traditionally cost less – GTECC's out-of-franchise small business acquisition cost is actually higher.[28]

As the above demonstrates, local competition not only requires nondiscriminatory cost-based rates for the UNEs needed to offer service, it *absolutely* requires such nondiscrimination. This is not a situation where entrants have not tried "hard enough" or where they lack the requisite skills. Even ILECs attempting out-of-region entry as CLECs have failed -- Verizon ceased offering its out-of-region voice bundle last year,[29]

[28] Joint Declaration of Jeffery C. Kissell and Scott M. Zimmerman, CC Docket 98-184, p. 5, (December 21, 1998).
[29] *Verizon to Close Irving, Texas-Based Division,* The Dallas Morning News, October 23, 2000.

while SBC has now placed its entry plans on hold.[30] Whether local competition *ever* develops is a question that will be answered in proceedings such as this, where State Commissions address the core fundamentals of entry.

Q. WHAT DO YOU RECOMMEND?

A. First, it is important that the Commission correctly establish cost-based rates for network elements if it has any hope of achieving a "fully competitive" marketplace in Arizona. To this end, I encourage the Commission to adopt the proposed rates of AT&T, WorldCom and XO witness Michael Hydock.

Second, the Commission should reject Qwest's effort to impose what it claims to be market-based rates on local switching. Although FCC rules permit ILECs to withdraw local switching under some circumstances,[31] these rules do not supercede a State's own authority. Nearly 21% of the Phoenix market would be closed under Qwest's proposal – a substantial market hole that would impose yet another unnecessary barrier in the way of competition.[32] As a result, the Commission should reject Qwest's proposed market rate.

Q. ARE THERE OTHER ISSUES THAT THE COMMISSION SHOULD ADDRESS AT THIS STAGE OF THE PROCEEDING?

A. Yes. There is clearly a "chicken and the egg" linkage between a number of issues that overlap the SGAT and this cost proceeding. Because how the Commission resolves these questions may have cost consequences – and, just as importantly, may directly impact the

[30] *SBC Communications to Scale Back Plan to Expand Telecom Service Offerings*, The Philadelphia Inquirer, March 3, 2001.
[31] *See In re Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket 96-98*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking (released November 5, 1999) ("UNE Remand Order") at ¶ 278.
[32] Source: Hybrid Benchmark Cost Proxy Model used to estimate universal service subsidy, Federal Communications Commission.

usefulness of network elements by entrants – the Commission should address these issues here. Specifically, I recommend that the Commission direct Qwest to offer:

* Shared transport that includes call termination of *all* call types, including calls that Qwest has labeled "toll," as well providing the transit function to reach end-users served by CLECs interconnected with Qwest.

* Access to Operator Services and Directory Assistance (OS/DA) as network elements should continue until a standardized "custom routing" solution is defined, priced and implemented.

Q. WHY SHOULD QWEST BE REQUIRED TO INCLUDE INTRALATA CALL TERMINATION AND TRANSIT SERVICE AS PART OF SHARED TRANSPORT?

A. When a CLEC leases capacity in the local switch, it is entitled to access all functionality of that switch, including its routing tables. Through the normal operation of these routing tables, CLEC traffic should terminate to other end-offices, including end-offices where Qwest treats the call as "toll." As explained by the FCC:

> By requiring incumbent LECs to provide requesting carriers with access to the incumbent LEC's routing table and to <u>all</u> its interoffice transmission facilities on an unbundled basis, requesting carriers can route calls in the <u>same</u> manner that an incumbent routes its own calls and thus take advantage of the incumbent LEC's economies of scale, scope, and density.[33]

As is apparent from the above citation, there is no explicit or silent limitation in the definition of shared transport that excludes calls that the incumbent has chosen to consider "toll."

[33] *See In re Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98,* Third Order on Reconsideration (released August 18, 1997) at ¶ 2.

1 Similarly, while most of a UNE-P purchaser's traffic terminates to subscribers served by
2 Qwest end-offices, some calls will go to customers served by other CLECs that have
3 installed their own end-office switches. To complete these calls in the most efficient
4 manner, it is important that shared transport include termination to all end-offices, Qwest
5 and CLEC alike. When shared transport terminates at a CLEC end-office, the
6 arrangement is referred to as "transit" – i.e., the call "transits" the Qwest network, and
7 terminates on the network of another LEC.

8 The essence of shared transport is providing CLECs access to the scale economies of the
9 interoffice network, with calls routed to their termination in accordance with the standard
10 routing tables in the end-office switch.[34] To assure that UNE-P is a viable and non-
11 discriminatory offering requires that transit be provided at cost-based rates, with the
12 entrants' traffic treated no differently than Qwest's own.

13 **Q. PLEASE EXPLAIN THE ISSUE WITH REGARDS TO OS/DA.**

14 A. The FCC has determined that competitive alternatives to the ILEC's OS and DA services
15 are available to CLECs. As a result, the FCC found that the ILECs could remove OS and
16 DA services from the list of mandatory network elements, but only if an ILEC had
17 implemented custom routing to enable CLECs to direct OS and DA traffic to alternative
18 providers.[35]

[34] Notably, in the absence of custom routing, the *natural* operation of the network would provide shared transport users "transit" to all interconnected end-offices. In other words, to *avoid* providing transit in the context of shared transport would require that Qwest incur additional costs.
[35] UNE Remand Order at ¶ 446.

1 **Q. DO YOU DISAGREE THAT OS/DA SERVICES CAN BE OBTAINED FROM**
2 **PROVIDERS OTHER THAN QWEST?**
3 A. No, not as a theoretical matter. The issue is not whether OS and DA can be obtained
4 from alternative sources, the issue concerns whether OS and DA traffic can be efficiently
5 *delivered* to other providers so that entrants have a meaningful choice.

6 **Q. DOES QWEST PROVIDE THE NECESSARY "CUSTOM ROUTING" SO THAT**
7 **UNE-P BASED ENTRANTS CAN EFFICIENTLY DIRECT THEIR OPERATOR**
8 **AND DIRECTORY TRAFFIC TO AN ALTERNATIVE PROVIDER?**
9 A. No, it does not. To begin, the term "custom routing" in this context is something of a
10 misnomer. Generally, "custom routing" implies a request by an entrant for specialized
11 treatment of some category of traffic. There is nothing "specialized," however, with
12 respect to this application. UNE-P providers need a known, reliable and efficient
13 mechanism to deliver a specific type of traffic – OS and DA traffic – to another carrier.
14 Rather than describe, price and *prove* that it can satisfy this need for a standardized
15 "custom" routing application, Qwest has proposed to treat the arrangement on an ICB
16 basis. In other words, Qwest has provided no explanation as to how it will implement
17 custom routing, what it will cost, or whether its proposal – whatever it is -- actually
18 works.

19 **Q. WHY IS THERE SUCH A CONCERN ABOUT OS AND DA TRAFFIC?**
20 A. It is critical that the method of "custom routing" actually provide UNE-P entrants a
21 meaningful opportunity to use the services of an alternative provider. UNE-P based
22 entrants are unique (among other forms of local entrant) because they establish a
23 customer base across a *broad* geographic footprint, leasing capacity in switches across

the ILEC territory. This means that the UNE-P providers' OS/DA traffic is similarly *distributed* throughout a region, and must be aggregated in order to use an alternative to the ILEC.

Unfortunately, some ILECs are suggesting that UNE-P providers obtain custom routing at *each* end-office – in effect, forcing the UNE-P provider to duplicate a interoffice network exclusively for OS/DA traffic. Such an arrangement would preclude the UNE-P provider from having an economic alternative to any provider other than the ILEC. As the Michigan Commission concluded in its review of this issue:

> The record supports the ALJ's finding regarding the infeasibility and limited usefulness of the customized routing that Ameritech Michigan proposes to accommodate the CLEC's OS/DA requirements. The record indicates that providing this type of customized routing as the only alternative to purchasing Ameritech Michigan's wholesale OS/DA services at market prices (set by Ameritech Michigan) would require each CLEC to establish dedicated trunks to every end office it serves. The Commission finds that this alternative would be costly, inefficient and burdensome.[36]

Given no *practical* alternative to the ILEC's OS/DA service (at least until a viable aggregation solution is implemented), the UNE-P provider must have an ability to purchase these services at cost-based rates. It is critical that Qwest disclose how it intends to aggregate OS/DA traffic so that Qwest's proposal may be evaluated. At present, however, Qwest is using the term "individual case basis" to mask its proposal.

Q. WHAT DO YOU RECOMMEND FOR OS AND DA TRAFFIC?

A. The Commission should make clear that Qwest must continue to offer access to these functions at cost-based rates until such time as the Commission concludes that entrants

[36] See Opinion and Order, Case No. U-12622, Michigan Public Service Commission, March 19, 2001, page 21.

1 have a meaningful opportunity to obtain these services from alternative sources,

2 including an economic custom routing solution that makes such alternatives practical.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF	)	
INVESTIGATION INTO QWEST	)	
CORPORATION'S COMPLIANCE	)	**DOCKET NO. T-00000A-00-0194**
WITH CERTAIN WHOLESALE	)	
PRICING REQUIREMENTS FOR	)	
UNBUNDLED NETWORK	)	
ELEMENTS AND RESALE	)	
DISCOUNTS	)	

DIRECT TESTIMONY OF THOMAS H. WEISS

ON BEHALF OF THE JOINT CASE OF

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.,

WORLDCOM, INC. AND XO ARIZONA, INC.

RE: QWEST COST MODELS IN GENERAL, RECURRING COST ANALYSES FOR DS1 AND DS3 CAPABLE LOOPS, UDIT AND SHARED TRANSPORT AND INPUTS AND ASSUMPTIONS TO THE AT&T/WORLDCOM NON-RECURRING COST MODEL

[PUBLIC VERSION]

MAY 16, 2001

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I. INTRODUCTION & WITNESS QUALIFICATIONS

Q. MR. WEISS, PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.

A. My name is Thomas H. Weiss. My business address is 205 E. Spring Street, Fuquay-Varina, NC, 27526.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Weiss Consulting, Inc. ("Weiss Consulting") as both an engineer and President of Weiss Consulting.

Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. In January of 1970, I received a Bachelor of Science degree in Electrical Engineering from North Carolina State University at Raleigh. In June of 1973, I earned a Master of Science degree in Business Management with emphasis in Finance and Micro Economics from the Duke University Graduate School of Business Administration (now the Fuqua School of Business).

Currently, I am a Registered Professional Engineer licensed to practice in Maryland and Missouri; a Member of the Institute of Electrical and Electronic Engineers ("IEEE"), Communications Society, Computer Society, Network Society; a Member of the National Society of Professional Engineers and the Maryland Society of Professional Engineers in both of the Private Practice Divisions.

In addition to my years in school as a student, I continue to participate in the academic field through my writing and participation in various university programs. For example, I am the author of *Public Utility Plant Investment*

Decisions in the Face of Advancing Technology and Regulatory Policy Reform, Proceedings of the 27th Annual Regulatory Conference, Iowa State University, Ames (1988), and I have been an invited speaker and panel member at the 1984 Public Utilities Conference, University of Georgia College of Business and at the 1988 Iowa State University Regulatory Conference. Similarly, I have served as a member of the faculty at the 1989 United States Telephone Association ("USTA") Advanced Management Workshop sponsored by the University of Kansas at Lawrence.

Q. PLEASE BRIEFLY DESCRIBE YOUR WORK-RELATED EXPERIENCE.

A. I am a Registered Professional Engineer with over thirty-two years of experience in the communications industry. Generally, my employment experience includes eight years in engineering and financial management positions with a domestic telecommunications utilities and over twenty-four years as an engineering and economic consultant to federal and state governments, private businesses, and other groups.

My consulting practice has focused on the telecommunications industry principally related to technology, management and regulatory issues. In particular, I have extensive experience analyzing the prices charged for service by domestic telecommunications utilities, including the former Regional Bell Operating Companies ("RBOCs"), GTE Telephone Operating Companies (now Verizon), Interexchange Carriers ("IXCs") and various independent telephone companies.

1 From January 1970, when I completed my engineering education, until June 1978
2 I was employed by General Telephone Company of the Southeast, a local
3 exchange operating company owned by GTE Corporation. Greater detail of the
4 management positions, among my other work experience, is contained in **Exhibit**
5 **THW-1**, my curriculum vita.

6 Briefly, my consulting practice began in 1978 where I was employed as Senior
7 Consultant with Hess & Lim, Inc. ("H&L"), a public utility consulting firm
8 headquartered in Greenbelt, MD. In 1986, I became Vice President of Baker G.
9 Clay & Associates, Inc. ("Baker"), a public utility consulting firm located in
10 Annapolis, MD. At both H&L and Baker, I provided technical and economic
11 consulting services to federal and state governments, to businesses in their
12 capacity as consumers of telecommunications services and others in similar
13 utility-based areas. Finally, in June of 1994, I founded Weiss Consulting, which
14 provides technical, management and economic telecommunications consulting
15 services to federal and state governments, to businesses in their capacities as
16 providers and other groups.

17 **Q. HAVE YOU ANY OTHER PROFESSIONAL EXPERIENCE THAT**
18 **WOULD BEAR ON THE ISSUES AND TOPICS ABOUT WHICH YOU**
19 **TESTIFY HERE?**

20 A. Yes. My recent experience includes direct line responsibility for management of
21 an operating telephone company in New England. Beginning in October 1997
22 and continuing through July 2000, in addition to other consulting engagements, I

was employed in a management consulting capacity with an independent telephone company that found itself in some difficulty with regulators. I was engaged by the company as a management consultant with the title as Vice President - Operations Research, to devote approximately 1,000 hours of my time annually to assist the company's management in rectifying its problems. My duties involved activities that were designed to improve the company's performance with respect to the full range of the company's operations including: engineering, finance and accounting, tariffs and customer billing, business office and customer contact, assignment and repair, inside and outside plant operations and administration, regulatory interaction, and other operational responsibilities.

Q. HAVE YOU EVER TESTIFIED AS AN EXPERT WITNESS BEFORE, MR. WEISS?

A. Yes, I have.

Q. WOULD YOU BRIEFLY DESCRIBE THAT EXPERIENCE.

A. I have presented expert testimony on communications engineering matters in both federal and state courts, and I have testified in over one hundred and thirty-five proceedings before public utility regulators in twenty-six states and the District of Columbia. I also have testified on economic and regulatory issues before the Federal Energy Regulatory Commission.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE ARIZONA CORPORATION COMMISSION ("ACC")?

A. No, I have not.

1 **Q. ARE YOU FAMILIAR WITH ACC DOCKET NO. T-00000A-00-0194,**
2 **HERE IN ARIZONA?**
3 A. Yes I am. I have reviewed the testimony filed by Qwest witnesses, their cost
4 studies and the Qwest discovery responses to AT&T's requests. I have also
5 reviewed the Qwest responses to discovery requests initiated by the Commission
6 Staff.

7 **II. PURPOSE OF THE TESTIMONY**

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
9 **PROCEEDING?**
10 A. As outlined by Mr. Hydock, my testimony serves two general purposes. First, on
11 behalf of AT&T Communications of the Mountain States, Inc. ("AT&T"),
12 WorldCom, Inc. and XO Arizona, Inc., I have examined Qwest's cost studies
13 related to recurring and non-recurring charges, and—based upon that
14 examination—I will respond to Qwest's witness, Ms. Million, regarding her
15 assertions that Qwest's cost estimates are allegedly Total Element Long Run
16 Incremental Cost ("TELRIC") compliant and that the resultant prices Qwest
17 proposes are purportedly correct.[1]

18 Second, I examine the administrative and technical assumptions that are used in
19 the AT&T/WorldCom Non Recurring Cost Model ("NRCM"). Although
20 Mr. Lathrop explains this model in detail, I will address the validity of the
21 assumptions here.

[1] Direct Testimony of Theresa K. Million at pp. 3-8.

1 **Q. PLEASE DEFINE WHAT YOU MEAN BY RECURRING AND NON-**
2 **RECURRING CHARGES.**
3 **A.** Recurring costs are the ongoing costs associated with providing a service. In
4 contrast, non-recurring costs are the one-time costs that are incurred at the time a
5 customer establishes, disconnects or changes service.
6 **Q. DO QWEST'S RECURRING AND NON-RECURRING COST**
7 **COMPUTATIONS COMPLY WITH THE RULES AND/OR PRINCIPLES**
8 **ESTABLISHED BY THE FCC FOR DETERMINING THE TELRIC OF**
9 **INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS.**
10 A. No. Qwest's recurring and non-recurring cost calculations are NOT compliant
11 with the FCC's TELRIC rules[2] or principles.[3]

12 **III. EXECUTIVE SUMMARY**

13 **Q. BEFORE WE DISCUSS YOUR EXAMINATION OF THE RECURRING**
14 **AND NON-RECURRING COST STUDIES, PLEASE SUMMARIZE YOUR**
15 **CONCLUSIONS REGARDING THE TWO GENERAL PURPOSES OF**
16 **YOUR TESTIMONY.**
17 A. Certainly. Turning to the first area and Qwest's recurring charges, I examined
18 Qwest's proposed annual charge factors used throughout its recurring costs
19 analyses; the network architecture and basic equipment investment costs assumed

---

[2] *See generally*, 47 C.F.R. § 51.501 *et seq.*
[3] *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, First Report and Order, CC Docket Nos. 96-98 & 95-185, FCC 96-325 (Rel. August 8, 1996) at ¶¶ 618-839 [hereinafter "*Local Competition Order*"].

by Qwest in its analyses of the recurring cost to provide certain network elements; and the loading factors and fill factors used to develop the incremental investment costs that form the basis for Qwest's recurring cost analyses. The results of my analyses of these cost factors applies to all elements at issue in this docket. Nevertheless, in this testimony I will offer specific examples of recurring rate proposals only for the following network elements:

- DS1 Capable Loops (all zones);
- DS3 Capable Loops (all zones);
- Unbundled Direct Interoffice Transport ("UDIT,") for DS0, DS1, DS3, OC3 and OC12 multiplex arrangements; and
- Shared Transport.[4]

From this analysis, I have determined Qwest's recurring cost proposals in this case are overstated by approximately 125% relative to my own findings concerning the recurring costs of all interconnection and unbundled network elements.

With respect to the non-recurring costs, I reviewed Qwest's alleged work time, and the probabilities used to develop non-recurring costs that are attributable to making network elements available for use by Competitive Local Exchange Carriers ("CLECs") and Qwest's non-recurring charges ("NRCs") developed from those activities. From this review, I conclude generally that Qwest's proposals for the costs of non-recurring activities are overstated by between 50% and 70% relative to the true forward-looking costs of processing and completing

[4] A separate piece of testimony examines Qwest's recurring rate proposals regarding analog UNE loops. The factor analysis I have prepared here also applies to Qwest's UNE loop pricing proposal.

1 CLECs' requests for interconnection and unbundled network elements.

2 **Q. WHAT HAVE YOU DETERMINED WITH RESPECT TO THE**
3 **ADMINISTRATIVE/TECHNICAL ASSUMPTIONS USED IN THE**
4 **AT&T/WORLDCOM NRC MODEL?**

5 A. Unlike Qwest's model of non-recurring charges, the AT&T/WorldCom NRC
6 Model ("NRCM") assumes that the incumbent carrier's network embodies
7 forward-looking technology. That is, the NRCM assumes the existence of a
8 network that supports all products and services that the ILEC provides given that
9 the network was configured to perform its functions at least cost; this necessarily
10 assumes that, where possible, connections can be made between the ILEC and the
11 CLEC without the need for manual intervention. Further, unlike Qwest's model,
12 NRCM assumes an efficient electronic ordering interface between the CLEC and
13 the ILEC, with the interface capable of conducting front-end edits that minimize
14 ordering errors; it assumes that relevant databases are relatively free of error to
15 minimize the probability that CLEC's orders placed with the ILEC will be
16 handled manually (manual processing causes delay in completion). In general,
17 then, I find the AT&T/WorldCom NRCM to be superior to Qwest's model.

18 **IV. TOTAL ELEMENT LONG RUN INCREMENTAL COST PRICING**

19 **Q. WHAT IS "TOTAL ELEMENT LONG RUN INCREMENTAL COST" AS**
20 **YOU EMPLOY THAT TERM?**

21 A. By enacting the Telecommunications Act of 1996 ("Act"), Congress entrusted the
22 Federal Communications Commission ("FCC") with the responsibility of
23 establishing rules that would implement the pro-competitive policy embodied in

1 the Act.[5] Pursuant to that responsibility, in April 1996 the FCC opened CC
2 Docket No. 96-98 to establish and adopt national rules that would secure the full
3 benefits of competition in the local telecommunications market.

4 In its first substantive order in that docket,[6] the FCC concluded that, pursuant to
5 §§ 251 and 252 of the Act, prices that incumbent local exchange carriers
6 ("ILECs") would charge to competitive LECs ("CLECs") for interconnection and
7 unbundled network elements should be set at forward-looking long run economic
8 cost of the network element, including a reasonable allocation of forward-looking
9 joint and common costs. The FCC's costing and pricing rules can be found at 47
10 C.F.R. § 51.501 *et seq.*

11 It is within these rules that the FCC defines TELRIC. And that definition is the
12 one I employ. It states that the forward-looking long run economic cost of an
13 element is equal to the sum of: (1) the "total element long run incremental cost of
14 the element" and (2) "a reasonable allocation of forward-looking common
15 costs."[7]

16 The "total element long run incremental cost" component has become known
17 industry-wide by the acronym "TELRIC," which the FCC defines more
18 specifically to be:

19 The forward-looking cost over the long run of the total quantity of
20 facilities and functions that are directly attributable to, or
21 reasonably identifiable as incremental to, such element, calculated

[5] 47 U.S.C. § 251(d)(1).
[6] *See* fn. 5, *Local Competition Order*, above.
[7] 47 C.F.R. § 51.505(a).

taking as a given the incumbent LEC's provision of other elements.[8]

Q. WHAT ARE FORWARD-LOOKING COMMON COSTS?

A. The FCC further defines forward-looking common costs as "economic costs efficiently incurred in providing a group of elements or services (which may include all elements or services provided by the incumbent LEC) that cannot be attributed directly to individual elements or services."[9]

Q. PLEASE SUMMARIZE THE FUNDAMENTAL TELRIC PRINCIPLES THAT APPLY IN THIS PROCEEDING.

A. According to the FCC, TELRIC pricing involves six (6) fundamental concepts:[10]

> (1) forward-looking costs per unit of an element equals the forward-looking economic cost of the element divided by a reasonable projection of the sum of the total number of units of the element that the ILEC is likely to provide to requesting carriers and the number of units of the element that the ILEC is likely to use in offering its own services;
>
> (2) forward-looking cost should be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost configuration of the network, given the existing location of the ILEC's wire centers;
>
> (3) forward-looking cost should reflect the forward-looking cost of capital;
>
> (4) forward-looking cost should reflect economic depreciation rates;
>
> (5) allocations of common costs shall not exceed the stand-alone costs associated with the element;[11] and

[8] *Id.* at § 51.505(b).
[9] *Id.* at § 51.505(c).
[10] *Id.* at § 51.505(b) & (c).
[11] "Stand-alone costs" are the total forward-looking costs, including corporate costs, that would be incurred to produce a given element if that element were provided by an efficient firm that produced nothing but the given element. 47 C.F.R. § 51.505(c)(2).

(6) the sum of the allocation of forward-looking common costs for all elements and services shall equal the total forward-looking common costs (exclusive of retail costs)[12] attributable to operating the ILEC's total network.

Furthermore, the FCC's local interconnection rules specifically prohibit development of network element forward-looking long run economic costs that reflect: embedded costs,[13] retail costs,[14] opportunity costs,[15] and revenues to subsidize other services.[16]

V. QWEST'S COST ANALYSES GENERALLY

Q. HAVE YOU EXAMINED THE ASSUMPTIONS, METHODS AND PROCEDURES USED BY QWEST TO DEVELOP ITS PRICES?

A. Yes I have, and I have discovered several flaws that reveal that Qwest's failure to employ FCC TELRIC principals.

Q. PLEASE BRIEFLY DESCRIBE THE FLAWS THAT YOU HAVE DISCOVERED IN QWEST'S COST ANALYSES.

A. Qwest's cost analyses fail on several counts to conform to the FCC's pricing rules; briefly there are six fundamental problems. They are:

---

[12] "Retail costs" include the costs of marketing, billing, collection, and other costs associated with offering retail telecommunications services to subscribers that are not telecommunications carriers. 47 C.F.R. § 51.505(d)(2).

[13] "Embedded costs" are costs that the ILEC incurred in the past and that are recorded in the ILEC's books of accounts. 47 C.F.R. § 51.505(d)(1).

[14] *See* fn. 9, above. Examples of "retail costs" include costs recorded in USOA (Uniform System of Accounts) accounts numbered 6611 (product management), 6612 (sales), 6613 (product advertising) 6621 (call completion services), 6622 (number services), 6623 (customer services); and portions of costs recorded in USOA accounts 6121-6124 (general support expenses), 6711, 6712, 6721-6728 (corporate operations expenses) and 5301 (uncollectible revenue). 47 C.F.R. § 51.609.

[15] "Opportunity costs" include revenues that the ILEC would have received for the sale of services, in the absence of competition from carriers that purchase network elements. 47 C.F.R. § 51.505(d)(3).

[16] "Revenue to subsidize other services" includes revenue associated with elements or service offerings other than the element for which a rate is being established; for example, revenue from universal service subsidies. 47 C.F.R. § 51.505(d)(4).

(1) Contrary to the provisions of 47 C.F.R. § 51.505(b)(2), Qwest's cost analyses do not reflect its forward-looking cost of capital.

(2) Contrary to the provisions of 47 C.F.R. § 51.505(c)(2)(i), Qwest does not allocate common costs to network elements in such a manner as to ensure that such costs do not exceed the stand-alone costs associated with the element.

(3) Contrary to the provisions of 47 C.F.R. § 51.505(c)(2)(ii), Qwest does not allocate common costs to network elements in such a manner as to ensure that such costs do not exceed the total forward-looking common costs attributable to operating Qwest's total network in Arizona.

(4) Contrary to the provisions of 47 C.F.R. § 51.505(d)(1) and (2), Qwest's cost analyses do reflect embedded costs and costs properly attributable only to retail operations.

(5) Contrary to the provisions of 47 C.F.R. § 51.511, Qwest computes network element unit costs under the assumption that network elements are used only by CLECs.

(6) Contrary to the provisions of 47 C.F.R. § 51.505(b)(1), Qwest's cost analyses do not reflect the most efficient technology currently available and the lowest cost configuration of its network.

Q. IN ORDER TO DETERMINE THE PRICE OF ANY GIVEN UNE OR SERVICE, QWEST MUST IDENTIFY ALL THE COST COMPONENTS NEEDED TO PROVIDE THE UNE OR SERVICE. WHAT TYPES OF COST COMPONENTS GO INTO DETERMINING A PRICE GENERALLY?

A. Generally, Qwest must determine the investment of equipment, material and labor for the service or element; it must determine the operating expenses; and it must determine the common overhead expenses. Obviously, these steps must be broken down into greater granularity, but they do reflect the general method for

determining recurring costs. My examination of Qwest's general cost analysis focused primarily on: (a) "cost/expense factors," (b) the assignment or allocation of those costs and expenses, (c) "investment," (d) the "black box" problem,[17] and (e) "fill factors and loading." In general, I found Qwest's analyses to be flawed as I will describe in greater detail below.

Q. YOU'VE BROADLY DIVIDED THE FLAWS IN QWEST'S ANALYSIS INTO COST/EXPENSE FACTORS AND INVESTMENTS. PLEASE DEFINE WHAT YOU MEAN BY COST/EXPENSE FACTORS AND INVESTMENT AND THEN LET'S DISCUSS EACH SEPARATELY.

A. By "cost or expense factors," I mean those factors that are used traditionally in cost studies to convert related investment levels to operating costs. By investment, I'm generally referring to the incremental investment in the equipment and support assets used by Qwest to provide interconnection and unbundled network elements to CLECs.

1. Cost Factors

Q. BEGINNING WITH COST FACTORS, ARE YOU CONCERNED WITH ANY IN PARTICULAR?

A. Yes; I am concerned with Qwest's capital cost factors primarily because the cost of invested capital reflected in Qwest's proposed capital cost factors is greatly overstated.

[17] The 'black box problem" refers to the characteristics of Qwest's cost models that makes it difficult (and, in some cases, impossible) for an analyst to critically evaluate the computational logic behind the assumptions and algorithms used to produce the model results.

1 **Q. WHAT IS THE COST OF INVESTED CAPITAL THAT IS REFLECTED**
2 **IN QWEST'S COST STUDIES?**
3 A. I understand that the overall weighted cost of invested capital reflected in Qwest's
4 cost studies is 10.37%.[18] The weighted cost of capital is used in cost studies as
5 the means to attribute capital carrying costs to individual investments.
6 **Q. WHAT CAPITAL STRUCTURE AND MARGINAL COSTS OF CAPITAL**
7 **ARE REFLECTED IN THE 10.37 PERCENT OVERALL COST OF**
8 **CAPITAL USED IN QWEST'S COST STUDIES?**
9 A. According to Qwest witness Teresa K. Million, the 10.37 % overall cost of
10 invested capital used in the Qwest's cost studies reflects "the Arizona
11 Commission's decision in the prior cost docket (Docket No. U-3021-96-448 et
12 al.) regarding cost of money."[19] Dated on January 30, 1998, Decision No. 60635
13 in Docket No. U-3021-96-448 et al., shows that the Commission approved a
14 capital structure consisting of 38.30 percent debt and 61.70 percent common
15 equity; the marginal costs of debt and equity approved by the Commission were
16 7.09 percent and 12.40 percent, respectively.[20]
17 **Q. DO YOU AGREE THAT 10.37 % IS THE APPROPRIATE FORWARD-**
18 **LOOKING OVERALL WEIGHTED COST OF INVESTED CAPITAL**
19 **THAT SHOULD BE USED TO SET THE PRICES OF**
20 **INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS IN**
21 **THIS CASE?**

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[18] Direct Testimony of Teresa K. Million, page 35, lines 5, 6.
[19] *Id.*, lines 3-6.

1 A. No. First, while Ms. Million implies that the 10.37 percent represents the
2 Commission's prescribed overall cost of capital for Qwest, she also observes that
3 "Qwest believes that a forward-looking cost of money is appropriate for use in
4 TELRIC studies."[21] I agree with Qwest that TELRIC studies should reflect a
5 forward-looking cost of capital. However, I do not agree that the10.37 percent
6 constitutes any sort of proxy for Qwest's overall forward-looking capital cost.
7 Furthermore, I do not accept Ms. Million's assertion that the 10.37 percent
8 represents the Commission's prescribed cost of capital.

9 **Q. WHY DO YOU DISAGREE WITH MS. MILLION'S ASSERTION THAT**
10 **THE 10.37 PERCENT REPRESENTS THE COMMISSION'S**
11 **"PRESCRIBED" OVERALL COST OF CAPITAL FOR QWEST?**

12 A. As observed by Ms. Million, the 10.37 percent is taken directly from ACC
13 Decision No. 60635 in Docket No. U-3021-96-448 et al., which dates to
14 January 30, 1998. Since January 1998, however, the ACC has taken at least one
15 other opportunity, in Docket No. T-01051B-99-0105 et al., to review Qwest's cost
16 of capital. In that case, the Commission accepted a modified Settlement
17 Agreement between Qwest and the Commission Staff, with respect to which the
18 "reasonable return on the fair value" of Qwest's rate base was stipulated to be
19 9.61 percent.[22] Thus, the 10.37 percent cost of capital advocated by Ms. Million

[20] Decision No. 60635 in ACC Docket No. U-3021-96-448 et al., page 8.
[21] Direct Testimony of Teresa K. Million, pages 34-35.
[22] At page 9 of ACC Decision No. 63487 in Docket No. T-01051B-99-0105 (dated March 30, 2001) approving the modified settlement, the ACC accepted a 9.61 percent overall cost of capital for Qwest in Arizona.

1 for use in Qwest's cost studies is not the Commission's latest "prescribed" overall
2 cost of capital for Qwest in Arizona.

3 **Q. IS IT YOUR OPINION THAT THE 9.61 PERCENT CONSTITUTES A**
4 **REASONABLE PROXY FOR THE OVERALL FORWARD-LOOKING**
5 **COST OF CAPITAL FOR QWEST IN ARIZONA?**

6 A. Yes. The 9.61 percent was grounded in ACC Staff's recommended 47.57 percent
7 debt ratio, and marginal costs of 7.39 percent[23] for debt. Given these factors and
8 an equity cost of 11.62 percent results in a 9.61 percent overall cost of capital.
9 The Commission accepted that capital structure and debt cost in its Decision
10 No. 63487, dated on March 30, 2001 – only some six weeks ago. In order to help
11 ensure a fair playing field between ILECs and CLECs so as to encourage the
12 transition to a competitive market for local exchange telecommunications
13 products and services, it is important that the costs that for CLECs incur for
14 access to the ILECs' networks reflect the same forward-looking capital costs as
15 the Commission finds for use by Qwest in setting prices for its products and
16 services in the retail environment. Thus, for that reason and to avoid "protracted
17 debate over the appropriate cost of money"[24] and to ensure compliance with the
18 FCC's TELRIC paradigm, the cost of capital to be reflected in Qwest's Arizona
19 cost studies should be as shown in Table No. 1, below:

[23] Testimony of S. G. Hill on behalf of ACC Staff in ACC Docket No. T-01051B-00-0369.
[24] Direct Testimony of Teresa K. Million, page 35, line 2.

Table No. 1
Recommended Cost of Capital

Capital Component	Ratio	Marginal Cost	Weighted Cost
Debt	0.4757	0.0739	0.0352
Common Equity	0.5243	0.1162	0.0609
Totals	1.0000		0.0961

Q. HAVE YOU REVIEWED THE COMPANY'S PROPOSALS RELATIVE TO OTHER CAPITAL COST FACTORS SUCH AS DEPRECIATION AND FEDERAL AND STATE INCOME TAX RATES?

A. Yes. According to Ms. Million, Qwest has computed its capital cost factors using plant service lives that this Commission has prescribed for use in Arizona.[25] I examined Qwest's claim by reviewing Qwest's response to AT&T requests for information and this Commission's latest decision related to Qwest depreciation rates (Decision No. 62507 in Docket No. T-01051B-97-0689). I found that the depreciation factors used in Qwest's cost studies reflect the Commission's findings. Accordingly, I believe that Ms. Million's representations regarding the depreciation-related components of capital costs are accurate and I do not quarrel with Qwest's depreciation-related input to its cost studies in this case.

Qwest assumes a marginal federal income tax rate of 35 % and a marginal state income tax rate of 7.2% for Arizona. The federal income tax rate used by Qwest is consistent with the currently effective corporate marginal rate of 35%. The 7.2% state income tax rate is slightly high relative to the recently effective

[25] Direct Testimony of Teresa K. Million, pp. 35, 36, and Qwest's response to ATT Information Request No. 3-113.

1 corporate marginal rate of 6.96% for Arizona.[26] Because the difference between
2 the assumed and actual current marginal state income tax rates is not significant, I
3 do not adjust the capital component of Qwest's proposed charge factors to reflect
4 the difference.

5 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS THE CAPITAL**
6 **COST COMPONENT OF THE CHARGE FACTORS TO REFLECT**
7 **YOUR RECOMMENDATIONS?**

8 A. Yes. At **Exhibit THW-2** (two pages), I show the USOA account-by-account
9 results obtained by running the Company's CAPCOST Model[27] using Qwest's
10 proposed capital cost factors (page 1) and my capital cost recommendations
11 described above (page 2). The capital cost factors that I recommend to the
12 Commission appear at lines 1 through 33 under Column (h) on page 2 of
13 Exhibit THW-2.

14 **2. Expense Factors**

15 **a. In General**

16 **Q. LET'S TURN TO EXPENSE FACTORS. WHAT PRIMARY PROBLEM**
17 **HAVE YOU IDENTIFIED?**

18 A. The expense factors improperly inflate the cost of interconnection and UNEs and
19 employ embedded costs contrary to the FCC's rules.

[26] State of Arizona, Department of Commerce, General Tax Information.
[27] The CAPCOST Model is found on the Compact Disk (CD) provided with the Direct Testimony of Teresa K. Million, on the directory route designated as: PHASEII Models\ ICM\ Capcost.xls and Capinput.xls.

1 **Q. WHAT IS YOUR UNDERSTANDING OF QWEST'S EXPENSE FACTORS**
2 **USED TO COMPUTE RECURRING COSTS IN THIS CASE?**

3 A. Qwest uses an MS Excel spreadsheet computer model, designated as the
4 "Expense Factors Module" to compute annual expense factors that are used to
5 produce estimates of the annual expense costs associated with the provision of
6 local interconnection and unbundled network elements.[28] The model develops a
7 series of several factors that—when applied to incremental investments in local
8 interconnection, unbundled network elements or expenses associated with these
9 products—yield estimates of the annual expense costs[29] of producing the
10 products. In the model, investment-related factors are divided into three
11 categories: (a) maintenance, (b) right-to-use fees and (c) ad valorem (property)
12 taxes.

13 **Q. HOW DOES THE EXPENSE FACTORS MODULE WORK?**

14 A. The Expense Factors Module develops so-called expense-related factors to
15 estimate the level of expenses that would apply to the various local
16 interconnection and unbundled network elements at issue here. These factors are
17 developed on three levels: (a) directly assigned, (b) directly attributed and
18 (c) common.

19 Qwest develops the directly assigned expense factors as a function of the sum of
20 all the investment-related factors (e.g., capital costs, maintenance, ad valorem and

[28] The Expense Factors Module can be found on the Compact Disk (CD) provided with the Direct Testimony of Teresa K. Million, on the directory route designated as: PHASEII Models\ ICM\ Expense Factors Module.xls.
[29] As distinguished from annual capital costs that are developed with the CAPCOST model.

taxes). Expenses included in the directly-assigned category include product management, sales, product advertising, and business fees.

The directly-attributed expense factors are developed as a function of the sum of investment-related and directly assigned expenses. Examples of expenses included in the directly attributed category are network operations expenses, network support expenses, accounting expenses, human relations expenses, and so forth.

Finally, common expense factors are developed as a function of the sum of investment-related expenses, directly assigned expenses and directly attributable expenses. Included in the common expenses category are common overhead costs such executive expenses, planning, legal and so on.

The Expense Factors Module produces a single ad valorem tax factor as a function of gross plant investment for application equally to all relevant forms of USOA plant investments; another single factor, applicable only to switching equipment investment, is produced as a function of switching equipment investment to estimate the annual costs of switch right-to-use fees. The model develops a unique investment-based maintenance factor for each class of plant represented by the USOA plant asset accounts.

The principal inputs to the Expense Module include book costs reported in Qwest's Arizona monthly MR2 (investment) report and MR5 (expense) report. Inputs also include means to adjust MR2 and MR5 data to remove clearly irrelevant costs from the expense factors (e.g., expense costs that are to be recovered in non-recurring charges) and to express expenses and investments at

current levels (e.g., Telephone Plant Indices ("TPIs"), and current cost to book cost ("CC/BC") ratios).

Q. CAN YOU SUMMARIZE, MORE SPECIFICALLY, HOW THE VARIOUS EXPENSE COST FACTORS ARE DEVELOPED IN THE EXPENSE MODULE SOFTWARE MODEL?

A. Yes. While detailed descriptions of Expense Module computations are contained in the "Expense Factors Module - TELRIC User Manual" included as an MS Word file on the CD provided with the Direct Testimony of Ms. Million,[30] my brief description of the process follows.

First, as the foregoing explanation indicates, the maintenance factor is a plant investment-related factor. It therefore must be capable of being applied directly to incremental plant investment amounts in order to produce logically meaningful estimates of the maintenance costs associated with the products at issue here. Accordingly, the maintenance factor for any given category of plant investment is developed by dividing Qwest's booked expenses as reported in the MR5 report for the plant category by Qwest's MR2 booked investment for that same category of plant. The same basic approach is used by the Expense Module to develop the right-to-use fees factor and the ad-valorem tax factor.

For example, if the expenses of maintaining switching equipment are reported on the MR5 report as $1.0 million for a given twelve month period, and the level of

[30] File designated "Expense00V2.pdf" on the directory route designated as: PHASEII Models\ ICM\ Documents.

investment in switching equipment at the close of the twelve month period was $20.0 million, then the maintenance factor for switching equipment would be reported as 5 percent ($1.0 million divided by $20.0 million). This simple example assumes that neither the MR2 investment level nor the MR5 expense level were adjusted in any way. In fact, however, the Expense Module allows adjustments to both investments and expenses -- e.g., to remove investment and expense costs associated with non-jurisdictional services (such as voice messaging), or to reflect projected changes in both investment and expense levels from, for example, implementation of improved technology, increases in employee wages, salaries and benefits, and the like.

As observed earlier, the factors for the directly-assigned category of expenses are computed as a function of the sum of investment-related costs and directly assigned costs. Accordingly, the directly assigned expense factors are computed by dividing the appropriate directly assigned expense from the MR2 by the sum of the investment-related costs that pertain to the directly assigned expense. For example, if the total investment in plant was $200 million, the capital cost factor for plant investment was 13%, and the sum of all maintenance costs associated with the $200 million of plant was $6.0 million, then the investment-related cost of plant would be $32.0 million ($6.0 million in maintenance plus $26.0 million of capital costs). If the product management cost for Qwest totaled $2.6 million, then the product management factor would be computed as 10% ($2.6 million divided by $26 million). In the Expense Module, all directly assigned expenses are developed in this same basic way.

The factors for directly attributed expenses are developed in much the same way as the direct and directly assigned cost factors are developed except that the denominator of the directly attributed cost factors is the sum of the directly assigned costs plus business fees.

The common cost factors are developed as the respective common cost expense (e.g., executive, planning, etc.) divided by the sum of the numerator and the denominator for the directly attributed expense factor.

Q. HOW DOES QWEST USE THESE EXPENSE FACTORS TO ESTIMATE THE RECURRING COSTS OF PRODUCING LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. In addition to the other software models, discussed above, Qwest has developed a third model, designated as the Wholesale Cost Program.[31] The Wholesale Cost Program accepts the output results from the CAPCOST model and the Expense Module and applies those results to the incremental investments input to the Wholesale Cost Model from separate engineering models that relate to the various products at issue in this case. In short, the Wholesale Cost Model is simply a MS Excel spreadsheet program that multiplies the cost factors by incremental investment amounts to produce recurring monthly costs for the products at issue here.

[31] The Wholesale Cost Program (formerly known as WINPC3) can be found on the Compact Disk (CD) provided with the Direct Testimony of Teresa K. Million, on the directory route designated as: Phase II Models\Wholesale Cost Program.

1 **Q. CAN THE RESULTS PRODUCED BY QWEST'S COST FACTOR**
2 **MODELS BE RELIED UPON FOR USE IN DEVELOPING RECURRING**
3 **COSTS OF LOCAL INTERCONNECTION AND NETWORK**
4 **ELEMENTS?**
5 A. No. In fact, I believe that Qwest's expense cost factor proposals here represent a
6 rather bold and not so transparent attempt on Qwest's part to artificially inflate the
7 prices for local interconnection and unbundled network elements with the
8 objective being to require CLECs to bear costs that Qwest rightfully incurs to
9 administer its retail market. In effect, Qwest is attempting to have CLECs pay a
10 portion of the costs of retail operations that Qwest itself undertakes in order for
11 Qwest to compete with the CLECs in the retail market.
12 As to the mechanics behind Qwest's Expense Factor module, my review did not
13 reveal any major faults in the mathematical logic. I found the model to include
14 means to properly adjust cost factor results as necessary to conform TELRIC
15 studies to the FCC's requirements. However, this does NOT mean that I agree
16 with the results produced by the model.
17 **Q. IF YOU AGREE WITH THE MATHEMATICS, WHAT IS IT THAT**
18 **CAUSES YOU TO DISAGREE WITH THE RESULTS PRODUCED BY**
19 **THE MODEL?**
20 A. Contrary to the requirements of 47 C.F.R. § 51.505(d)(1), the Expense Factor
21 Module produces its outputs based largely on embedded costs. Accordingly, I
22 disagree with certain of the assumed inputs to the model, especially as the results
23 produced by the model would be used in the process of setting prices for local

interconnection and unbundled network elements in this case. I adjust certain of the inputs to the Expense Factor Module to bring the outputs more in line with the FCC rule that prohibits the development of TELRIC prices based on embedded costs.

Q. HOW WOULD YOU RECOMMEND THE ARIZONA COMMISSION ADJUST THESE OUTPUTS?

A. As I discussed earlier, Qwest's proposed capital cost factors are severely overstated and I have adjusted them downward as shown at page 2 of Exhibit THW-2. The directly assigned and directly attributable expense factors from the Expense Factor Module change inversely to changes in the capital cost factors; thus, the directly assigned and directly attributable expense factors increase moderately when my recommended capital cost factors are reflected in the results produced by the Expense Factor module.

The Expense Factor module includes means to adjust the expense factors to reflect improvements in Qwest's productivity. The Company's proposed expense factors reflect annual productivity improvements of 5.0%. Given the level of savings promised due to synergies from the merger between Qwest and USWC, I recommend that additional productivity improvements at the rate of 6.85% annually be reflected in Qwest's expense factors.

Finally, through the Wholesale Cost Model, Qwest's proposed expense factors are applied to incremental product investments without considering whether the product represented by those investments gives rise to the costs represented by the factors. Qwest assigns costs to local interconnection and unbundled network

elements when such costs are NOT applicable to them. In this connection, I refer specifically to product management expenses, sales expenses, network operations expenses, uncollectible revenue, planning expenses, research and development expenses, and other general and administrative expenses. Consistent with the FCC rules, discussed in detail below, for purposes of my analysis of Qwest's incremental costs, I have set the factors that pertain to these costs at zero. **Exhibit THW-3**, in three pages, summarizes my recommended cost factors for use in defining the incremental cost of interconnection and unbundled network elements in this case.

b. FCC Requirements

Q. YOU REFERRED TO SEVERAL CATEGORIES OF EXPENSES FOR WHICH QWEST WRONGLY ASSIGNS/ALLOCATES COST TO LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS. WHY IS QWEST WRONG IN MAKING THESE ASSIGNMENTS OR ALLOCATIONS?

A. First, as I indicated earlier, in many cases the costs that Qwest assigns/allocates are simply not applicable to local interconnection and unbundled network elements. I discuss those in more detail later. Equally important is the FCC's own requirements for testing whether a given category of expense should be assigned or allocated to local interconnection and unbundled network elements. Basically, for an expense to be included in the cost of local interconnection and unbundled network elements, the FCC requires that the ILEC demonstrate to state

1 regulators that the expense or some defined portion of it could be avoided if local
2 interconnection and network elements were not offered to CLECs.

3 In further defining the "forward-looking economic cost" standard, the FCC
4 clarified the standard by listing factors that "shall *not* be considered in a
5 calculation of the forward-looking economic cost of an element."[32] "Retail costs"
6 are cited in the list, and they are defined as "the costs of marketing, billing,
7 collection, and other costs associated with offering retail telecommunications
8 services to subscribers who are not telecommunications carriers, described in 47
9 C.F.R. § 51.609."[33] Section 51.609(c) refers to expenses that ILECs can avoid
10 when they offer services for resale to requesting carriers -- product management,
11 sales, product advertising, call completion services, customer services; and
12 portions of general support expenses, corporate operations expenses, and
13 uncollectible revenues.

14 Section 51.609(d) allows such costs to be included in the calculation of the
15 forward-looking economic cost of an element "only to the extent that the
16 incumbent LEC proves to the state commission that specific costs in these
17 accounts will be incurred and are not avoidable with respect to services sold at
18 wholesale, or that specific costs in these accounts are not included in retail prices
19 of resold services." Thus, the FCC requires that the forward-looking economic
20 cost of local interconnection and unbundled network elements NOT reflect
21 expenses of product management, sales, product advertising, call completion

[32] 47 C.F.R. § 51.505(d)(emphasis added).
[33] *Id.* at § 51.505(2).

1 services customer services, and a portion of general support expenses, corporate
2 operations expenses, and uncollectible revenues. The FCC does, however, allow
3 such expenses to be reflected in the forward-looking economic costs of local
4 interconnection and unbundled network elements if the ILEC proves to the state
5 commission that some amount of such costs rightly should be included.

6 **Q. DOES QWEST INCLUDE THESE EXPENSES IN THE COSTS THAT IT**
7 **PROPOSES FOR THE LOCAL INTERCONNECTION AND**
8 **UNBUNDLED NETWORK ELEMENTS?**

9 A. Yes. In fact, my review of the Qwest results reported out of the Expense Module
10 clearly shows that it is assigning or allocating a share of virtually every category
11 of expense recorded on its books of account. That is, Qwest's expense
12 assignment/allocation procedures amount essentially to a traditional fully
13 distributed (embedded) approach to the problem of defining incremental costs in
14 this case.

15 **Q. HAS QWEST MADE ANY ATTEMPT TO DEMONSTRATE THAT SUCH**
16 **EXPENSES SHOULD BE INCLUDED IN THE FORWARD-LOOKING**
17 **ECONOMIC COST OF LOCAL INTERCONNECTION AND**
18 **UNBUNDLED NETWORK ELEMENTS?**

19 A. No.

20 **c. Inadequate Productivity Adjustment**

21 **Q. SETTING ASIDE FOR A MOMENT THE INAPPROPRIATE EXPENSE**
22 **FACTORS WE HAVE JUST DISCUSSED, ARE THERE OTHER**

ADJUSTMENTS THAT QWEST HAS NEGLECTED TO MAKE TO ITS EXPENSES?

A. Yes, Qwest has failed to adjust expenses to reflect any cost productivity gains resulting from its recent merger. I believe an adjustment of 6.85 % is appropriate.

Q. PLEASE EXPLAIN THE BASIS FOR YOUR PROPOSED 6.85 % ADJUSTMENT TO THE EXPENSE FACTORS TO RECOGNIZE ADDITIONAL PRODUCTIVITY IMPROVEMENTS FROM THE MERGER.

A. First, I should explain that the results produced by Qwest's run of the Expense Module incorporate a [redacted] expense cost productivity gain annually. In its response to AT&T Data Request No. 3-115, Qwest reveals that the [redacted] productivity gain is based on the so-called "X" factor used by the FCC in its price cap performance reviews. That gain is consistent with the general level of productivity gains throughout the economy stemming, in large part, from routine deployment of current technology. I do not quarrel with Qwest on that adjustment as far as its goes.

In documents that pertain to its merger with USWC, Qwest has indicated that, in addition to advantages expected from both entities' deployment of advanced network and broadband technology, the merger will enable the surviving entity to capitalize on synergies that will enhance its ability to compete effectively at the top tier of the industry.[34] Specifically, Qwest projected operating expense savings

[34] Qwest/USWC Joint Proxy Statement/Prospectus, page I-17.

1 from the merger primarily in three areas: (a) avoided network operating
2 expenses; (b) reduced sales, general and administrative expenses; and (c) reduced
3 information and operating systems expenses.

4 Qwest projected these expense savings to total between $4.3 billion and $4.5
5 billion over the period 2000-2005[35] -- an average annual savings of approximately
6 $730 million due to the merger. In 1999, Qwest operating expenses, exclusive of
7 depreciation, totaled $3.17 billion; USWC operating expenses (depreciation
8 excluded) totaled $7.48 billion.[36] Thus, the average annual merger-related
9 operating expense saving ($730 million) constitute approximately 6.85% of the
10 total $10.65 billion ($7.48 billion plus $3.17 billion) combined annual pre-merger
11 operating expenses.

12 **d. Specific Examples of Improper Allocation and Assignment of**
13 **Expenses**

14 **Q. IN ADDITION TO THE MERGER SAVINGS, ARE THERE OTHER**
15 **PROBLEMS ASSOCIATED WITH QWEST'S EXPENSE ANALYSIS?**

16 A. Yes, Qwest's assignment of product management costs to CLECs is problematic.

17 **Q. WHY ARE QWEST'S EFFORTS TO ASSIGN PRODUCT**
18 **MANAGEMENT COSTS TO LOCAL INTERCONNECTION AND**
19 **UNBUNDLED NETWORK ELEMENTS PROBLEMATIC?**

20 A. They are problematic because these are expenses Qwest incurs to compete; they

[35] *Id.* at page II-16.
[36] Qwest 1999 Annual Report to Shareholders, page 26; USWC 1999 Annual Report to Shareholders, page F-2.

are not expenses related to wholesale service. Part 32 of the FCC's rules (the USOA) defines Product Management expenses as follows:

> 32.6611 Product Management -- This account shall include costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis, and identification and establishment of distribution channels.[37]

Clearly, Product Management expenses are expenses Qwest incurs to compete and market its retail services; they are not related to Qwest's wholesale services.[38] It is manifestly unfair and a barrier to competition to expect CLECs to pay for Qwest's retail marketing and competitive efforts. Therefore, product management expenses should not be components of charges assessed to CLECs for interconnection and unbundled network elements.

ILECs perform competitive analysis relative to products and services that they may provide in competition with CLECs at the retail level, but such analyses do not and, indeed, they should not be conducted by Qwest for products that it makes available to competitors. Furthermore, the CLECs themselves will conduct such research and market analysis from their own perspective on the retail market. In addition to the cost of their own product research and market analysis, the CLECs should not also be burdened with having to pay a share of Qwest's costs of market research and analysis, especially when the results of Qwest's efforts would accrue

[37] 47 C.F.R. § 32.6611.
[38] Costs of regulatory filings are accounted-for in USOA Account No. 6722, External Relations. *See e.g.* 47 C.F.R.§ 32.6722.

1 to the CLECs' detriment.

2 **Q. IN ADDITION TO PRODUCT MANAGEMENT COSTS, ARE THERE**
3 **OTHER EXPENSES THAT QWEST HAS WRONGLY ATTRIBUTED TO**
4 **CLECS?**

5 A. Yes, Qwest's assignment of sales costs are also inappropriate.

6 **Q. WHY DO YOU REJECT QWEST'S EFFORTS TO ASSIGN SALES**
7 **COSTS TO LOCAL INTERCONNECTION AND UNBUNDLED**
8 **NETWORK ELEMENTS?**

9 A. Again, most sales costs are associated with retail sales, not wholesale service.
10 Part 32 of the FCC's rules (the USOA) defines Sales expenses as follows:

11 > 32.6612 Sales -- This account shall include costs incurred in
12 > selling products and services. This includes determination of
13 > individual customers needs, development and presentation of
14 > customer proposals, sales order preparation and handling, and
15 > preparation of sales records.[39]

16 As the USOA description reveals, sales expenses are substantially recurring in
17 nature and applicable to retail services where actual sales activity is routinely
18 conducted by the incumbent. Sales expenses do not relate to local interconnection
19 and unbundled network elements that are provided to CLECs. Therefore, they
20 should not be components of charges assessed to CLECs for interconnection and
21 unbundled network elements.

22 ILECs primarily engage sales activity relative to products and services that they
23 may provide in competition with CLECs at the retail level, generally these

[39] 47 C.F.R. § 32.6612.

activities are not undertaken by Qwest for wholesale products that it makes available to competitors.

In addition to the cost of their own sales efforts, the CLECs should not also be burdened with having to pay a share of Qwest's costs of retail sales, especially when the results of Qwest's retail sales efforts would not benefit CLECs.

Q. OTHER THAN PRODUCT MANAGEMENT EXPENSES AND SALES EXPENSE, ARE THERE OTHER EXPENSES THAT QWEST IMPROPERLY SHIFTS TO CLECS?

A. Yes, there are more. I also reject Qwest's assignment of certain network operations costs to CLECs.

Q. WHY DO YOU REJECT QWEST'S ASSIGNMENT OF CERTAIN NETWORK OPERATIONS COSTS TO LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. Network administration, for example, does not require Qwest to monitor CLEC dedicated interconnection trunks, and CLECs should not be paying for such monitoring. Part 32 of the FCC's rules (the USOA) defines Network Operations expenses, Account No. 6530, as summarizing the contents of Accounts 6531 through 6535. In this case, Qwest's Network Operations expense factor includes costs associated only with Accounts 6532, 6534 and 6535.[40] The USOA defines charges to Accounts 6632, 6634 and 6635 as follows:

[40] Thus, Qwest properly does not appear to be attempting to assign power expenses (6531) or testing expenses (6533) in the cost factors which it applies to investments associated with interconnection and unbundled network elements in this case.

> 32.6532 Network Administration Expense -- This account shall include costs incurred in network administration. This includes such activities as controlling traffic flow, administering traffic measuring and monitoring devices, assigning equipment and load balancing, collecting and summarizing traffic data, administering trunking, and assigning interoffice facilities and circuit layout work.[41]

> 32.6634 Plant Operations Administration Expense -- This account shall include costs incurred in the general administration of plant operations. This includes supervising plant operations; planning, coordinating and monitoring plant operations and performing staff work such as developing methods and procedures, preparing and conducting training (except on-the-job training) and coordinating safety programs.[42]

> 32.6635 Engineering Expense -- This account shall include costs incurred in the general engineering of the telecommunications plant which are not chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.[43]

As the USOA description shows for Account No. 6532, the costs charged to that account relate principally to network traffic administration -- functions that pertain only to traffic-sensitive components of the network. Local interconnection and unbundled network elements typically are not traffic-sensitive for the most part and, therefore, they do not cause a need for, nor do they benefit from traffic administration activity. Accordingly, charges for local interconnection and unbundled network elements should not be designed to recover costs that include charges to Account No. 6532.

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[41] 47 C.F.R. § 32.6532; Qwest appears to have adjusted the factor related to Account No. 6532 to remove the costs associated with non-recurring functions.
[42] 47 C.F.R. § 32.6634.
[43] 47 C.F.R. § 32.6635.

1 Charges to Account No. 6534 should not be included in the expense factors that
2 pertain to local interconnection and unbundled network elements because the cost
3 of the plant administration activities that are charged to that account do not
4 benefit local interconnection and unbundled network elements. Furthermore, the
5 CLECs themselves must conduct such activities with respect to their own
6 operations and the costs of those CLEC activities must be recovered in the prices
7 that CLECs charge at retail for the services they provide in competition with
8 Qwest. If the price that Qwest charges to CLECs for network elements includes
9 Qwest's plant administrative expenses, then the CLECs' costs for local
10 interconnection and unbundled network elements will unfairly reflect a double
11 helping of plant administration costs. Accordingly, the expense factors that are
12 used to determine costs of local interconnection and unbundled network elements
13 must not reflect plant administration costs from USOA Account No. 6534.

14 Costs charged to Account No. 6635, Engineering Expense, involve general
15 network planning and studies related to general network planning. Typically, the
16 costs charged to this account pertain to studies of a specific engineering problem,
17 such as locating a wire center. In general, such activities involve facilities on the
18 public switched network and not facilities such as unbundled network elements.
19 Where engineering studies are undertaken with respect to local interconnection
20 and unbundled network elements provided to CLECs, Qwest proposes to charge
21 the CLEC directly for the cost to conduct such studies. Accordingly, the expense
22 factors that are used to determine costs of local interconnection and unbundled

network elements must not reflect engineering expenses from USOA Account No. 6535.

Q. ARE THERE OTHER EXPENSES THAT HAVE BEEN INCORRECTLY ATTRIBUTED TO CLECS?

A. Yes; in addition to what we have discussed, Qwest should not assign the cost of uncollectibles to CLECs.

Q. WHY DO YOU REJECT QWEST'S ASSIGNMENT OF THE COST OF UNCOLLECTIBLE REVENUES TO LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. According to Qwest's Expense Module run, carrier access uncollectible revenue represent about [redacted] of total directly assigned and directly attributable expenses. The apparent basis of Qwest's claim to charge local interconnection and unbundled network elements with the costs of uncollectible revenue is that some interstate and intrastate carrier access revenues are "uncollectible," and therefore it is reasonable to expect that revenue from local interconnection and unbundled network elements will likewise be "uncollectible." While I would agree that some amount of uncollectible revenue may result from Qwest's interaction with local exchange competitors, I do not agree that all local carriers should insure Qwest against those lost revenues. To the extent that Qwest experiences failure to collect revenue to which it is entitled from CLECs, it must take the matter up with the offending CLECs and execute the appropriate remedies related to those carriers. Qwest must not be allowed to increase the cost

to compete for good corporate CLEC citizens to insulate it against those who fail to pay.

Q. ARE THERE YET OTHER EXPENSES THAT SHOULD NOT BE ASSIGNED TO CLECS?

A. Yes; the final three I'd like to discuss are planning expenses; research and development expenses; and general administration expenses.

Q. WHY DO YOU REJECT THE ASSIGNMENT OF PLANNING EXPENSES TO LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. Primarily because planning expense is incurred for retail, not wholesale, services. Part 32 of the FCC's rules (the USOA) defines Planning Expenses as follows:

> 32.6712 Planning -- This account shall include costs incurred in developing and evaluating long-term courses of action for the future operations of the company. This includes performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis.[44]

Again, planning expenses pertain to retail services provided over the public switched network and not to interconnection and unbundled network elements. Therefore, planning expenses should not be components of charges assessed to CLECs for interconnection and unbundled network elements.

ILECs engage in planning activity relative to products and services that they do provide in competition with CLECs at the retail level, but such analyses are not

[44] 47 C.F.R. § 32.6712.

and, indeed, should not be conducted by the Company for products that it makes available to competitors. The CLECs themselves will develop their own network plans from their own perspective on the retail market. In addition to the costs of their own network planning, the CLECs should not also be burdened with having to pay a share of the costs of the Qwest's planning activities, especially when the results of the Company's efforts would accrue to the CLECs' detriment.

Q. WHY DO YOU REJECT QWEST'S EFFORTS TO ASSIGN RESEARCH AND DEVELOPMENT EXPENSES?

A. On need look no further that the USOA definition of Research and Development expenses to see that they pertain only to the development of new or improved knowledge, products, or processes. In no case do the charges at issue in this case pertain to any item of equipment, configuration of equipment, operation system or administration system that involves research and development of the kind described in the USOA for Account No. 6727. Part 32 of the FCC's rules (the USOA) defines research and development expenses as follows:

> 32.6727 Research and Development -- (a) This account shall include costs incurred in making planned search or critical investigation aimed at discovery of new knowledge. It also includes translating research findings into a plan or design for a new product or process or for a significant improvement in an existing product or process, whether intended for sale or use. (b) This excludes making routine alterations to existing products, processes, and other ongoing operations even though those alterations may represent improvements.[45]

[45] 47 C.F.R. § 32.6727.

All charges at issue in this case stem from the deployment of existing equipment, existing network configurations, and existing operation and administration systems that represent proven technology that is currently in place and functioning in the Company's existing network. Accordingly, there is no reason to burden local interconnection and unbundled network elements with any amount of responsibility for research and development costs.

Q. FINALLY, WHY DO YOU REJECT QWEST'S ASSIGNMENT OF OTHER GENERAL AND ADMINISTRATIVE EXPENSES TO LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. These are strictly expenses that Qwest incurs for its own benefit. Part 32 of the FCC's rules (the USOA) defines Other General and Administrative Expenses as follows:

> 32.6728 Other General and Administrative -- This account shall include costs incurred in performing general administrative activities not directly charged to the user, and not provided for in other accounts. This includes provisional general reference libraries, food services (e.g., cafeterias, lunch rooms and vending facilities), archives, general security investigative services, operating official private branch exchanges in the conduct of the business, and telecommunications and mail services. Also included are payments in settlement of accident and damage claims, insurance premiums for protection against loss and damages, direct benefits payments to or on behalf of retired and separated employees, accident and sickness disability payments, supplemental payments to employees while in government service, death payments, and other miscellaneous costs of a corporate nature. This account excludes the cost of office services, which are to be included in the accounts appropriate for the activities supported.[46]

[46] 47 C.F.R. § 32.6728.

1 Other General and Administrative expenses are a classic example of the expenses
2 to which the FCC refers at §§ 51.505 and 51.609 of its rules. These are expenses
3 that would not change whether or not Qwest offered CLECs access to local
4 interconnection or unbundled network elements. Accordingly, no amount of
5 Other General and Administrative expenses should be assigned/allocated to the
6 cost of local interconnection and unbundled network elements.

7 **3. Investment Issues**

8 **a. General**

9 **Q. WE HAVE JUST DISCUSSED THE FLAWS IN QWEST'S ANALYSIS**
10 **ASSOCIATED WITH COST AND EXPENSE FACTORS. YOU**
11 **MENTIONED THAT YOU ALSO HAVE CONCERNS ABOUT QWEST'S**
12 **INVESTMENT ANALYSIS. PLEASE DESCRIBE WHAT THOSE**
13 **CONCERNS ARE.**

14 A. I am concerned that Qwest's proprietary computer models do not allow the
15 Commission or anyone else to truly examine the validity of the incremental
16 investment costs they generate. That is a fundamental problem that impacts all
17 the incremental investment costs, and I will describe that by way of example
18 using the material investment costs.

19 **Q. PLEASE EXPLAIN YOUR UNDERSTANDING OF HOW QWEST**
20 **DEVELOPS ITS PROPOSED INCREMENTAL INVESTMENT COSTS.**

21 A. Mathematically, Qwest multiplies the cost factors by the incremental investment
22 costs to determine its interconnection and UNE costs. To determine the

1 incremental costs Qwest uses a series of proprietary computer models to develop
2 its proposals for incremental investment costs. Each model is designed to reflect
3 the characteristic of the various elements for which investment costs are to be
4 computed. For example, the Qwest model for DS1 capable loops considers six
5 different DS1 loop architectures (i.e., circuit designs) and it reflects the cost of
6 material, labor and other resources that Qwest believes are necessary to make
7 DS1 capable loops available to CLECs; a completely different model, based on a
8 single DS3 loop architecture, is used to develop Qwest's version of the cost to
9 make DS3 capable loops available to CLECs; and so on.

10 While each model is quite different from the others in terms of their individual
11 constructions, all models are common in that they assume incremental material
12 costs and "Fill Factors" and then apply "Total Investment Factors" to the
13 "grossed-up"[47] investment costs to compute the amount of investment to which
14 the cost factors are applied to compute monthly costs. Thus, the key elements in
15 the process of defining incremental investment costs are: (1) determine
16 equipment material costs: (2) apply fill factors; and (3) apply loadings. The
17 process of computing the monthly costs of interconnection and unbundled
18 network elements is carried out in the Qwest proprietary software program known
19 as the Wholesale Cost Model (formerly known as WINPC3).

[47] The phrase "grossed-up" is meant to describe the investment model process, discussed later, that loads material investment costs for spare and otherwise unused capacity.

1 **Q. WITH THAT UNDERSTANDING, PLEASE DESCRIBE YOUR**
2 **CONCERNS USING THE MATERIAL INVESTMENT EXAMPLE YOU**
3 **MENTIONED EARLIER.**
4 A. According to Ms. Million, Qwest used "current market prices to determine the
5 costs of equipment and materials" used in its cost studies.[48] Without more, Qwest
6 expects the Commission and everyone else to take it on faith that incremental
7 material price estimates are actual and appropriate current market prices.
8 **Q. WERE YOU ABLE TO VERIFY THE ACCURACY OF QWEST'S**
9 **MATERIAL PRICE ESTIMATES?**
10 A. No. Through AT&T, I requested copies of the source documents behind the
11 material price estimates used by Qwest. In response to all AT&T requests for
12 copies of the vendor material price information, Qwest simply stated that it would
13 investigate whether the requested documents would be released by the respective
14 vendors. As this written testimony is being prepared, Qwest has not responded to
15 AT&T's requests by providing actual copies of the vendor material price
16 documents that Qwest claims to be the source of the material prices used in its
17 cost studies.
18 **Q. DID YOU ATTEMPT TO VERIFY QWEST'S MATERIAL PRICE**
19 **ESTIMATES BY ANY OTHER MEANS?**
20 A. Yes. I did attempt to secure other information from Qwest that could have been
21 used to verify the Company's figures. Specifically, through AT&T, I requested

[48] Direct Testimony of Teresa K. Million, page 7, lines 1, 2.

copies of any equipment price documents used internally by Qwest to develop service prices and/or planning studies. Also through AT&T, I requested copies of pages from Qwest's Arizona Continuing Property Records ("CPR") that would have reported material prices as they were actually charged to Qwest's Arizona books of account; those same records would also have aided in testing the accuracy of Qwest's material loadings. In response to both types of requests, however, Qwest refused to provide the documents sought by AT&T, claiming that they were not used in the development of the cost studies that it presented in the instant case.

Q. DOES THE LACK OF SUPPORTING INFORMATION SUCH AS YOU HAVE REQUESTED FROM QWEST CALL INTO QUESTION THE VERACITY OF THE MATERIAL COST ESTIMATES USED BY QWEST?

A. Yes, although I would prefer to render an opinion based upon examining the requested material which should provide ample evidence of whether Qwest's estimates are appropriate. In the event that Qwest does provide the information that I need, I would ask the Commission to allow me to file supplemental direct testimony that presents the results of my review and analysis of the information. In the meantime, my preliminary findings as to the incremental costs of specific interconnection and unbundled network elements are based upon Qwest's unverifiable material costs. I have made no adjustment to Qwest's alleged equipment and material prices.

1 **b. Fill Factors**

2 **Q. MR. WEISS, EARLIER YOU USED THE TERM "FILL FACTOR;" I'VE**
3 **ALSO HEARD THAT EXPRESSED AS "UTILIZATION FACTOR."**
4 **WHAT DOES "UTILIZATION (OR FILL) FACTOR" MEAN?**

5 A. "Utilization" or "Fill" is the term used in the telecommunications industry to
6 convey the degree to which the capacity of installed plant is actually used in
7 providing service.

8 **Q. WOULD YOU PROVIDE AN EXAMPLE OF TELEPHONE PLANT**
9 **UTILIZATION OR "FILL FACTOR"?**

10 A. Yes. Consider an optical carrier system with a digital bandwidth of 155 Mbps
11 (megabits per second), a/k/a OC3 multiplexing. The maximum total capacity of
12 the OC3 multiplex scheme is 2,016 voice grade equivalent circuits channels. If
13 1,700 voice grade channels of the maximum channels are assigned and carrying
14 traffic, the system is said to be operating at 84.33% of full capacity (1,700 divided
15 by 2,016) -- a utilization or fill factor of 0.8344.

16 **Q. HOW ARE FILL FACTORS USED IN COST STUDIES?**

17 A. Fill factors are used to "gross-up" plant costs by spreading the cost of unused
18 capacity in a system over the used capacity. For example, if a complete OC3
19 system, with the capacity to handle 2,016 voice grade equivalent circuits, is found
20 to cost, say, $40,000, the cost per unit of available capacity is said to be $20.00
21 per unit at 100% fill ($40,000 divided by 2,016). If the system actually serves
22 only 1,700 voice grade equivalent circuits, then the unit cost of the system is

1 $24.00 at 84.33% fill ($20.00 divided by 0.8433). The $24.00 cost per unit is said
2 to be "grossed-up" to recognize fill.

3 **Q. WHY WOULDN'T TELECOMMUNICATIONS PLANT BE USED TO**
4 **FULL CAPACITY?**

5 A. Generally, the capacity of the telephone network is provided to a level that
6 recognizes three principal elements: (1) projected demand for circuits to actually
7 carry intelligence, (2) allowance for uncertainty in demand forecasts, and (3) full
8 plant capacity is not always available due to equipment failures or network
9 problems. The capacity of the network is designed to recognize these elements;
10 thus, the network always contains some amount of spare capacity. The cost of
11 that spare capacity is loaded into the incremental costs of the products and
12 services offered by the network through application of the fill factor as I described
13 its use earlier.

14 **Q. DO QWEST'S COST STUDIES INCORPORATE FILL FACTORS AND**
15 **THEREBY RECOGNIZE THAT THE NETWORK MUST BE EQUIPPED**
16 **WITH CAPACITY IN EXCESS OF DEMAND?**

17 A. Yes. However, my review of Qwest's proposed utilization (fill) factors shows
18 them to be very greatly understated. For example, Qwest's cost studies for DS1
19 capable loops reflect fill factors on the order of [redacted] for DS1 circuits derived from
20 OC3 multiplexing.[49] That is, Qwest's cost analysis for a DS1 capable loop
21 assumes that only [redacted] DS1s out of a total capacity of 84 DS1s can be utilized from

[49] OC3 has the capacity to offer bandwidth equivalent to 84 DS1s (each DS1 has the bandwidth equivalent to 24 voice-grade equivalent circuits).

1 the full bandwidth of an OC3 system. Similar fill factors apply throughout
2 Qwest's cost analyses. And as my example demonstrated, assuming lower
3 utilization gives rise to higher costs per unit.

4 **Q. WHAT IS YOUR UNDERSTANDING OF QWEST'S REASONING IN**
5 **BASING ITS INCREMENTAL COSTS ON SUCH LOW FILL FACTORS?**

6 A. Judging from the Company's workpapers, it appears that Qwest's analysts assume
7 that costs are to be developed on the basis of their internal estimates of fill levels
8 as they exist today with respect to individual serving locations. In this regard,
9 Qwest cost analyses are definitely at odds with the FCC rules.

10 **Q. SPECIFICALLY, TO WHICH FCC RULE DO YOU REFER?**

11 A. 47 C.F.R. § 51.505(b) requires that forward-looking costs per unit of an element
12 equals the forward-looking economic cost of the element divided by a reasonable
13 projection of the sum of the total number of units of the element that the ILEC is
14 likely to provide to requesting carriers <u>and</u> the number of units of the element that
15 the ILEC is likely to use in offering its own services. The key concept here is that
16 the costs of interconnection and UNEs must be determined using a reasonable
17 projection of the total number of units of an element that the ILEC produces,
18 including the units that the ILEC uses for its own purposes.

19 **Q. EMPLOYING A "REASONABLE PROJECTION," WHAT FILL FACTOR**
20 **SHOULD APPLY?**

21 A. I recommend that, in most cases, a forward-looking fill factor of 0.85 should
22 apply to the plant used to produce interconnection and UNEs in this case. In my

1 separate direct testimony addressing the Qwest Loop Mod 2 Model, I discuss
2 situations in which a lower fill factor should apply.

3 **Q. PLEASE EXPLAIN WHY YOU BELIEVE AN 85 % UTILIZATION**
4 **(FILL) FACTOR IS APPROPRIATE.**

5 A. My recommendation of 85% utilization (fill) reflects several factors. First, aside
6 from consideration of the future market, today's market for telecommunications
7 service demands deployment of optical/digital facilities. Thus, even those
8 services that are currently provided over metallic plant are migrating toward
9 optical digital technology. For example, the demand for Asymmetric Digital
10 Subscriber Line ("ADSL") service in the residential market is growing strongly
11 and pressure is building in that same market for deployment of high-bit-rate
12 Digital Subscriber Line ("HDSL") service. This same residential market
13 phenomenon is reflected in the business market but in the business market, the
14 phenomenon is more pronounced. In short, demand for digital service at the most
15 fundamental levels of the network is fueling demand for digital service at ever
16 higher levels in the digital hierarchy.

17 Second, one need look no further than Qwest's own cost studies in this case to see
18 that optical digital technology exhibits impressive economies of scale. Given this
19 fact, it is economically rational for the service providers (both Qwest and the
20 CLECs) to deploy lower cost current optical/digital technology. In fact, some
21 ILECs have made the conscious decision to deploy digital systems exclusively
22 throughout their networks, including that portion of the network known as the
23 loop or network access line. These ILECs even have specific objectives to

1 migrate existing metallic facilities to digital. In short, because of end-user
2 demand for and economies of scale exhibited by optical/digital technology, the
3 industry is moving rapidly and with conviction to optical/digital technology.

4 Coupled with this demand phenomenon and, in large part, because of it,
5 manufacturers of optical/digital equipment have designed their systems in a
6 modular fashion. They have also developed highly efficient means of shortening
7 the time interval between the event of a customer's order and delivery of the
8 ordered equipment. This means that ILEC and CLEC consumers of this
9 optical/digital technology have greater flexibility in their plant provisioning
10 processes. Qwest's own cost analyses reflect its decisions to move more
11 aggressively toward optical/digital technology.

12 In short, the time interval between when the need for new equipment is first
13 observed and the time when that plant is available for service is greatly shorter
14 than it has been in the past. As a result, both ILEC and CLEC consumers of this
15 modern equipment can engage in "Just-In-Time" ("JIT") plant provisioning
16 practices.[50] JIT practices enable ILEC and CLEC consumers to delay bringing
17 new optical/digital plant capacity on line until existing capacity is nearly 100
18 percent exhausted -- that is, until the fill factor on existing plant approaches 100
19 percent. So as to give Qwest the maximum benefit of any doubt with regard to its
20 own plant provisioning practices and their effect on fill factor, I do not propose
21 that a purely JIT-based objective fill factor be used to determine the incremental

[50] JIT provisioning minimizes capital carrying costs, transportation costs and equipment storage costs.

cost of optical/digital facilities in this case. Instead, I recommend use of the 85 percent reasonably achievable factor described earlier.

Q. WHY IS A PLANT UTILIZATION FACTOR OF 0.85 APPROPRIATE FOR USE IN FORWARD-LOOKING COST STUDIES THAT REFLECT THE DEPLOYMENT OF OPTICAL/DIGITAL TECHNOLOGY.

A. My recommendation of 0.85 reflects the average utilization of optical/digital plant based on: (1) the demand for optical/digital circuits; (2) plant capacity reinforcement trigger levels; and (3) manufacturers' ordering, delivery and installation intervals. In any individual case of optical/digital plant deployments, depending on that portion of the demand curve at which utilization is reviewed, one may observe lower utilization ratios and in other individual cases, higher utilization rates. On average, however, a utilization rate of 0.85 will apply to optical/digital plant deployments generally. I have prepared **Exhibit THW-4** to help explain why a utilization factor of 0.85 should apply to optical/digital plant.

Q. PLEASE EXPLAIN WHAT EXHIBIT THW-4 SHOWS.

A. Exhibit THW-4 is in three parts. At the top of the exhibit is a graph that depicts normal growth in demand for DS1 circuits plotted along with the OC3 capacity additions (i.e., groups of 84 DS1 units) that would be necessary to accommodate the demand growth. In the center of the exhibit, a table summarizes three items from the graph; they are: (1) the capacity and demand on the system at the beginning and end of each of the six periods; (2) the system utilization rates at the beginning and end of each period; and (3) the average utilization rates for each

period. A graph at the bottom one-third of the page shows the changes in utilization factors for the whole system over time.

The broad solid line on the graph at the top of Exhibit THW-4 shows the progression of demand for DS1 circuits on an OC3 based multiplex system. The graph shows DS1 circuit demand growing from a level of zero circuits to 559 circuits over time. The narrower line on that same graph shows the progression of capacity additions that are designed to meet the demand growth, given that capacity is planned and added to the system in sufficient time for the additions to be in service when demand reaches 95 % of existing capacity.

The graph shows that demand equals zero DS1 circuits at the origin when the capacity of the system equals 168 DS1 circuits (2 ea. OC3s); at this initial point, the system utilization factor is zero (table, row 4, column (B)). As the demand approaches 95% of the initial existing capacity of 168 DS1 circuits (table, row 5, column (B)), a new addition of 84 DS1 circuits is placed in service so as to bring the total available amount of DS1 capacity to 252 circuits; at that point, the utilization factor for the system drops from 95.24 percent (table, row 5, column (B)) to 63.49 % (table, row 4, column (C)). Demand growth continues until demand reaches 94.84 % of existing capacity (table, row 5, column (C)), when the addition of 84 more DS1 units causes system utilization to drop to 71.13% (table, row 4, column (D)). As demand growth continues and as capacity is added, the system utilization factor changes as shown at rows 4 and 5 of the table under columns (D) through (G).

1 **Q. WHAT DOES LINE 6 ON THE TABLE IN EXHIBIT THW-4 SHOW?**

2 A. Line 6 in the table on Exhibit THW-4 shows the average system utilization rate
3 for each period depicted in the example. The average utilization rate obviously
4 changes with time but it is always increasing and it approaches 85 percent within
5 two capacity addition cycles. Average utilization actually exceeds 85 percent
6 during the period in which the third capacity addition is consumed by increasing
7 demand (table, row 6, column (E)).

8 The graph at the bottom of Exhibit THW-4 depicts the instantaneous utilization
9 rates for the system as demand grows. Note from this graph that the utilization
10 rates drop significantly when new capacity is added but that each drop in
11 instantaneous utilization rate is smaller than the last one, with instantaneous
12 utilization tending to settle within a range of from 0.80 to 0.95 and at an average
13 somewhat above 0.88 (table, row 6, column (G)). My use of the 0.85 percent
14 average utilization rate for optical/digital systems is based upon this example
15 shown at Exhibit THW-4.

16 **Q. MR. WEISS, THE ANALYSIS YOU PRESENT IN EXHIBIT THW-4**
17 **SEEMS TO INDICATE THAT UTILIZATION RATES RUN AS LOW AS**
18 **47 % IN THE EARLY GROWTH PERIODS. DOESN'T THAT SUPPORT**
19 **LOWER AVERAGE UTILIZATION RATES THAN THE 85 % THAT**
20 **YOU HAVE PROPOSED?**

21 A. No. First, the analysis depicted at Exhibit THW-4 begins with the assumption
22 that two OC3s (168 DS1s) are installed initially on the system when the demand

for DS1s is zero. In fact, only one OC3 (84 DS1s) could have been installed to meet the initial demand. That would have resulted in a higher utilization factor in the initial period and, thereby, increase the overall average utilization. It also would have shortened the period between the initial installation and the time when the overall utilization factor tends to stabilize in the 80 to 95% range. In short, the assumption that two OC3s are installed initially biases the analysis toward lower, not higher, overall average utilization rates. Given the rate of initial demand growth depicted on Exhibit THW-4, it would be prudent to install the capacity of two OC3s as opposed to only one, and that prudent action is reflected in the capacity growth figures used in the exhibit.

More important, however, is the fact that the analysis shown at Exhibit THW-4 is for only one system of many such systems that exist in an ILEC's network where optical/digital elements are used to meet the combined demands generated from both CLECs' and Qwest's own retail market.[51] Some of the systems are in the early stages of their development, exhibiting relatively low utilization rates, while others are well into maturity exhibiting utilization rates at or near 95%. As the graph at the bottom of Exhibit THW-4 shows, even a system in early stages of development approaches the 80-90% utilization range in short order. Thus, most optical/digital systems on an ILEC's network would exhibit utilization ratios in the 80-95% range and not the lower utilization rates that characterize totally new installations.

[51] As required by 47 C.F.R. § 51.505(b).

1 **c. Material Cost Loadings**

2 **Q. MR. WEISS, WHAT ARE MATERIAL COST LOADINGS?**

3 A. Material cost loadings are the means by which the analyst recognizes in the costs
4 of products and services certain non-material costs that are necessary to convert
5 material (equipment) items into products and services. Examples of material
6 loadings include installation labor and sales taxes

7 **Q. DO QWEST'S COST ESTIMATES INCLUDE LOADINGS?**

8 A. Yes, they do. Qwest's cost analyses reflect material loadings for a wide range of
9 non-material costs such as vendor labor, telephone company labor, testing, sales
10 taxes, power equipment, warehousing, transportation, and interest during
11 construction.

12 **Q. HOW ARE THESE MATERIAL LOADINGS REFLECTED IN QWEST'S**
13 **COST ANALYSES?**

14 A. Qwest has developed a basic mathematical expression that combines the material
15 loading elements described above into a set of "Total Investment Factors" or
16 "TIFs," which apply to material costs for hardwired central office equipment and
17 for plug-in equipment. Additionally, Qwest's TIF factors are differentiated
18 between equipment that requires warehousing before installation and equipment
19 that does not require warehousing and, within each of those categories, equipment
20 that requires central office power and that which does not. The principal
21 optical/digital TIF factors employed by Qwest are shown in the following table:

Table No. 2
Qwest Proposed Arizona TIF Factors[52]
Optical/Digital Equipment
[PROPRIETARY]

Ln. No.	Location (a)	Architecture (b)	Equipment (c)	[redacted]
1	Central Office	SONET	Hardwire	
2			Plug-in	
3		Digital CCT	Hardwire	
4			Plug-in	
5	Premises	SONET	Hardwire	
6			Plug-in	
7		Digital CCT	Hardwire	
8			Plug-in	

Q. HOW ARE THESE TIF FACTORS USED IN QWEST'S COST ANALYSES?

A. Qwest multiplies these factors by the investment cost in material to express incremental material investment costs allegedly as though they would appear in the plant asset accounts for Qwest's Arizona operations. For example, if the material cost of hardwire digital circuit equipment located on the customer's premises was, say, $1,000.00 per unit, then, according to Qwest, that unit would be shown in the Company's Arizona plant asset accounts at the installed cost of [redacted] from Column (d), line 7 in Table No. 2), an amount which includes approximately $128.90 (i.e., $1,000.00 times the difference between [redacted] shown at Column (e), line 7 on Table No. 2) to account for an allocation of warehouse space investment to the material cost of the equipment unit. From this description of the Qwest's TIFs, it

[52] Qwest CD provided with the Direct Testimony of Teresa K. Million, Directory designated "Phase II Models\ NAC models," file designated "DS1V0101ZONES CapFeederLoop.xls," worksheet designated "SONET FIBER MUX," columns M and N.

can be seen that Qwest's TIF factors can operate to increase substantially the incremental material investment in plant -- by over 100 percent in some cases.

Q. HAVE YOU BEEN ABLE TO ESTIMATE THE MAGNITUDE OF THE VARIOUS ELEMENTS OF THE TIF FACTOR?

A. Yes. The method used by Qwest to develop its TIF factors is very complex, embodying a lengthy mathematical expression and a series of calculations from which embedded cost information is extracted from the Qwest's system-wide and Arizona-specific books of accounts. However, in Table No. 3, which follows below, I show the general magnitude of each TIF component's contribution to Qwest's TIF for hardwired and plug-in digital circuit equipment.

Table No. 3
Selected Qwest Total Investment Factors (TIFs),
Digital Circuit Equipment, by Component[53]
[PROPRIETARY]

TIF Component	[redacted]
Material	
Vendor Labor	
Telephone Co. Labor	
Testing	
Sales Tax	
Power	
Warehousing	
Transportation	
IDC	
TOTALS	

Q. WHAT DOES THE INFORMATION IN TABLE NO. 3 DEMONSTRATE?

A. After having broken Qwest's TIF factors into their component parts, it becomes clear that certain components are improperly applied by Qwest or, if they are

[53] Qwest **PROPRIETARY** Response to AT&T 1-15.

1 properly reflected in the factor, they are severely overstated relative to my own
2 personal experience in the industry.

3 Qwest's TIF factors erroneously include an element that assigns an allowance for
4 funds used during construction, AFUDC, to each and every unit of material
5 investment involved in Qwest's cost studies. The FCC's USOA does not require
6 accrual of AFUDC on every investment involved in construction projects.
7 Specifically 47 C.F.R. § 32.2003, which defines total plant under construction
8 ("TPUC"), allows carriers an option in accounting for plant construction projects.
9 If a construction project is estimated to involve $100,000 or less in total
10 construction expenditures <u>or</u> if the project is estimated to be complete within two
11 months after construction commences, then charges may be made directly to the
12 Telephone Plant In Service ("TPIS") accounts and, thereby avoid the accrual of
13 AFUDC. In my experience, few, if any, projects of the type that would involve
14 the plant elements at issue in this case would require that charges be made to
15 TPUC prior to transfer to TPIS. Accordingly, Qwest's TIF factors should be
16 adjusted to remove the AFUDC component.

17 The "Warehouse" component of Qwest's TIF factors is also unnecessary given
18 the FCC's requirement that costs of interconnection and unbundled network
19 elements be based on a forward-looking approach. As I noted earlier in
20 connection with my discussion of fill factors, modern markets require that
21 unnecessary costs be avoided by both ILECs and CLECs and that avoidance
22 includes unnecessary activity in the construction process. In light of the modern,
23 forward-looking JIT means of equipment ordering and delivery, it is not necessary

for Qwest to "warehouse" much of the equipment that it uses to deliver local interconnection and unbundled network elements to CLECs or to itself. Accordingly, no warehousing component should be reflected in Qwest's TIF factors.

At about [redacted] of equipment material costs, the "Transportation" component[54] of Qwest's TIF factors is certainly high. The only support provided by Qwest for the transportation component of its TIFs is the Company's Annual Cost Factor Book,[55] a document which was provided by Qwest to AT&T only in response to an AT&T data request. In any event, under the forward-looking JIT means of equipment ordering and delivery, a transportation component, as Qwest defines it, is not necessary and should be eliminated from the TIF factors.

By far the most surprising elements of TIF are the vendor and telco labor components. At [redacted] of material cost, this component of TIF is way out of line with my direct experience with installation labor for equipment used to provide local interconnection and unbundled network elements. For such equipment, from telephone company CPR records I have directly observed, current ratios of installation labor costs to direct material costs range from a low of 0.10 to a high of 0.25. Thus, it is very difficult for me to understand how Qwest can consume installation labor at the rate of [redacted] of its direct material costs. I strongly

[54] The transportation component of the TIF covers the costs of handling, storing and transporting capital equipment within the Qwest system.
[55] A PROPRIETARY copy of Qwest's "Annual Cost Factor Book" was provided by Qwest in response to ATT 2-57. Tab No. 6 states the "Provisioning Factor" (which includes the transportation function) but does not explain or show its development.

recommend that the Commission limit the installation labor component of Qwest's TIF factors with respect to the products at issue in this case to no more than 20% of direct material costs.

Finally, to the best of my knowledge, Arizona does NOT assess sales taxes. Accordingly, the Total Investment factors used by Qwest in its Arizona cost studies should not include a sales tax component.

Q. IF QWEST'S TIF FACTORS ARE ADJUSTED AS YOU RECOMMEND, THEN WHAT RANGE OF TIF FACTORS SHOULD APPLY IN THIS CASE?

A. The range of TIF factors that result from my recommendations is from 1.14 to 1.34 for plug-in and hardwired equipment, respectively. To simplify the cost study process, and to give Qwest the benefit of any doubt, I recommend that TIFs of 1.34 and 1.14 be used for hardwire and plug-in plant, respectively, in the cost studies applicable to all local interconnection and unbundled network elements in this case.

VI. SPECIFIC RECURRING COST ANALYSES

Q. HAVING DISCUSSED THE QWEST COST ANALYSIS GENERALLY, WHICH QWEST'S RECURRING COST ANALYSES DID YOU EVALUATE?

A. As noted earlier, I conducted a detailed review of Qwest's studies for the following local interconnection and unbundled network element proposals:

- DS1 Capable Loops;
- DS3 Capable Loops;

- Unbundled Dedicated Interoffice Transport; and
- Shared Transport.

Q. BEFORE WE DISCUSS THE SPECIFIC ELEMENTS, DO YOU HAVE ANY GENERAL OBSERVATIONS WITH RESPECT TO THE QWEST RECURRING COST ANALYSES?

A. Yes. Part of my work in fully evaluating these studies necessarily involves a review of Qwest's claimed cost of material used to provide the individual elements. To that end, through the discovery process, I sought information from Qwest that would have enabled me to determine whether its claimed material costs reflect the actual cost that it has paid most recently for its material. For example, I requested that Qwest provide copies of recent Continuing Property Record ("CPR") entries related to very specific plant elements for which costs are claimed in the Company's studies.[56] In every case, along with other rote legal objections, Qwest refused to provide the requested information on grounds that the requested information is not relevant since the requested documentation was not used in its own cost studies. The information sought is critical to examining the veracity of Qwest's alleged material costs regardless of whether Qwest employed that information in its own cost studies. Without this information the Commission cannot verify that Qwest's material costs are just and reasonable.

Q. IN LIGHT OF THE FACT THAT QWEST HAS FAILED TO PRODUCE RELEVANT INFORMATION, HAVE YOU ADJUSTED COSTS IN

[56] *See e.g.,* AT&T's Data Request No. 3-118 to Qwest addressing several specific items of plant for which CPR information is sought.

RELATION TO YOUR RECOMMENDATION FOR THE RECURRING COSTS OF THE SPECIFIC ELEMENTS YOU ANALYZED?

A. As discussed above, throughout its cost studies, Qwest has used overstated cost factors. In preparing my recommendations with respect to the costs of the specific elements here, I have used the revised cost factors that appear in my Exhibits THW-2 (capital cost factors) and Exhibit THW-3 (overall cost factors).

As I reviewed Qwest's studies, it became apparent that Qwest was basing its cost findings on improper assumptions. I will discuss each of these instances as I address the specific studies to which they apply.

1. DS1 Capable Loops

Q. PLEASE DESCRIBE YOUR UNDERSTANDING OF THE APPROACH THAT QWEST HAS TAKEN TO THE DEVELOPMENT OF ITS CLAIMED INVESTMENT COSTS FOR DS1-CAPABLE LOOPS.

A. Qwest has predicated its investment cost analysis on a weighted composite cost of eight different loop architectures, two of which reflect access as being provided exclusively over metallic cable (i.e., metallic cable from the main distributing frame in the central office to the point of entry at end-user's premises). The investment costs of the remaining six loop architectures are based on the more current Fiber In The Loop ("FITL") architecture that incorporates optical/digital multiplexing in the feeder portion of the loop and unshielded twisted metallic cable pairs (UTP) for distribution. Qwest claims that its total weighted investment cost per DS1-capable loops, including both the outside plant and the

central office and customer premises circuit equipment, is $[redacted] with the costs and weights of the various architectures as shown in the following table:

Table No. 4
Qwest-claimed DS1-capable Loop Investment Cost
[PRORPRIETARY]

Architecture	[redacted]
HDSL, Soneplex	
HDSL, Loop Extender	
SONET Fiber MUX	
SONET Fiber MUX (HDSL)	
SONET Fiber MUX/ORB	
Digital Pair Gain System	
Digital Pair Gain HDSL	
Asynchronous MUX	
TOTAL	

Having decided on the technologies to be reflected in its DS1-capable loop investment cost analyses, Qwest sets out to determine investment costs of single DS1-capable loops using each technology (see the column titled "Cost" in Table No. 4, above). This process involves a series of undertakings. First, Qwest identifies and defines its claimed OEM material cost of the common equipment and plug-in components employed to develop DS1-capable loops using each technology. The material costs are then broken down into the average incremental material costs for single DS1 units; for example, the material costs of individual OC3 add/drop multiplexers ("ADM") are broken down into DS1 increments by dividing the ADM material costs by 84 DS1s per OC3. Where appropriate, the incremental material costs are then adjusted to add the material costs of spare equipment units needed for maintenance purposes. Qwest then applies a utilization (or fill) factor to the incremental material costs in order to recognize what it deems to be the rate at which the common equipment capacity

1 involved in each architecture will be used to provide DS1-capable loops.[57] In
2 effect, application of the utilization factor assigns the full material cost of
3 common equipment to each DS1-capable loop. Finally, Qwest adjusts the
4 incremental material costs to account for the installation and other costs that are
5 necessary to add the equipment to its inventory of plant in service.[58] The product
6 of the process is a series of installed material investment cost results by
7 equipment component for each of the eight DS1-capable loop architectures
8 assumed by Qwest; the sums of the resulting investment costs, by equipment
9 component, are shown in Table No. 4 under the heading titled "Cost."

10 **Q. WHAT ARE YOUR FINDINGS WITH RESPECT TO QWEST'S**
11 **INVESTMENT COST OF DS1-CAPABLE LOOPS?**

12 A. I found that the assumed mix of DS1 capable loop architectures, reflected in
13 Qwest's investment cost analysis, is made up of Qwest's embedded mix (e.g.,
14 metallic and fiber feeder) of DS1 capable loops currently provisioned in Arizona.
15 I also found that Qwest has severely overstated the unit direct, in-plant investment
16 costs of UNEs by applying very low, unsubstantiated plant utilization rates and
17 very high Total In-plant Factors ("TIF"). For example, with respect to plant
18 utilization, Qwest assumes, without substantiation, that on average, only [redacted] DS1s
19 will be utilized out of the total capacity of 84 DS1s available from OC3

[57] For example, Qwest assumes that [redacted] of common ADM shelf equipment will be utilized in providing DS1-capable loops.
[58] Qwest uses a "Total Investment Factor" (TIF) to add installation and other costs to its incremental material investment costs. Known alternatively as "Total In-plant Factor," TIF is intended to recognize the costs of sales taxes on OEM purchases, telco engineering, and installation, etc.

multiplexing. That ratio represents an astoundingly low [redacted] ([redacted] divided by 84) utilization factor for DS1s derived from OC3s and, in effect, that assumption alone inflates the incremental direct DS1 capable loops by over [redacted]%. I have adjusted Qwest's proposed UNE plant utilization factors to better reflect forward-looking plant 85% utilization rates that would be experienced in a competitive market.

For TIF factors, Qwest inflates incremental direct material costs by as much as [redacted] times ([redacted] percent) to account for installation costs, sales taxes, etc. of certain optical/digital equipment (e.g., fiber distribution panels and digital signal cross connect frames). In effect, use of TIF factors at such levels as proposed by Qwest implies that the Company's cost simply to install digital electronic circuit equipment (exclusive of equipment costs) represents well over 100% of the direct material cost of the equipment alone. Therefore, I have adjusted Qwest's proposed incremental UNE investment costs to reflect the TIF factors that I discussed and explained earlier.

Q. HOW DID YOU DEVELOP YOUR RECOMMENDED INVESTMENTS WITH RESPECT TO DS1 CAPABLE LOOPS?

A. My recommendations are grounded in the same computer model that Qwest employed to develop its proposed incremental investments in DS1 capable loops (i.e., the DS1 Network Access Channel (NAC) model). I adjusted the investment loading factors to reflect my recommendations as described above. My findings for the investment in an average statewide DS1 capable loop as compared to those

advanced by Qwest for an average statewide DS1 capable loop are shown in Table No. 5, below:[59]

Table No. 5
DS1 Capable Loop Investment Comparison
Weighted Average Statewide Loop
[PROPRIETARY]

FRC	Description	[redacted]	Proposed Revised Investment	
			Category 1	Category 2
357C	CCT Digital	[redacted]	$ 217.15	0.00
257C	CCT Digital	[redacted]	1,538.07	0.00
1C	Poles	[redacted]	0.00	0.00
3C	Wire	[redacted]	0.00	0.00
4C	Conduit	[redacted]	193.51	0.00
5C	UG Metallic	[redacted]	85.96	0.00
35C	Buried Drop	[redacted]	0.00	0.00
42C	Aerial Drop	[redacted]	0.00	0.00
45C	Buried Met.	[redacted]	14.10	0.00
52C	Aerial Met	[redacted]	0.00	0.00
62C	Intrabldg.	[redacted]	0.00	0.00
85C	UG Fiber	[redacted]	48.92	0.00
845C	Buried Fiber	[redacted]	70.82	0.00
862C	Intrabldg.	[redacted]	1.02	0.00
	TOTALS	[redacted]	$2,169.55	$0.00

Q. HOW ARE YOUR PROPOSED INCREMENTAL DIRECT INVESTMENT COST RECOMMENDATIONS USED TO DEVELOP DS1-CAPABLE LOOP RATES?

A. My proposed incremental DS1-capable loop investments are input, by Field

[59] Table No. 5 is included here to show the relative impact of the proposed modifications to Qwest's investment analysis. Prices for DS1 capable Loops are actually developed for four zones and not on a statewide basis.

1 Reporting Code, to a spreadsheet I have prepared to emulate the function of
2 Qwest's Wholesale Cost Program ("WCP").[60] The spreadsheet coverts
3 incremental investments and cost factors to monthly costs in a substantially
4 simpler fashion than does the WCP and, equally important, it allows the reader to
5 observe directly how monthly costs are developed from incremental investment
6 amounts.

7 **Q SPECIFICALLY, WHAT ADJUSTMENTS DO YOU PROPOSE BE MADE**
8 **TO QWEST'S DS1-CAPABLE LOOP INVESTMENT COST ANALYSIS?**

9 A. I recommend that a forward-looking fill factor of 85% be used to compute the
10 cost of DS1 capable loops. Use of the 85 % utilization factor implies that 71
11 DS1s out of every 84 DS1s derived from OC3s will be used productively by
12 Qwest; this assumption compares to Qwest's assumption that only ■ DS1s of
13 every 84 DS1s derived from OC3 will be used productively.

14 Also as discussed earlier with respect to the TIF factor, I recommend that the cost
15 of DS1 capable loops be computed based on TIFs of 1.34 for hardwired
16 equipment and 1.14 for plug-in equipment.

17 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS YOUR**
18 **RECOMMENDED PRICES FOR DS1 CAPABLE LOOPS BASED ON**
19 **YOUR FINDINGS AS DESCRIBED ABOVE?**

20 A. Yes. I prepared **Exhibit THW-5**. The Exhibit is in eight pages with two pages of

[60] The WCP is a very complex model designed to compute element costs, in a somewhat automated fashion, for all states in which Qwest operates.

computations pertaining to the cost of DS1 capable loops in each of the three zones (i.e., Zones 1 through 3), and the final two pages pertaining to the statewide average DS1 capable loop.

The monthly recurring cost of a statewide average DS1 capable loop is computed at pages 7 and 8 of Exhibit THW-5; the total cost is shown on page 2, on Line No. 85 under the column headed "TOTALS."[61] The incremental costs of the equipment used to provide DS1 capable loops is shown, by Field Reporting Code, at Line 1 on page 7;[62] the mathematical logic by which costs are computed is described for each cost factor in the column headed "Sources."

Q. PLEASE SUMMARIZE YOUR FINDINGS REGARDING THE MONTHLY RECURRING COSTS OF DS1 CAPABLE LOOPS.

A. At Table No. 6, I compare my recommended REVISED costs for DS1 capable loops from Exhibit THW-5 with the costs found by Qwest. On average, the costs that I find appropriate for DS1 capable loops in Arizona are approximately 56% lower than those proposed by Qwest. That is, relative to my findings, Qwest has overstated its cost of DS1 capable loops by over 100 percent.

Table No. 6
Monthly Recurring Costs - DS1 Capable Loops

DS1 Capable Loop	Qwest-proposed	Proposed Revised
Statewide Average	$92.18	$43.35
Zone 1	$89.89	$42.37
Zone 2	$90.46	$42.62
Zone 3	$100.30	$47.07

[61] Costs for other zones are computed on pages 3-10 as follows: pages 3-4, Zone 1; pages 5-6, Zone 2; and pages 7-8, Zone 3.
[62] The source of the Equipment Investment Costs shown on Line No. 1 is the Qwest DS1 NAC model that has been run using the engineering and economic factors described herein.

1 **2. DS3 Capable Loops**

2 **Q. LET'S TURN TO DS3 CAPABLE LOOPS, PLEASE DESCRIBE QWEST'S**

3 **CLAIMED INVESTMENT COSTS FOR DS3 CAPABLE LOOPS.**

4 A. Qwest's analysis of the cost of DS3 capable loops is based on a single multiplex

5 architecture -- back-to-back multiplexors at the serving wire center -- and optical

6 fiber optic facilities in three zones between the wire center and the customer's

7 premises. Qwest claims that its total weighted average investment cost per DS3

8 capable loop is [redacted], broken down by Field Reporting Code, as shown in

9 Table No. 7.

10 **Table No. 7**
11 **Qwest Proposed Material Investment - DS3 Capable Loops**
12 **Statewide Average**
13 **[PROPRIETARY]**

FRC	Description	[redacted]
357C	SWC Digital Crossconnect	
257C	Digital Circuit Equipment	
4C	Conduit	
85C	UG Fiber Cable	
845C	Buried Fiber Cable	
862C	Building Fiber	
	TOTAL	

14

15 **Q. WHAT ARE YOUR FINDINGS WITH RESPECT TO QWEST'S**

16 **APPROACH TO COMPUTING ITS INVESTMENT COST OF DS3**

17 **CAPABLE LOOPS?**

18 A. First, I remain concerned that Qwest is unwilling to respond to requests that seek

19 information regarding its cost of materials. Because of Qwest's refusal to

20 respond, at this time, I am unable to evaluate the accuracy of Qwest's claims with

21 respect to the cost of material. Accordingly, my analysis of the recurring costs of

Qwest's DS3 capable loops is grounded in Qwest's own estimates of its material costs. If Qwest does respond to material cost related information requests, then I would like the opportunity to file supplemental testimony to report my findings concerning Qwest's material cost estimates.

Qwest uses its DS3 NAC model to compute its proposed investment costs for DS3 capable loops. As with its other investment cost models, for DS3 capable loops Qwest has overstated its investment cost by using unreasonably low fill factors and severely overstated TIF factors. My analysis of the investment costs of Qwest's DS3 capable loops is grounded in the same DS3 NAC model employed by Qwest but my investment cost findings are based on my positions, addressed earlier, regarding fill and TIF factors.

Adjusting Qwest's material costs to reflect reasonable fill factors and TIFs yields incremental statewide average DS3 capable loop investment, by FRC as shown in Table No. 8.

Table No. 8
Revised Material Investment - DS3 Capable Loops
Statewide Average

FRC	Description	Amount
357C	SWC Digital Cross-connect	$1,560.51
257C	Digital Circuit Equipment	17,111.02
4C	Conduit	2,742.44
85C	UG Fiber Cable	1,910.14
845C	Buried Fiber Cable	3,030.05
862C	Building Fiber	52.91
	TOTAL	$26,407.07

Comparing the DS3 capable loop investment results reported out of Table No. 8

with those computed by Qwest from Table No. 7 reveals that Qwest has overstated its DS3 capable loop investment costs by approximately $17,000.00 or 64%.

Q. HOW ARE YOUR PROPOSED INCREMENTAL DIRECT INVESTMENT COST RECOMMENDATIONS USED TO DEVELOP DS3 CAPABLE LOOP RATES?

A. My proposed incremental DS3 capable loop investments are input, by Field Reporting Code, to the same spreadsheet model that I used to compute DS1 capable loop costs. The spreadsheets that apply to DS3 capable loops are contained in **Exhibit THW-6**, in eight (8) pages, with two (2) pages of computations pertaining to the cost of DS3 capable loops in each of the three (3) zones (i.e., Zones 1 through 3), and the final two (2) pages pertaining to the statewide average DS3 capable loop.

The monthly recurring cost of DS3 capable loops in Zone 1 is computed at pages 1 and 2 of Exhibit THW-6; the total cost is shown on page 2, on Line No. 85 under the column headed "TOTALS." The incremental costs of the equipment used to provide DS3 capable loops is shown, by Field Reporting Code, at Line 1 on page 1; the mathematical logic by which costs are computed is described for each cost factor in the column headed "Sources."

Q. PLEASE SUMMARIZE YOUR FINDINGS REGARDING THE MONTHLY RECURRING COSTS OF DS3 CAPABLE LOOPS.

A. At Table No. 9, I compare my recommended REVISED costs for DS3 capable

loops from Exhibit THW-6 with the costs found by Qwest. On average, the costs that I find appropriate for DS3 capable loops in Arizona are approximately 52 percent lower than those proposed by Qwest. That is, relative to my findings, Qwest has overstated its cost to provide DS3 capable loops by over 94 percent.

Table No. 9
Monthly Recurring Costs - DS3 Capable Loops

DS3 Capable Loop	Qwest-Proposed	REVISED
Statewide Average	$1,006.64	$516.73
Zone 1	$954.79	$479.23
Zone 2	$967.83	$490.19
Zone 3	$1,189.60	$648.11

3. Unbundled Direct Interoffice Transport ("UDIT")

Q. MR. WEISS, PLEASE EXPLAIN YOUR UNDERSTANDING OF UNBUNDLED DEDICATED INTEROFFICE TRANSPORT.

A. Unbundled Dedicated Interoffice Transport ("UDIT") is a transmission path between Qwest end offices, serving wire centers or tandem switches within the same Local Access and Transport Area ("LATA") in Arizona. A UDIT can also be used to provide a path between one CLEC in one Qwest wire center and a different CLEC in another Qwest wire center. UDIT is a distance-sensitive, flat rate, bandwidth specific transmission path designed to specific digital transport bandwidths in each Qwest wire center. UDIT is available in bandwidths ranging from DSO (64 Kbps) through OC192 (10 Gbps).

Q. PLEASE BRIEFLY EXPLAIN YOUR UNDERSTANDING OF QWEST'S APPROACH TO THE DEVELOPMENT OF ITS COST TO PROVIDE

THE UNBUNDLED DEDICATED INTEROFFICE TRANSPORT ELEMENT.

A. Qwest develops its proposed incremental investment cost for the UDIT elements with the aid of a computer model that it has designated as Transport Model Version 4 ("TM.V4"). TM.V4 develops fixed and variable (per mile) incremental investments associated with the UDIT elements. Investments from TM.V4 are input to a spreadsheet that applies cost factors to the incremental investments to produce monthly recurring costs for fixed and variable components of the UDIT elements.

Q. HAVE YOU REVIEWED THE TM.V4 MODEL IN AN EFFORT TO DETERMINE IF IT ADEQUATELY REFLECTS THE NETWORK ARCHITECTURE GENERALLY ASSOCIATED WITH THE PROVISION OF INTEROFFICE TRANSPORT?

A. Yes. However, in this regard, my review of TM.V4 was focused only on those portions of the model pertaining to DS0, DS1, DS3, OC3 and OC12 interoffice transport.

I found the TM.V4 model to accurately reflect the network architectures (i.e., back-to-back multiplexors) and associated equipment (facilities) typically employed by ILECs to provide interoffice OC3 and OC12 transport capacity on the network.

Q. DID YOU OBSERVE ANY PROBLEMS WITH QWEST'S APPLICATION OF THE TM.V4 MODEL AS IT RELATES TO THE DETERMINATION OF FIXED AND VARIABLE COSTS OF INTEROFFICE TRANSPORT?

1 A. Yes. As with nearly every other model used by Qwest to estimate its costs to
2 produce local interconnection and unbundled network elements in this case, I
3 found that TM.V4 model input variables were not specified so as to produce
4 reasonable estimates of Qwest's forward-looking fixed or variable costs. In this
5 regard, as before, I refer to Qwest's assumptions for TIF and Fill factors. Again,
6 due to Qwest's failure to respond to discovery requests for current material cost
7 information, I was not able to draw any conclusions regarding the veracity of
8 Qwest's assumed material costs.

9 **Q. WERE YOU ABLE TO CORRECT QWEST'S INPUTS TO THE TM.V4**
10 **MODEL SO AS TO ALLOW THE MODEL TO BETTER ESTIMATE**
11 **QWEST'S INVESTMENT COST TO PRODUCE UDIT ELEMENTS?**

12 A. Yes. With regard to DS0, DS1, DS3, OC3 and OC 12 UDIT elements, I was able
13 to modify Qwest's TM.V4 input assumptions for TIFs and Fill factors to conform
14 to my earlier recommendations with respect to those input variables. I did not
15 modify the material price inputs to TM.V4.

16 I then applied the modified TM.V4 model results to my version of the WCP to
17 determine monthly recurring fixed and variable costs for Qwest to produce the
18 DS0, DS1, DS3, OC3 and OC12 UDIT elements.

19 **Q. HAVE YOU PREPARED EXHIBITS THAT SHOW THE**
20 **DEVELOPMENT OF YOUR RECOMMENDATIONS FOR THE COSTS**
21 **OF DS0, DS1, DS3, OC3 AND OC12 UDIT?**

22 A. Exhibits THW-7 through THW-11 show the development of my recommended
23 costs for the fixed and variable components of Qwest's UDIT elements. My

findings are summarized and compared with Qwest's findings at Tables No. 12 through 16 below.

Table No. 12
Comparison of Fixed and Variable Costs
OC3 UDIT, by Mileage Band

OC3 Band	Qwest-Proposed		REVISED	
	Fixed	Variable	Fixed	Variable
0-8	$794.64	$252.46	$582.00	$170.97
8-25	$801.21	$67.90	$586.30	$47.12
25-50	$765.56	$92.37	$563.07	$61.62
50+	$788.37	$57.09	$577.92	$36.76

Table No. 13
Comparison of Fixed and Variable Costs
OC12 UDIT, by Mileage Band

OC12 Band	Qwest-Proposed		REVISED	
	Fixed	Variable	Fixed	Variable
0-8	$2,247.68	$87.64	$1,665.13	$54.45
8-25	$2,247.68	$85.54	$1,665.13	$56.69
25-50	$2,247.68	$98.38	$1,665.13	$61.35
50+	$2,247.68	$115.44	$1,665.13	$72.38

Table No. 14
Comparison of Fixed and Variable Costs
DS0 UDIT, by Mileage Band

OC3 Band	Qwest-Proposed		REVISED	
	Fixed	Variable	Fixed	Variable
0-8	$ 20.93	$ 0.14	$ 12.40	$ 0.06
8-25	$ 20.95	$ 0.12	$ 12.41	$ 0.06
25-50	$ 20.99	$ 0.13	$ 12.43	$ 0.05
50+	$ 20.94	$ 0.06	$ 12.41	$ 0.03

Table No. 15
Comparison of Fixed and Variable Costs
DS1 UDIT, by Mileage Band

OC12 Band	Qwest-Proposed		REVISED	
	Fixed	Variable	Fixed	Variable
0-8	$ 33.05	$ 1.56	$ 21.22	$ 0.86
8-25	$ 33.33	$ 1.26	$ 21.38	$ 0.70
25-50	$ 33.81	$ 2.28	$ 21.66	$ 1.27
50+	$ 33.78	$ 1.19	$ 21.64	$ 0.67

Table No. 16
Comparison of Fixed and Variable Costs
DS3 UDIT, by Mileage Band

OC3 Band	Qwest-Proposed		REVISED	
	Fixed	Variable	Fixed	Variable
0-8	$ 210.28	$ 65.55	$ 142.72	$ 42.03
8-25	$ 213.45	$ 20.30	$ 142.69	$ 13.70
25-50	$ 196.74	$ 25.43	$ 133.59	$ 16.22
50+	$ 207.61	$ 17.49	$ 140.93	$ 11.00

4. Shared Transport

Q. PLEASE EXPLAIN YOUR UNDERSTANDING OF THE SHARED INTEROFFICE TRANSPORT ELEMENT.

A. Shared Interoffice Transport is the usage of interoffice transport facilities shared by more than one carrier, including Qwest, between end offices, between end office switches and local or access tandem switches, and between tandem switches. The shared transport element is provided only with unbundled local switch ports and so-called Unbundled Network Element Platforms ("UNE-P"). Shared transport is provided on a usage-sensitive (per minute of use) basis.

The items of equipment and the facilities that are used to provide the shared transport element include tandem switching and the same equipment items and facilities that are used to provide the UDIT elements. Thus, the costs of shared transport are developed directly from the costs that apply to the switching and UDIT elements, except that, for shared transport, the costs of UDIT are combined and expressed on a usage-sensitive (per minute of use) basis.

Q. WHAT DO YOU UNDERSTAND TO BE THE COST OF SHARED INTEROFFICE TRANSPORT AS FOUND BY QWEST?

A. I understand that Qwest found the shared interoffice transport element to bear a

cost of $0.001573 per minute of use as shown at page 15 of Ms. Million's Exhibit TKM-1. In describing its shared transport cost study methodology,[63] Qwest indicates that shared transport investment costs are computed basically by converting the costs of dedicated transport elements into usage equivalent costs.

Q. WERE YOU ABLE TO EVALUATE QWEST'S APPROACH TO COMPUTING THE COST OF SHARED TRANSPORT SERVICE?

A. Yes. Qwest's cost study for shared transport minutes is based on an allocation of tandem switching investment in the amount of [redacted] per minute of use derived from the Switching Cost Model, and [redacted] per minute of transport facility investment derived from the Transport Module.[64] Qwest allocates land, building and general purpose computer costs to the switching and transport investments, bringing the total investment cost per shared transport minute to [redacted]. Using its Wholesale Cost Model, Qwest calculates the total recurring shared transport cost per minute to $0.001573, including the direct assignment of [redacted] per minute attributable to billing and collection activities.

Q. DO YOU SEE ANY PROBLEMS WITH QWEST'S APPROACH TO THE DEVELOPMENT OF ITS PROPOSED COST OF SHARED TRANSPORT?

A. Yes. First, in substantial part, Qwest's proposed cost of shared transport is grounded in results produced by its Switching Cost Model ("SCM"). I did not critically evaluate the SCM and, therefore, my findings as to the cost of shared

[63] Qwest CD, Study ID No. 4679.
[64] Qwest Arizona CD\ Phase II Cost Studies\4679 ICM Interconnection Cost Results\Arizona Interconnection Recurring Costs.xls, Tab titled "ST-Investment Cost Calculation."

1 transport are based on Qwest's switching investment costs ($0.002476 per minute
2 of use). I understand, however, that Mr. Chandler has critically evaluated the
3 SCM and, to the extent that Mr. Chandler's findings modify the SCM or the
4 results reduced by it, my recommended cost of shared transport should be
5 changed to reflect Mr. Chandler's findings.

6 Aside from any problems that may exist with the SCM and that would necessarily
7 be reflected in the shared transport cost study, I found Qwest's analysis of its
8 shared transport costs to substantially overstate costs in three ways: (a) it includes
9 a highly overstated increment of cost for billing and collection; (b) it uses
10 significantly overstated recurring cost factors; and (c) it overstates the investment
11 in transport facilities.

12 **Q. WHAT AMOUNT OF BILLING AND COLLECTION COST DOES**
13 **QWEST INCLUDE IN ITS COST OF SHARED TRANSPORT?**

14 A. Qwest's analysis of its cost of shared transport includes [redacted] per minute for
15 billing and collection. That factor alone accounts for over [redacted] percent of the sum
16 of all other costs included Qwest's proposed total cost of shared transport.

17 **Q. WHAT AMOUNT OF BILLING AND COLLECTION COSTS SHOULD**
18 **BE ALLOWED IN QWEST'S PROPOSED COST OF SHARED**
19 **TRANSPORT?**

20 A. In this case, Qwest has not presented any evidence to support its proposed
21 [redacted] per minute and Qwest should provide detailed support for any cost of
22 that magnitude ([redacted] percent of the sum of all other costs attributable by Qwest to
23 billing and collection). In other Qwest cost analyses, billing and collection

1 charges account for approximately [redacted] percent of all other costs attributable to
2 the unbundled network element. I recommend that Qwest be limited to reflecting
3 approximately that same amount for billing and collection costs in its shared
4 transport cost studies.

5 **Q. WHAT DO YOU MEAN WHEN YOU SAY THAT QWEST'S SHARED**
6 **TRANSPORT STUDIES OVERSTATE COSTS BY USING**
7 **SIGNIFICANTLY OVERSTATED RECURRING COST FACTORS?**

8 A. As with all others of its cost studies that I have reviewed in connection with this
9 docket, Qwest uses recurring cost factors that are significantly at odds with the
10 FCC's TELRIC paradigm. Earlier, I explained in detail how Qwest's proposed
11 cost factors are in error, and I recommended a complete set of revised factors for
12 use in TELRIC studies as shown at Exhibit THW-3. Qwest's analysis of its cost
13 to provide shared transport to CLECs should reflect the cost factors that I present
14 at Exhibit THW-3.

15 **Q. WHAT DO YOU MEAN WHEN YOU SAY THAT QWEST HAS**
16 **OVERSTATED ITS INCREMENTAL INVESTMENT IN TRANSPORT**
17 **FACILITIES WHEN COMPUTING ITS COST OF SHARED**
18 **TRANSPORT?**

19 A. The incremental transport investment amount used in Qwest's shared transport
20 study is computed using results produced out of Qwest's Transport Model. The
21 Transport Model computes the fixed and variable costs for the various types of
22 facilities (OC3, OC12, etc.) used in Qwest's interoffice transport network, then

converts them to costs per Minute of Use ("MOU"). For example, the Transport Model computes the total fixed and variable cost of OC3 transport between tandem switches and subtending end offices ("EOs"), then converts that cost to costs per MOU by making certain assumptions about the flow of traffic between the tandems and EOs. As I explained previously in connection with my discussion of UDIT costs, all of Qwest's calculations for transport facility investments reflect understated fill factors and overstated total investment factors. Because of these errors in specifying input values to the Transport Model, the incremental transport investment costs per minute used in Qwest's shared transport cost study are overstated.

Q. HAVE YOU PREPARED A SHARED TRANSPORT COST ANALYSIS THAT CORRECTS QWEST'S COST STUDY?

A. Yes. My **Exhibit THW-12** shows my proposed cost for shared transport to be $0.000074 per MOU (as compared to Qwest's proposed $0.001573 per minute). Exhibit THW-12 reflects billing and collection charges computed in the same way and using the same cost factor used in other network element cost studies; it also reflects my recommended cost factors as shown in Exhibit THW-12. As to the transport investment costs, I base my findings on the transport investment amounts used by Qwest adjusted to reflect my findings regarding UDIT investments, reflecting the fact that shared transport is provided with the same facilities that are used to produce UDIT.

VII. NON-RECURRING CHARGES ("NRC")

Q. WHAT ARE THE CONCERNS THAT MUST BE ADDRESSED BY THE ANALYST IN MODELING NON-RECURRING COSTS FOR ILECS TO PROVIDE LOCAL INTERCONNECTION AND UNBUNDLED NETWORK ELEMENTS?

A. Above all, the cost model should apply TELRIC principles by assuming that the network is engineered using forward-looking technologies and efficient work processes.

Q. PLEASE DESCRIBE NON-RECURRING COSTS AS YOU UNDERSTAND THEM TO RELATE TO THIS DOCKET.

A. Non-recurring costs are one-time costs that are associated with the tasks and activities that would be performed by Qwest to provide new or changed services, local interconnection, and/or unbundled network elements to CLECs. As a general proposition, non-recurring costs occur whenever Qwest adds, removes or changes services, local interconnection and/or unbundled network elements for CLECs; they will occur for each future CLEC request for added, removed, or changed service, or request for local interconnections and/or unbundled network elements. Non-recurring costs are associated principally with pre-ordering, ordering and provision activities.

Q. PLEASE EXPLAIN WHAT YOU MEAN BY "PRE-ORDERING" ACTIVITY.

A. Pre-ordering is the process by which a CLEC interfaces with end-users to determine their needs and to gather the information necessary to enable the CLEC

to meet those needs. Examples of such information include services, if any, that the end-user currently employs, the address at which the needs will be met, the facilities available to provide the service requested by the end-user, etc.

Q. WHAT IS "ORDERING" ACTIVITY?

A. Ordering is the process by which a CLEC notifies Qwest that a particular service, local interconnection arrangement, and/or unbundled network element is needed to satisfy the requirements of a CLEC customer(s). Generally, on a forward-looking basis, ordering is accomplished through the CLEC's generation of a Local Service Request ("LSR") that is submitted to Qwest via an electronic interface between Qwest and the CLEC; Qwest would respond to the LSR via the same electronic interface.

Q. WHAT IS "PROVISIONING"?

A. Provisioning is the process by which Qwest, after receiving and affirmatively acknowledging the CLEC's LSR, would perform the functions necessary to bring the requested service, local interconnection arrangement, and/or unbundled network element to the CLEC.

Q. ARE ALL SERVICES, LOCAL INTERCONNECTION ARRANGEMENTS, AND UNBUNDLED NETWORK ELEMENTS PROVIDED IN THE SAME WAY?

A. No. In general, provisioning processes are specific to two types of arrangements applicable to services, local interconnection, and/or unbundled network elements provided to CLECs: (1) designed services, such as DS1, DS3 capable loops, etc.;

and (2) non-designed arrangements, such a Plain Old Telephone Services (a/k/a "POTS").

Q. WHY DO THESE TWO DIFFERENT PROVISIONING ARRANGEMENTS EXIST?

A. Because substantially different activities and forms of activities apply to each. The "designed" arrangement necessarily employs resources that would not be required in the provision of non-designed arrangement. For example, for Qwest to make a simple unbundled 2-wire analog loop available to a CLEC does not require Qwest to undertake design activity, whereas, it may be necessary for Qwest to engage in design activity to make a DS3 capable loop available. Any properly developed study of the non-recurring costs to provide these elements to CLECs necessarily would recognize these differences.

Q. ARE THERE OTHER CONCERNS THAT SHOULD BE ADDRESSED IN THE PROPER DEVELOPMENT OF NON-RECURRING COSTS APPLICABLE TO THE PROVISION BY QWEST OF LOCAL INTERCONNECTION ARRANGEMENTS AND UNBUNDLED NETWORK ELEMENTS TO CLECS?

A. Yes. A properly conducted analysis of non-recurring costs should reflect Qwest-CLEC interactions in a wholesale environment, not a retail environment. The wholesale environment does not require the same type(s) of interaction(s) that characterize transactions between a Qwest Customer Service Representative ("CSR") and a Qwest end-user at the retail level. Unlike Qwest's interactions with customers in its retail market, CLECs will interact with Qwest on an

electronic basis through the Operations Support Systems ("OSS"). The cost to disconnect services, local interconnection arrangements and/or unbundled network elements should not be included in the cost of connecting them. To the extent that disconnection activity applies to a CLEC's facility provided by Qwest, the cost of that disconnection should be recovered when the disconnection occurs.

Any work activities/functions that are required for connections, disconnections, and changes should be reflected in the cost analysis as being performed using forward-looking techniques coupled with efficient processes and support systems. For example, some wire centers are staffed during the 24 hours of each day (fully-covered office), other wire centers are not. When a technician is dispatched to a wire center that is not fully-covered, the cost analysis should reflect that field technicians are capable of handling multiple tasks on a single trip to the field rather than as a separate trip for each LSR. Likewise, travel time to/from the field realistically should be spread over more than a single LSR per visit. Finally with regard to the activities of field personnel, the cost of their work should reflect that in a forward-looking and efficient model, field technicians communicate directly with the OSS rather than through manual arrangements that have characterized the past.

Any properly conducted analysis of non-recurring activity costs should be based on a network architecture that takes advantage of intelligent, processor controlled elements that can communicate over standard interfaces to the OSS systems in such manner that little or no manual intervention is required to conduct provisioning or maintenance functions. For example, the analysis should reflect

1 the use of Integrated Digital Loop Carrier ("IDLC") systems in the loop
2 network;[65] such systems enable mechanized (i.e., non-manual), lower cost
3 customer connections to the network.[66]

4 Finally, any properly conducted analysis of the cost associated with non-recurring
5 functions must not include allocations or assignments of any cost that cannot
6 reasonably be considered to arise specifically because of the requirement to effect
7 non-recurring functions.

8 **Q. PLEASE BRIEFLY DESCRIBE YOUR UNDERSTANDING OF THE**
9 **TECHNIQUES WHICH QWEST HAS EMPLOYED TO DEVELOP ITS**
10 **POSITIONS ON THE DIRECT COSTS ASSOCIATED WITH NON-**
11 **RECURRING CHARGES.**

12 A. Qwest estimates the units of time and other resources which it believes are
13 necessary to achieve installation of various UNEs; it estimates the unit cost of the
14 resources, then computes the product of the unit resources (time) requirements
15 and unit resource costs (loaded labor rates); it sums those products to yield its
16 estimates of the direct non-recurring costs for it to make individual UNEs
17 available for use by CLECs. Qwest then "loads" its direct out-of-pocket costs
18 using a wide range of factors, in effect, to assign other unrelated network costs to
19 the costs of non-recurring activities. Qwest contends that the results yielded by
20 this approach conform to TELRIC theory as espoused by the FCC as the means to

[65] DLC systems that comply with Generic Requirements document GR-303.
[66] Other benefits of IDLC include elimination of a Central Office Terminal ("COT") or an analog interface unit at the central office; additionally, unlike Universal Digital Loop Carrier ("UDLC"), IDLC interfaces do not require connections to the MDF in the central office.

1 estimate prices of UNEs for the purpose of effecting the transition to a
2 competitive local exchange telecommunications network.

3 Qwest's NRC cost studies identify functions and estimate unit labor resource
4 requirements basically at the work group level (e.g., at the level in the service
5 provisioning organizations where several individual functional activities can be
6 undertaken such as logging-in requests for service, order error correction, order
7 entry, responding to inquiries, etc.). Qwest's proposed NRCs include costs that
8 necessarily pertain to disconnection when service is terminated.

9 **Q. PLEASE DESCRIBE YOUR UNDERSTANDING OF QWEST'S**
10 **APPROACH TO THE DEVELOPMENT OF UNIT RESOURCE**
11 **REQUIREMENTS IN ITS STUDIES OF NRC COSTS.**

12 A. The principal resource at issue in NRC cost studies is labor. Qwest's estimates of
13 the amount of labor required to complete NRC-related activities are developed by
14 employees that Qwest refers to as subject matter experts ("SMEs"); the SMEs
15 provide single point estimates of the times required to perform NRC-related
16 activities. For Qwest's NRC cost studies, it is this nominal estimate from the
17 SME process that is multiplied by a labor rate to yield the direct cost for work
18 groups to complete the activities necessary to bring UNEs to CLECs.

19 **Q. DID YOU CRITICALLY REVIEW QWEST'S NRC COST STUDIES?**

20 A. Yes, I did.

21 **Q. WHAT ARE THE RESULTS OF YOUR REVIEW?**

22 A. Qwest's studies of its costs associated with non-recurring functions are flawed in
23 several respects as follows:

1 (1) Qwest's NRC cost study results improperly include costs of disconnecting
2 UNEs in the NRC proposed for establishing the UNE on behalf of CLECs;

3 (2) Qwest's claimed NRC costs wrongfully include costs of work activities
4 that are performed currently on a manual basis but which, on a forward-
5 looking basis, would be performed by an efficient OSS;

6 (3) Qwest's studies include some instances where unnecessary activities are
7 reflected in the costs;

8 (4) Qwest's NRC cost studies are predicated, in error, on minutely detailed
9 work activity listings which, as I noted above, form the work activity input
10 assumptions for which the Qwest's SMEs provide their time estimates;

11 (5) Qwest's studies improperly include "design" costs in the list of non-
12 recurring cost activities associated with virtually every LSR that embodies
13 installation work; and

14 (6) Qwest's studies improperly "load" direct out-of-pocket costs, in effect, to
15 assign such network costs as product management expenses, sales
16 expenses, etc.[67] to the non-recurring out-of-pocket costs.

17 **Q. WHAT ACTIONS MUST BE TAKEN TO CORRECT QWEST'S NRC**
18 **COST ANALYSES?**

19 A. To correct Qwest's non-recurring cost analyses would require a complete re-work

[67] In addition to product management expense and sales expenses, Qwest improperly loads its direct out-of-pocket costs of non-recurring activities with: business fees expenses, network operations expenses, network support expenses, general support expenses, general purpose computer expenses, uncollectibles, and intangible expenses.

of the Company's model. Accordingly, I do not recommend that the results from Qwest's model be used as the basis for non-recurring charges in this case. If the Qwest model would be considered by the Commission however, at a minimum, it should be corrected as follows:

First, to recognize that the costs of disconnecting UNE's are not properly recovered in the costs of providing UNEs to CLECs, I recommend removing Qwest's disconnection cost estimates from the Qwest cost model. This proposal and recommendation is consistent with sound cost recovery principles which require that costs be recovered as they are incurred.

As to UNE ordering and associated plant record functions, I recommend removing the costs of activities associated with these functions to recognize that such activities will not be performed manually, as the company's study assumes, but, rather in an automated fashion by Qwest's OSS system.

Also in Qwest's NRC studies, I observed several instances where the company's proposed costs includes activities in the nature of checking or verifying whether earlier work had been performed. Most such instances relate to activity that is performed in connection within the service ordering function where I recommend excluding costs of most such activities from the NRCs because the associated activities would be performed by the OSS system. However, the activities of the Service Delivery Implementation group (which occur toward the end of the service delivery process) include an activity described as "Verify Local Network

1 Operations (LNO) Circuit." At this late stage in the service delivery process
2 (where the Service Delivery Implementation group becomes involved) it is not
3 necessary to verify whether a circuit may or may not be available, or whether it is
4 the proper sort of circuit for the service being installed. That activity should be
5 covered much earlier in the service establishment process and it should be
6 maintained intact throughout the process.

7 I note that the studies generally break out work functions into a series of several
8 activities which, when accomplished, would complete the overall function. That
9 is, Qwest separates its NRC-related work requirements into a large number of
10 relatively simpler activities for which Qwest SMEs are expected to estimate time
11 requirements. The SME tends to view each one in the series of small activities as
12 being mutually exclusive and provides work time estimates on that basis rather
13 than estimating time requirements to perform the overall function. In effect, this
14 approach fails to consider that certain work activities can be performed in parallel
15 or in combination with other activities with the result being that the overall work
16 function can actually be performed in less time than that indicated by the sum of
17 the work times associated with individual activities. In Qwest's non-recurring cost
18 studies, the costs of ordering and provisioning functions frequently include costs
19 of "design" activities that would not be undertaken by Qwest. Other than for a
20 situation in which no facilities exist, I cannot envision a case where Qwest
21 "design" activity would be required to provide a simple 2-wire or 4-wire loop to a

1 CLEC.[68]

2 Qwest's analysis of non-recurring costs should be adjusted to eliminate any and
3 all "loadings" on direct costs for expenses that cannot reasonably be attributed to
4 the non-recurring functions. Included in this listing are Qwest–proposed loadings
5 for: product management expense, sales expenses, business fees expenses,
6 network operations expenses, network support expenses, general support
7 expenses, general purpose computer expenses, uncollectibles, and intangible
8 expenses. Costs in these categories are designed to be recovered in monthly
9 recurring charges. Costs associated with corporate overheads (e.g., the 67XX
10 series of accounts) are properly allocated to charges for non-recurring costs.

11 **Q. HAVE YOU ADJUSTED QWEST'S NRC COST STUDIES TO REFLECT**
12 **YOUR FINDINGS AND RECOMMENDATIONS TO THE**
13 **COMMISSION?**

14 A. No. I have not. Because Qwest's studies of non-recurring activities are so badly
15 flawed, I recommend that the Commission adopt the AT&T/WorldCom Non-
16 Recurring Cost Model ("NRCM") to determine the cost of nonrecurring activities.
17 Exhibit RL-2 to Mr. Lathrop's testimony contains the results obtained from the
18 NRCM using the network technical assumptions that I support and recommend.
19 **Exhibit THW-13** is a copy of the NRCM Technical Assumptions Binder. I am
20 responsible to explain all technical assumptions made in developing and running

[68] For the situation in which no facilities exist, the cost to add new facilities would be in the nature of capital expenditures and the cost of the associated "design" activity would be capitalized in the appropriate Qwest plant account(s). Such costs, therefore, would properly be recovered in monthly recurring charges.

1 the NRCM.

2 **VIII. MISCELLANEOUS ISSUES**

3 **Q. QWEST PROPOSES TO INCLUDE THE COSTS OF HOUSE AND RISER**
4 **CABLE IN THE RATES THAT IT PROPOSES FOR DISTRIBUTION**
5 **SUBLOOPS. DO YOU HAVE ANY COMMENTS FROM AN**
6 **ENGINEERING PERSPECTIVE WITH RESPECT TO THIS QWEST**
7 **PROPOSAL?**

8 A. First, I note that the FCC has required ILECs nationwide to provide CLECs with
9 unbundled access to subloops at whatever point in the loop such access may be
10 technically feasible. The FCC defines "technically feasible points" to "..include a
11 point near the customer premises, such as the point of interconnection between
12 the drop and the distribution cable, the NID or the MPOE." However, primarily
13 with respect to ILEC claims that any given technically feasible point may not
14 include space necessary to effect a CLEC's access to that point, the FCC found
15 that, when such questions arise, they are best settled by state commissions
16 because they can examine the incumbent's specific situation and determine
17 whether, in reality, it is technically feasible to unbundle the subloop where a
18 competing carrier requests.

19 From an engineering perspective, in virtually all cases where distribution
20 subloops enter a customer's premises, a readily-accessible point of demarcation
21 exists between the distribution subloop and the premises inside wire, house cable
22 or riser cable. Such a demarcation point is known variously as a NID (network
23 interface device), a terminal, a backboard, and MPOE (minimum pint of entry),

etc. Regardless of how the point is designated, in every case, it represents a "technically feasible point" of interconnection because the network can readily be opened at that point and interconnections can readily be made there.

From the FCC's perspective, the only remaining question of technical feasibility is whether sufficient space exists in the vicinity of the terminal reasonably to allow the interconnection. From an engineering perspective, virtually all points of demarcation between distribution subloops and inside wire, house cable or riser cable are located in spaces that would readily allow access for interconnection. Only in very rare instances is it possible that space around the terminal is insufficient to allow for interconnection. Only in such rare cases, should the Commission become involved.

Given the foregoing discussion, from an engineering perspective, the distribution subloop and the inside wire, house cable, or riser cable to which the distribution subloop is connected must both be considered as separate supplements of the loop and, therefore, priced as such.

IX. CONCLUSION

Q. DO YOU HAVE ANY CONCLUDING REMARKS?

A. Yes, if the Arizona Commission hopes to open the local telecommunications markets to robust competition, it must ensure that Qwest is offering interconnection and UNEs at just and reasonable rates. Qwest's studies, however, reveal that this is not the case. I, therefore, recommend that the Commission demand that Qwest truly comply with the TELRIC principals set out by the FCC,

1 and I offer the adjustments I've noted here in my testimony to correct

2 Qwest's rates.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes it does.

STATEMENT OF EDUCATION AND EXPERIENCE FOR THOMAS H. WEISS, P.E.

President
Weiss Consulting, Inc.
205 East Spring Street
Fuquay-Varina, North Carolina 27526

Telephone: (919) 557-8116
Facsimile: (919) 557-8117

GENERAL

Mr. Weiss is a Registered Professional Engineer with over 30 years of experience in the communications industry. His professional education includes a Bachelor of Science degree in electrical engineering and a Master of Science degree in business management with emphasis in finance and micro economics. His employment experience includes eight years in engineering and financial management positions with a major domestic telecommunications utility company; and twenty-two years as an engineering and economic consultant to federal and state governments, businesses, and consumer groups.

Mr. Weiss' consulting practice has focused on telecommunications technology and regulatory issues, principally as those issues impact the service provided by, and the prices charged for service by domestic telecommunications utilities, including the former regional Bell operating companies; the former GTE telephone operating companies; AT&T and other interexchange carriers; and various independent telephone companies. He has presented expert testimony, primarily on behalf of regulatory commission staffs, in over one-hundred and forty proceedings before the Federal Energy Regulatory Commission, and public utility regulators in twenty-seven states and the District of Columbia. In addition, Mr. Weiss has presented expert testimony on telecommunications system management and engineering issues before the United States District Court for the Northern District of Dallas and before the Washtenaw County (Michigan) Circuit Court.

WORK HISTORY

1994 - 2000 WEISS CONSULTING, INC.; President

Founded Weiss Consulting, Inc. in June 1994 to provide telecommunications technical and economic consulting services to federal and state governments, consumer groups, and to businesses in their capacity as consumers of telecommunications products and services.

1986 - 1994 BAKER G. CLAY & ASSOCIATES, INC.; Vice President

Provided technical and economic consulting services to federal and state governments, consumer groups, and to businesses in their capacity as consumers of telecommunications products and services; and electric, and natural gas transportation and distribution services in wholesale and retail markets.

1978 - 1986 HESS & LIM, INC.; Senior Consultant

Duties and responsibilities the same as those described for Baker G. Clay & Associates, Inc.

1970 - 1978 GENERAL TELEPHONE COMPANY OF THE SOUTHEAST;

1977 – 1978 Corporate Budgets and Results Manager responsible to the Vice President of Operations for development and administration of seven-state telephone company operating expense budget.

1975 - 1976 Revenues and Earnings Manager responsible to the Corporate Director of Revenues and Earnings for development and administration of rates, tariffs, and rate filings before the FCC and regulatory bodies in three state jurisdictions.

1973 - 1975 Alabama Division Engineering Manager responsible to the state Vice President for all company plant (land, buildings, inside and outside plant) engineering activity including plant design, capital budget development and administration, for the company's operations in the State of Alabama.

1970 - 1973 Supervising Plant Extension Engineer responsible to the General Plant Extension Engineer for development of capital investment deployment plans.

EDUCATION

Master of Science in Business Management, Duke University Graduate School of Business Administration (the Fuqua School of Business); Durham, NC; June 1973.

Bachelor of Science in Electrical Engineering, North Carolina State University at Raleigh; Raleigh, NC; 1970.

PROFESSIONAL

Registered Professional Engineer licensed to practice in Alabama, Maryland and Missouri.

Member, Institute of Electrical and Electronic Engineers (IEEE), Communications Society, Network Society, Computer Society.

Member, National and North Carolina Societies of Professional Engineers, Private Practice Division.

OTHER

Author, *Public Utility Plant Investment Decisions in the Face of Advancing Technology and Regulatory Policy Reform*, Proceedings of the 27th Regulatory Conference, Iowa State University, Ames (1988)

Invited speaker and panel member, 1988 Iowa State University Regulatory Conference.

Invited speaker and panel member, 1984 Public Utilities Conference, University of Georgia College of Business.

Faculty, 1989 United States Telephone Association (USTA) Advanced Management Workshop, University of Kansas at Lawrence.

QWEST COMMUNICATIONS -- ARIZONA
ACC Docket No. T00000A-00-0194
QWEST-PROPOSED CAPITAL COSTS , BY PLANT ACCOUNT
Source: Qwest Integrated Cost Model, CapCost Module
Testimony of Teresa K. Million

Depreciation determinants (lives, salvage values, cost or removal, survivor curve parameters, etc.) as ordered by the ACC in Decision No. 62507 (Qwest Response to ATT Request No. 3-113).

CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER

QWEST COMMUNICATIONS -- ARIZONA
ACC Docket No. T00000A-00-0194
PROPOSED ADJUSTED CAPITAL COSTS , BY PLANT ACCOUNT
Source: Qwest Integrated Cost Model, CapCost Module
Testimony of Thomas H. Weiss

Depreciation determinants (lives, salvage values, cost or removal, survivor curve parameters, etc.) as ordered by the ACC in Decision No. 62507 (Qwest Response to ATT Request No. 3-113).

CONFIDENTIAL
SUBJECT TO PROTECTIVE ORDER

QWEST COMMUNICATIONS -- COLORADO
Arizona Corporation Commission Docket No. T00000A-00-0194
Cost Factors, by USOA Account

Line No.	USOA Acct. No.	FRC	Description	Investment-Related					Directly Assigned			
				Depr.	Capital Cost COM	IT	Ad-Valorem Taxes	Maint.	Product Management	Sales	Product Advertising	Business Fees
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	2111	20C	Land	0.0000	0.0917	0.0382	0.0136	0.0400	0.0000	0.0000	0.0000	0.0019
2	2112	164C	Motor Vehicles	0.1024	0.0450	0.0187	0.0136		0.0000	0.0000	0.0000	0.0019
3	2112	1364	Aircraft	N/A	N/A	N/A	N/A		0.0000	0.0000	0.0000	0.0019
4	2114	464C	Spec. Purpose Vehicles	0.0621	0.0558	0.0232	0.0136		0.0000	0.0000	0.0000	0.0019
5	2115	264C	Garage Work Equipment	0.0905	0.0538	0.0224	0.0136		0.0000	0.0000	0.0000	0.0019
6	2116	564C	Other Work Equipment	0.0791	0.0563	0.0235	0.0136		0.0000	0.0000	0.0000	0.0019
7	2121	110C	Buildings	0.0276	0.0701	0.0292	0.0136	0.0400	0.0000	0.0000	0.0000	0.0019
8	2122	161C	Furniture	0.1233	0.0466	0.0194	0.0136		0.0000	0.0000	0.0000	0.0019
9	2123	261C	Office Equipment	0.1533	0.0460	0.0199	0.0136		0.0000	0.0000	0.0000	0.0019
10	2124	361C	General Purpose Computers	0.1940	0.0453	0.0189	0.0136		0.0000	0.0000	0.0000	0.0019
11	2212	377C	Digital Switch	0.1042	0.0419	0.0175	0.0136	0.0238	0.0000	0.0000	0.0000	0.0019
12	2220	117C	Operator Systems	0.1091	0.0410	0.0170	0.0136	0.0364	0.0000	0.0000	0.0000	0.0019
13	2231	67C	Microwave Radio	0.0826	0.0486	0.0202	0.0136	0.0184	0.0000	0.0000	0.0000	0.0019
14	2232	157C	Digital Data System	0.1228	0.0437	0.0182	0.0136	0.0035	0.0000	0.0000	0.0000	0.0019
15	2232	257C	Digital Pair Gain Equipment	0.1082	0.0420	0.0175	0.0136	0.0118	0.0000	0.0000	0.0000	0.0019
16	2232	357C	Other Digital CCT Equipment	0.1082	0.0420	0.0175	0.0136	0.0182	0.0000	0.0000	0.0000	0.0019
17	2232	457C	Analog Pair Gain Equipment	0.1370	0.0417	0.0173	0.0136	0.0910	0.0000	0.0000	0.0000	0.0019
18	2232	57C	Other Analog CCT Equipment	0.1370	0.0417	0.0173	0.0136	0.1580	0.0000	0.0000	0.0000	0.0019
19	2351	188C	Public Telephone Equipment	0.0886	0.0583	0.0242	0.0136		0.0000	0.0000	0.0000	0.0019
20	2362	858C	Channel Term. Equipment	0.1353	0.0606	0.0252	0.0136	0.0579	0.0000	0.0000	0.0000	0.0019
21	2411	1C	Poles	0.0674	0.0500	0.0208	0.0136	0.0045	0.0000	0.0000	0.0000	0.0019
22	2421	52C	Metallic Aerial Cable	0.1137	0.0536	0.0223	0.0136	0.1158	0.0000	0.0000	0.0000	0.0019
23	2421	42C	Aerial Drop	0.1137	0.0536	0.0223	0.0136	0.1158	0.0000	0.0000	0.0000	0.0019
24	2421	852C	Fiber Aerial Cable	0.1015	0.0516	0.0215	0.0136	0.0144	0.0000	0.0000	0.0000	0.0019
25	2422	5C	Metallic U.G. Cable	0.0772	0.0546	0.0227	0.0136	0.0376	0.0000	0.0000	0.0000	0.0019
26	2422	85C	Fiber U.G. Cable	0.0900	0.0562	0.0234	0.0136	0.0153	0.0000	0.0000	0.0000	0.0019
27	2423	45C	Metallic Buried Cable	0.0944	0.0552	0.0230	0.0136	0.0845	0.0000	0.0000	0.0000	0.0019
28	2423	35C	Buried Drop	0.0944	0.0552	0.0230	0.0136	0.0845	0.0000	0.0000	0.0000	0.0019
29	2423	845C	Fiber Buried Cable	0.0662	0.0538	0.0224	0.0136	0.0139	0.0000	0.0000	0.0000	0.0019
30	2424	6C	Metallic Submarine Cable	0.0815	0.0580	0.0242	0.0136	0.0127	0.0000	0.0000	0.0000	0.0019
31	2424	86C	Fiber Submarine Cable	0.1267	0.0623	0.0259	0.0136	0.0127	0.0000	0.0000	0.0000	0.0019
32	2426	62C	Metallic Intrabuilding Cable	0.0598	0.0562	0.0234	0.0136	0.0642	0.0000	0.0000	0.0000	0.0019
33	2426	862C	Fiber Intrabuilding Cable	0.0990	0.0589	0.0245	0.0136	0.0200	0.0000	0.0000	0.0000	0.0019
34	2431	3C	Aerial Wire	0.1404	0.0755	0.0314	0.0136	0.0156	0.0000	0.0000	0.0000	0.0019
35	2441	4C	Conduit	0.0227	0.0581	0.0242	0.0136	0.0046	0.0000	0.0000	0.0000	0.0019

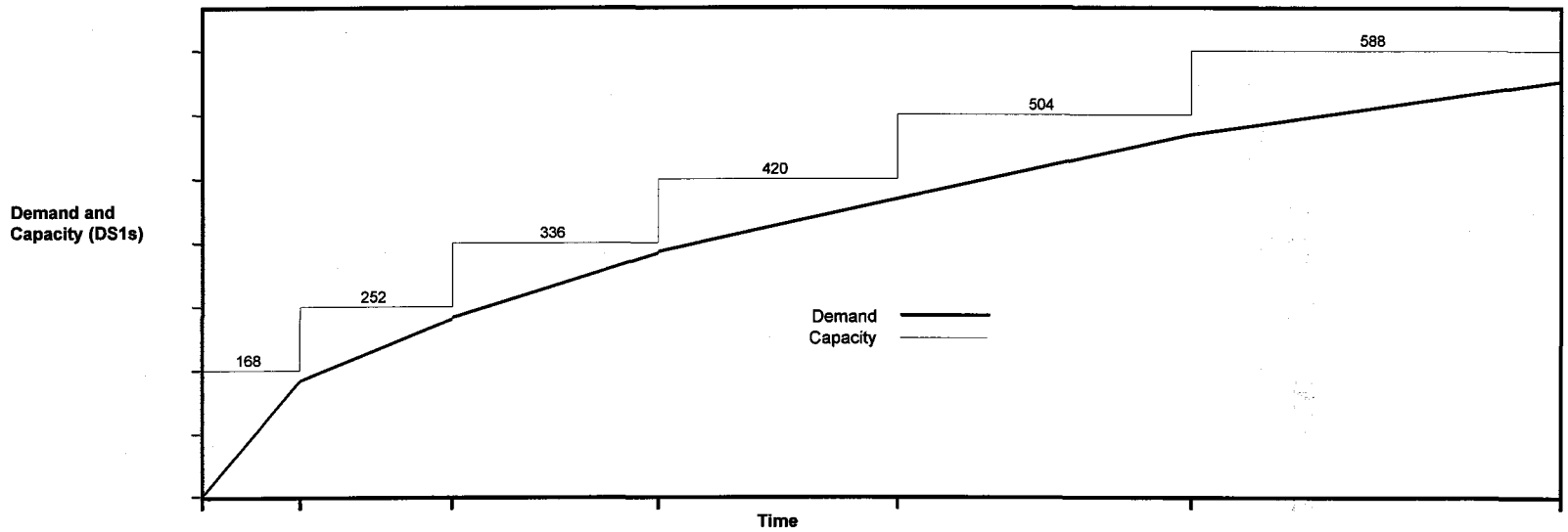
QWEST COMMUNICATIONS -- COLORADO
Arizona Corporation Commission Docket No. T00000A-
Cost Factors, by USOA Account

Line No.	USOA Acct. No.	FRC	Description	Directly Attributed								
				Network Operations	Network Support	General Support	Computers	Uncollectible	Accounting Finance	Human Resources	Information Management	Intangibles
(a)	(b)	(c)	(d)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)
1	2111	20C	Land	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
2	2112	164C	Motor Vehicles	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
3	2112	1364	Aircraft	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
4	2114	464C	Spec. Purpose Vehicles	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
5	2115	264C	Garage Work Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
6	2116	564C	Other Work Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
7	2121	110C	Buildings	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
8	2122	161C	Furniture	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
9	2123	261C	Office Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
10	2124	361C	General Purpose Computers	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
11	2212	377C	Digital Switch	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
12	2220	117C	Operator Systems	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
13	2231	67C	Microwave Radio	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
14	2232	157C	Digital Data System	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
15	2232	257C	Digital Pair Gain Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
16	2232	357C	Other Digital CCT Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
17	2232	457C	Analog Pair Gain Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
18	2232	57C	Other Analog CCT Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
19	2351	188C	Public Telephone Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
20	2362	858C	Channel Term. Equipment	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
21	2411	1C	Poles	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
22	2421	52C	Metallic Aerial Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
23	2421	42C	Aerial Drop	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
24	2421	852C	Fiber Aerial Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
25	2422	5C	Metallic U.G. Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
26	2422	85C	Fiber U.G. Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
27	2423	45C	Metallic Buried Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
28	2423	35C	Buried Drop	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
29	2423	845C	Fiber Buried Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
30	2424	6C	Metallic Submarine Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
31	2424	86C	Fiber Submarine Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
32	2426	62C	Metallic Intrabuilding Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
33	2426	862C	Fiber Intrabuilding Cable	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
34	2431	3C	Aerial Wire	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0078	0.0553	0.0026
35	2441	4C	Conduit	0.0000	0.0160	0.0815	0.0350	0.0000	0.0080	0.0079	0.0553	0.0026

QWEST COMMUNICATIONS -- COLORADO
Arizona Corporation Commission Docket No. T00000A-
Cost Factors, by USOA Account

Line No.	USOA Acct. No.	FRC	Description	Common						
				Executive	Planning	External Relations	Legal	Procurement	R&D	Other G&A
(a)	(b)	(c)	(d)	(w)	(x)	(y)	(z)	(aa)	(ab)	(ac)
1	2111	20C	Land	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
2	2112	164C	Motor Vehicles	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
3	2112	1364	Aircraft	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
4	2114	464C	Spec. Purpose Vehicles	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
5	2115	264C	Garage Work Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
6	2116	564C	Other Work Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
7	2121	110C	Buildings	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
8	2122	161C	Furniture	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
9	2123	261C	Office Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
10	2124	361C	General Purpose Computers	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
11	2212	377C	Digital Switch	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
12	2220	117C	Operator Systems	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
13	2231	67C	Microwave Radio	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
14	2232	157C	Digital Data System	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
15	2232	257C	Digital Pair Gain Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
16	2232	357C	Other Digital CCT Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
17	2232	457C	Analog Pair Gain Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
18	2232	57C	Other Analog CCT Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
19	2351	188C	Public Telephone Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
20	2362	858C	Channel Term. Equipment	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
21	2411	1C	Poles	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
22	2421	52C	Metallic Aerial Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
23	2421	42C	Aerial Drop	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
24	2421	852C	Fiber Aerial Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
25	2422	5C	Metallic U.G. Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
26	2422	85C	Fiber U.G. Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
27	2423	45C	Metallic Buried Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
28	2423	35C	Buried Drop	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
29	2423	845C	Fiber Buried Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
30	2424	6C	Metallic Submarine Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
31	2424	86C	Fiber Submarine Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
32	2426	62C	Metallic Intrabuilding Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
33	2426	862C	Fiber Intrabuilding Cable	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
34	2431	3C	Aerial Wire	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000
35	2441	4C	Conduit	0.0065	0.0000	0.0092	0.0060	0.0022	0.0000	0.0000

OPTICAL/DIGITAL PLANT UTILIZATION FACTOR



	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Capacity, DS1s	168	252	336	420	504	588
2	Demand DS1s, Period Start	0	160	239	319	399	479
3	Demand DS1s, Period End	160	239	319	399	479	559
4	Utilization Rate, Period Start	0.0000	0.6349	0.7113	0.7595	0.7917	0.8146
5	Utilization Rate, Period End	0.9524	0.9484	0.9494	0.9500	0.9504	0.9507
6	Utilization Rate, Period Avg.	0.4762	0.7917	0.8304	0.8548	0.8711	0.8827

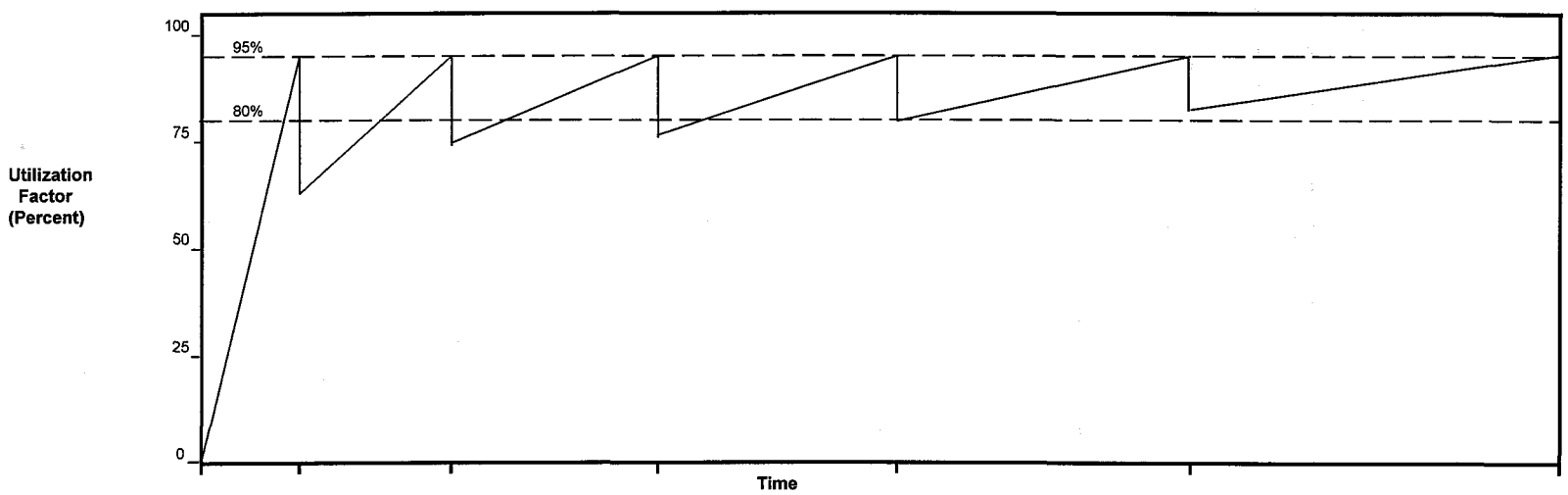


EXHIBIT ATT-THW-5

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Statewide Average DS1 Capable Loop

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		217.15	464.72	505.20	294.88	273.28	0.00	0.00	193.51	85.96	0.00	0.00	14.10	0.00	0.00	48.92	70.82	1.02	2,169.56
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.83
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.52
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**227.01**	**485.82**	**505.20**	**308.27**	**273.28**	**0.00**	**0.00**	**193.51**	**85.96**	**0.00**	**0.00**	**14.10**	**0.00**	**0.00**	**48.92**	**70.82**	**1.02**	**2,213.90**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	23.50	50.28	54.66	31.91	29.57	0.00	0.00	4.39	6.64	0.00	0.00	1.33	0.00	0.00	4.40	4.69	0.10	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.96	4.19	4.56	2.66	2.46	0.00	0.00	0.37	0.55	0.00	0.00	0.11	0.00	0.00	0.37	0.39	0.01	17.62
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	9.12	19.52	21.22	12.38	11.48	0.00	0.00	11.24	4.69	0.00	0.00	0.78	0.00	0.00	2.75	3.81	0.06	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.76	1.63	1.77	1.03	0.96	0.00	0.00	0.94	0.39	0.00	0.00	0.06	0.00	0.00	0.23	0.32	0.01	8.09
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.80	8.13	8.84	5.16	4.78	0.00	0.00	4.68	1.95	0.00	0.00	0.32	0.00	0.00	1.14	1.59	0.02	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.32	0.68	0.74	0.43	0.40	0.00	0.00	0.39	0.16	0.00	0.00	0.03	0.00	0.00	0.10	0.13	0.00	3.37
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.95	5.48	5.96	3.48	3.22	0.00	0.00	0.89	3.23	0.00	0.00	1.19	0.00	0.00	1.84	0.98	0.02	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.33	0.46	0.50	0.29	0.27	0.00	0.00	0.07	0.27	0.00	0.00	0.10	0.00	0.00	0.15	0.08	0.00	2.52
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.95	6.32	6.87	4.01	3.72	0.00	0.00	2.63	1.17	0.00	0.00	0.19	0.00	0.00	0.67	0.96	0.01	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.25	0.53	0.57	0.33	0.31	0.00	0.00	0.22	0.10	0.00	0.00	0.02	0.00	0.00	0.06	0.08	0.00	2.46
22	Tot. Mo. Inv. Related Charge, Equip.		3.61	7.48	8.13	4.75	4.40	0.00	0.00	1.99	1.47	0.00	0.00	0.32	0.00	0.00	0.90	1.00	0.02	34.06
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	2.03	4.34	0.00	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.17	0.36	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
27	Land Loading	Ln. 5, above	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.17	0.37	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.03	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.18	0.39	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.79	7.87	8.13	4.99	4.40	0.00	0.00	1.99	1.47	0.00	0.00	0.32	0.00	0.00	0.90	1.00	0.02	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.02	0.03	0.03	0.02	0.02	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.81**	**7.90**	**8.16**	**5.02**	**4.42**	**0.00**	**0.00**	**2.00**	**1.48**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.90**	**1.01**	**0.02**	**35.03**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Statewide Average DS1 Capable Loop

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.82**	**7.92**	**8.18**	**5.03**	**4.42**	**0.00**	**0.00**	**2.00**	**1.48**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.91**	**1.01**	**0.02**	**35.10**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.01	0.00	0.00	0.01	0.02	0.00	0.56
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.01	0.00	0.00	0.01	0.02	0.00	0.56
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.88**	**8.05**	**8.31**	**5.11**	**4.50**	**0.00**	**0.00**	**2.03**	**1.51**	**0.00**	**0.00**	**0.33**	**0.00**	**0.00**	**0.92**	**1.03**	**0.02**	**35.66**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.31	0.65	0.67	0.41	0.36	0.00	0.00	0.16	0.12	0.00	0.00	0.03	0.00	0.00	0.07	0.08	0.00	2.86
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.13	0.28	0.29	0.18	0.15	0.00	0.00	0.07	0.05	0.00	0.00	0.01	0.00	0.00	0.03	0.04	0.00	1.23
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.06	0.07	0.04	0.04	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.28
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.27
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.21	0.44	0.45	0.28	0.24	0.00	0.00	0.11	0.08	0.00	0.00	0.02	0.00	0.00	0.05	0.06	0.00	1.94
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.73	1.51	1.56	0.96	0.84	0.00	0.00	0.38	0.28	0.00	0.00	0.06	0.00	0.00	0.17	0.19	0.00	6.68
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**4.60**	**9.55**	**9.87**	**6.06**	**5.34**	**0.00**	**0.00**	**2.41**	**1.79**	**0.00**	**0.00**	**0.39**	**0.00**	**0.00**	**1.09**	**1.22**	**0.02**	**42.34**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.28
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.09	0.09	0.06	0.05	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.39
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.25
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	0.11	0.23	0.24	0.15	0.13	0.00	0.00	0.06	0.04	0.00	0.00	0.01	0.00	0.00	0.03	0.03	0.00	1.01
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.71**	**$9.78**	**$10.10**	**$6.21**	**$5.47**	**$0.00**	**$0.00**	**$2.47**	**$1.83**	**$0.00**	**$0.00**	**$0.40**	**$0.00**	**$0.00**	**$1.12**	**$1.25**	**$0.02**	**$43.35**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 1

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		217.15	464.72	505.20	294.88	273.28	0.00	0.00	202.57	90.02	0.00	0.00	3.27	0.00	0.00	47.84	22.19	1.02	2,122.14
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.83
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.52
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**227.01**	**485.82**	**505.20**	**308.27**	**273.28**	**0.00**	**0.00**	**202.57**	**90.02**	**0.00**	**0.00**	**3.27**	**0.00**	**0.00**	**47.84**	**22.19**	**1.02**	**2,166.48**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	23.50	50.28	54.66	31.91	29.57	0.00	0.00	4.60	6.95	0.00	0.00	0.31	0.00	0.00	4.31	1.47	0.10	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.96	4.19	4.56	2.66	2.46	0.00	0.00	0.38	0.58	0.00	0.00	0.03	0.00	0.00	0.36	0.12	0.01	17.30
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	9.12	19.52	21.22	12.38	11.48	0.00	0.00	11.77	4.92	0.00	0.00	0.18	0.00	0.00	2.69	1.19	0.06	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.76	1.63	1.77	1.03	0.96	0.00	0.00	0.98	0.41	0.00	0.00	0.02	0.00	0.00	0.22	0.10	0.01	7.88
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.80	8.13	8.84	5.16	4.78	0.00	0.00	4.90	2.04	0.00	0.00	0.08	0.00	0.00	1.12	0.50	0.02	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.32	0.68	0.74	0.43	0.40	0.00	0.00	0.41	0.17	0.00	0.00	0.01	0.00	0.00	0.09	0.04	0.00	3.28
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.95	5.48	5.96	3.48	3.22	0.00	0.00	0.93	3.38	0.00	0.00	0.28	0.00	0.00	1.80	0.31	0.02	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.33	0.46	0.50	0.29	0.27	0.00	0.00	0.08	0.28	0.00	0.00	0.02	0.00	0.00	0.15	0.03	0.00	2.40
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.95	6.32	6.87	4.01	3.72	0.00	0.00	2.75	1.22	0.00	0.00	0.04	0.00	0.00	0.65	0.30	0.01	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.25	0.53	0.57	0.33	0.31	0.00	0.00	0.23	0.10	0.00	0.00	0.00	0.00	0.00	0.05	0.03	0.00	2.41
22	Tot. Mo. Inv. Related Charge, Equip.		3.81	7.48	8.13	4.75	4.40	0.00	0.00	2.08	1.54	0.00	0.00	0.07	0.00	0.00	0.88	0.31	0.02	33.27
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	2.03	4.34	0.00	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.17	0.36	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
27	Land Loading	Ln. 5, above	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.17	0.37	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.03	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.18	0.39	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.79	7.87	8.13	4.99	4.40	0.00	0.00	2.08	1.54	0.00	0.00	0.07	0.00	0.00	0.88	0.31	0.02	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.02	0.03	0.03	0.02	0.02	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.81**	**7.90**	**8.16**	**5.02**	**4.42**	**0.00**	**0.00**	**2.09**	**1.55**	**0.00**	**0.00**	**0.07**	**0.00**	**0.00**	**0.88**	**0.32**	**0.02**	**34.24**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 1

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.82**	**7.92**	**8.18**	**5.03**	**4.42**	**0.00**	**0.00**	**2.09**	**1.55**	**0.00**	**0.00**	**0.07**	**0.00**	**0.00**	**0.89**	**0.32**	**0.02**	**34.31**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.55
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.55
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.88**	**8.05**	**8.31**	**5.11**	**4.50**	**0.00**	**0.00**	**2.13**	**1.58**	**0.00**	**0.00**	**0.08**	**0.00**	**0.00**	**0.90**	**0.32**	**0.02**	**34.86**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.31	0.65	0.67	0.41	0.36	0.00	0.00	0.17	0.13	0.00	0.00	0.01	0.00	0.00	0.07	0.03	0.00	2.80
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.13	0.28	0.29	0.18	0.15	0.00	0.00	0.07	0.05	0.00	0.00	0.00	0.00	0.00	0.03	0.01	0.00	1.20
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.06	0.07	0.04	0.04	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.27
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.27
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.21	0.44	0.45	0.28	0.24	0.00	0.00	0.12	0.09	0.00	0.00	0.00	0.00	0.00	0.05	0.02	0.00	1.90
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.73	1.51	1.56	0.96	0.84	0.00	0.00	0.40	0.30	0.00	0.00	0.01	0.00	0.00	0.17	0.06	0.00	6.53
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**4.60**	**9.55**	**9.87**	**6.06**	**5.34**	**0.00**	**0.00**	**2.52**	**1.87**	**0.00**	**0.00**	**0.09**	**0.00**	**0.00**	**1.07**	**0.38**	**0.02**	**41.38**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.27
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.09	0.09	0.06	0.05	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.38
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.25
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	0.11	0.23	0.24	0.15	0.13	0.00	0.00	0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.03	0.01	0.00	0.99
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.71**	**$9.78**	**$10.10**	**$6.21**	**$5.47**	**$0.00**	**$0.00**	**$2.58**	**$1.92**	**$0.00**	**$0.00**	**$0.09**	**$0.00**	**$0.00**	**$1.09**	**$0.39**	**$0.02**	**$42.37**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 2

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		217.15	464.72	505.20	294.88	273.28	0.00	0.00	197.81	87.90	0.00	0.00	7.54	0.00	0.00	47.64	35.59	1.02	2,132.73
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.83
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.52
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**227.01**	**485.82**	**505.20**	**308.27**	**273.28**	**0.00**	**0.00**	**197.81**	**87.90**	**0.00**	**0.00**	**7.54**	**0.00**	**0.00**	**47.64**	**35.59**	**1.02**	**2,177.07**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	23.50	50.28	54.66	31.91	29.57	0.00	0.00	4.49	6.79	0.00	0.00	0.71	0.00	0.00	4.29	2.36	0.10	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.96	4.19	4.56	2.66	2.46	0.00	0.00	0.37	0.57	0.00	0.00	0.06	0.00	0.00	0.36	0.20	0.01	17.39
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	9.12	19.52	21.22	12.38	11.48	0.00	0.00	11.49	4.80	0.00	0.00	0.42	0.00	0.00	2.68	1.91	0.06	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.76	1.63	1.77	1.03	0.96	0.00	0.00	0.96	0.40	0.00	0.00	0.03	0.00	0.00	0.22	0.16	0.01	7.92
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.80	8.13	8.84	5.16	4.78	0.00	0.00	4.79	2.00	0.00	0.00	0.17	0.00	0.00	1.11	0.80	0.02	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.32	0.68	0.74	0.43	0.40	0.00	0.00	0.40	0.17	0.00	0.00	0.01	0.00	0.00	0.09	0.07	0.00	3.30
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.95	5.48	5.96	3.48	3.22	0.00	0.00	0.91	3.31	0.00	0.00	0.64	0.00	0.00	1.79	0.49	0.02	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.33	0.46	0.50	0.29	0.27	0.00	0.00	0.08	0.28	0.00	0.00	0.05	0.00	0.00	0.15	0.04	0.00	2.44
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.95	6.32	6.87	4.01	3.72	0.00	0.00	2.69	1.20	0.00	0.00	0.10	0.00	0.00	0.65	0.48	0.01	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.25	0.53	0.57	0.33	0.31	0.00	0.00	0.22	0.10	0.00	0.00	0.01	0.00	0.00	0.05	0.04	0.00	2.42
22	Tot. Mo. Inv. Related Charge, Equip.		3.61	7.48	8.13	4.75	4.40	0.00	0.00	2.03	1.51	0.00	0.00	0.17	0.00	0.00	0.88	0.50	0.02	33.47
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	2.03	4.34	0.00	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.17	0.36	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
27	Land Loading	Ln. 5, above	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.17	0.37	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.03	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.18	0.39	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.79	7.87	8.13	4.99	4.40	0.00	0.00	2.03	1.51	0.00	0.00	0.17	0.00	0.00	0.88	0.50	0.02	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.02	0.03	0.03	0.02	0.02	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.81**	**7.90**	**8.16**	**5.02**	**4.42**	**0.00**	**0.00**	**2.04**	**1.51**	**0.00**	**0.00**	**0.17**	**0.00**	**0.00**	**0.88**	**0.51**	**0.02**	**34.44**
	MONTHLY *PRODUCT* ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 2

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.82**	**7.92**	**8.18**	**5.03**	**4.42**	**0.00**	**0.00**	**2.04**	**1.52**	**0.00**	**0.00**	**0.17**	**0.00**	**0.00**	**0.88**	**0.51**	**0.02**	**34.50**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.55
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.55
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.88**	**8.05**	**8.31**	**5.11**	**4.50**	**0.00**	**0.00**	**2.08**	**1.54**	**0.00**	**0.00**	**0.17**	**0.00**	**0.00**	**0.90**	**0.52**	**0.02**	**35.06**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.31	0.65	0.67	0.41	0.36	0.00	0.00	0.17	0.12	0.00	0.00	0.01	0.00	0.00	0.07	0.04	0.00	2.81
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.13	0.28	0.29	0.18	0.15	0.00	0.00	0.07	0.05	0.00	0.00	0.01	0.00	0.00	0.03	0.02	0.00	1.21
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	*Uncollectible Monthly Charges*	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.06	0.07	0.04	0.04	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.28
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.27
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.21	0.44	0.45	0.28	0.24	0.00	0.00	0.11	0.08	0.00	0.00	0.01	0.00	0.00	0.05	0.03	0.00	1.91
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.73	1.51	1.56	0.96	0.84	0.00	0.00	0.39	0.29	0.00	0.00	0.03	0.00	0.00	0.17	0.10	0.00	6.56
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**4.60**	**9.55**	**9.87**	**6.06**	**5.34**	**0.00**	**0.00**	**2.46**	**1.83**	**0.00**	**0.00**	**0.21**	**0.00**	**0.00**	**1.06**	**0.61**	**0.02**	**41.62**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.27
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.09	0.09	0.06	0.05	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.38
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.25
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	0.11	0.23	0.24	0.15	0.13	0.00	0.00	0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.03	0.01	0.00	1.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.71**	**$9.78**	**$10.10**	**$6.21**	**$5.47**	**$0.00**	**$0.00**	**$2.52**	**$1.87**	**$0.00**	**$0.00**	**$0.21**	**$0.00**	**$0.00**	**$1.09**	**$0.63**	**$0.02**	**$42.62**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 3

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		217.15	464.72	505.20	294.88	273.28	0.00	0.00	165.46	73.13	0.00	0.00	51.01	0.00	0.00	63.61	240.24	1.02	2,349.70
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.83
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.52
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**227.01**	**485.82**	**505.20**	**308.27**	**273.28**	**0.00**	**0.00**	**165.46**	**73.13**	**0.00**	**0.00**	**51.01**	**0.00**	**0.00**	**63.61**	**240.24**	**1.02**	**2,394.04**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	23.50	50.26	54.66	31.91	29.57	0.00	0.00	3.76	5.65	0.00	0.00	4.82	0.00	0.00	5.72	15.90	0.10	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.96	4.19	4.56	2.66	2.46	0.00	0.00	0.31	0.47	0.00	0.00	0.40	0.00	0.00	0.48	1.33	0.01	18.82
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	9.12	19.52	21.22	12.38	11.48	0.00	0.00	9.61	3.99	0.00	0.00	2.82	0.00	0.00	3.57	12.92	0.06	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.76	1.63	1.77	1.03	0.96	0.00	0.00	0.80	0.33	0.00	0.00	0.23	0.00	0.00	0.30	1.08	0.01	8.89
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.80	8.13	8.84	5.16	4.78	0.00	0.00	4.00	1.66	0.00	0.00	1.17	0.00	0.00	1.49	5.38	0.02	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.32	0.68	0.74	0.43	0.40	0.00	0.00	0.33	0.14	0.00	0.00	0.10	0.00	0.00	0.12	0.45	0.00	3.70
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.95	5.48	5.96	3.48	3.22	0.00	0.00	0.76	2.75	0.00	0.00	4.31	0.00	0.00	2.39	3.34	0.02	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.33	0.46	0.50	0.29	0.27	0.00	0.00	0.06	0.23	0.00	0.00	0.36	0.00	0.00	0.20	0.28	0.00	2.97
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0138	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.95	6.32	6.87	4.01	3.72	0.00	0.00	2.25	0.99	0.00	0.00	0.69	0.00	0.00	0.87	3.27	0.01	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.25	0.53	0.57	0.33	0.31	0.00	0.00	0.19	0.08	0.00	0.00	0.06	0.00	0.00	0.07	0.27	0.00	2.66
22	Tot. Mo. Inv. Related Charge, Equip.		3.61	7.48	8.13	4.75	4.40	0.00	0.00	1.70	1.25	0.00	0.00	1.15	0.00	0.00	1.17	3.40	0.02	37.05
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	9.08	19.43	0.00	12.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	2.03	4.34	0.00	2.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.17	0.36	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
27	Land Loading	Ln. 5, above	0.78	1.67	0.00	1.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.17	0.37	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.03	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.18	0.39	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.79	7.87	8.13	4.99	4.40	0.00	0.00	1.70	1.25	0.00	0.00	1.15	0.00	0.00	1.17	3.40	0.02	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.02	0.03	0.03	0.02	0.02	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.16
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.81**	**7.90**	**8.16**	**5.02**	**4.42**	**0.00**	**0.00**	**1.71**	**1.26**	**0.00**	**0.00**	**1.16**	**0.00**	**0.00**	**1.18**	**3.42**	**0.02**	**38.04**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.07
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.07

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 Capable Loop, Zone 3

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.82**	**7.92**	**8.18**	**5.03**	**4.42**	**0.00**	**0.00**	**1.71**	**1.26**	**0.00**	**0.00**	**1.16**	**0.00**	**0.00**	**1.18**	**3.42**	**0.02**	**38.11**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.02	0.00	0.00	0.02	0.05	0.00	0.61
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.06	0.13	0.13	0.08	0.07	0.00	0.00	0.03	0.02	0.00	0.00	0.02	0.00	0.00	0.02	0.05	0.00	0.61
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.88**	**8.05**	**8.31**	**5.11**	**4.50**	**0.00**	**0.00**	**1.74**	**1.28**	**0.00**	**0.00**	**1.18**	**0.00**	**0.00**	**1.20**	**3.48**	**0.02**	**38.72**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.31	0.65	0.67	0.41	0.36	0.00	0.00	0.14	0.10	0.00	0.00	0.09	0.00	0.00	0.10	0.28	0.00	3.11
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	*Ln. 47 times Ln. 56*	0.13	0.28	0.29	0.18	0.15	0.00	0.00	0.06	0.04	0.00	0.00	0.04	0.00	0.00	0.04	0.12	0.00	1.33
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.06	0.07	0.04	0.04	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.03	0.00	0.30
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.03	0.00	0.30
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.21	0.44	0.45	0.28	0.24	0.00	0.00	0.09	0.07	0.00	0.00	0.06	0.00	0.00	0.07	0.19	0.00	2.11
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.10
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.73	1.51	1.56	0.96	0.84	0.00	0.00	0.33	0.24	0.00	0.00	0.22	0.00	0.00	0.22	0.65	0.00	7.25
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**4.60**	**9.55**	**9.87**	**6.06**	**5.34**	**0.00**	**0.00**	**2.06**	**1.52**	**0.00**	**0.00**	**1.40**	**0.00**	**0.00**	**1.42**	**4.13**	**0.02**	**45.97**
	MONTHLY COMMON EXPENSES:																			
70	*Executive Expense Factor*		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.03	0.00	0.30
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.09	0.09	0.06	0.05	0.00	0.00	0.02	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.04	0.00	0.42
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.03	0.06	0.06	0.04	0.03	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.02	0.00	0.28
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.02	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.10
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	0.11	0.23	0.24	0.15	0.13	0.00	0.00	0.05	0.04	0.00	0.00	0.03	0.00	0.00	0.03	0.10	0.00	1.10
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.71**	**$9.78**	**$10.10**	**$6.21**	**$5.47**	**$0.00**	**$0.00**	**$2.11**	**$1.56**	**$0.00**	**$0.00**	**$1.43**	**$0.00**	**$0.00**	**$1.45**	**$4.23**	**$0.02**	**$47.07**

EXHIBIT ATT-THW-6

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Statewide Average DS3 Capable Loop

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		1,560.51	108.50	47.28	7,041.87	9,913.37	0.00	0.00	2,742.44	0.00	0.00	0.00	0.00	0.00	0.00	1,910.14	3,030.05	52.91	26,407.07
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	364.11
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.36
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,631.36**	**113.43**	**47.28**	**7,361.57**	**9,913.37**	**0.00**	**0.00**	**2,742.44**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,910.14**	**3,030.05**	**52.91**	**26,802.54**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	168.85	11.74	5.12	761.93	1,072.63	0.00	0.00	62.25	0.00	0.00	0.00	0.00	0.00	0.00	171.91	200.59	5.24	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	14.07	0.98	0.43	63.49	89.39	0.00	0.00	5.19	0.00	0.00	0.00	0.00	0.00	0.00	14.33	16.72	0.44	205.02
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	65.54	4.56	1.99	295.76	416.36	0.00	0.00	159.34	0.00	0.00	0.00	0.00	0.00	0.00	107.35	163.02	3.12	
12	Avg. Monthly COM	Ln. 11 divided by 12	5.46	0.38	0.17	24.65	34.70	0.00	0.00	13.28	0.00	0.00	0.00	0.00	0.00	0.00	8.95	13.58	0.26	101.42
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	27.31	1.90	0.83	123.23	173.48	0.00	0.00	66.37	0.00	0.00	0.00	0.00	0.00	0.00	44.70	67.87	1.30	
15	Avg. Monthly IT	Ln. 14 divided by 12	2.28	0.16	0.07	10.27	14.46	0.00	0.00	5.53	0.00	0.00	0.00	0.00	0.00	0.00	3.72	5.66	0.11	42.25
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	28.40	1.28	0.56	83.09	116.98	0.00	0.00	12.62	0.00	0.00	0.00	0.00	0.00	0.00	71.82	42.12	1.06	
18	Total Monthly Maint.	Ln. 17 divided by 12	2.37	0.11	0.05	6.92	9.75	0.00	0.00	1.05	0.00	0.00	0.00	0.00	0.00	0.00	5.99	3.51	0.09	29.83
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	21.22	1.48	0.64	95.77	134.82	0.00	0.00	37.30	0.00	0.00	0.00	0.00	0.00	0.00	25.98	41.21	0.72	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.77	0.12	0.05	7.98	11.24	0.00	0.00	3.11	0.00	0.00	0.00	0.00	0.00	0.00	2.16	3.43	0.06	29.93
22	Tot. Mo. Inv. Related Charge, Equip.		25.94	1.75	0.76	113.32	159.52	0.00	0.00	28.16	0.00	0.00	0.00	0.00	0.00	0.00	35.15	42.90	0.95	408.44
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	14.56	1.01	0.00	65.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	1.21	0.08	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.77
27	Land Loading	Ln. 5, above	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	1.25	0.09	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.10	0.01	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	1.32	0.09	0.00	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.36
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	27.26	1.84	0.76	119.26	159.52	0.00	0.00	28.16	0.00	0.00	0.00	0.00	0.00	0.00	35.15	42.90	0.95	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.12	0.01	0.00	0.51	0.69	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.18	0.00	1.79
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**27.38**	**1.85**	**0.76**	**119.78**	**160.21**	**0.00**	**0.00**	**28.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.30**	**43.09**	**0.96**	**417.59**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.08	0.00	0.79
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.08	0.00	0.79

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Statewide Average DS3 Capable Loop

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
			357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**27.43**	**1.85**	**0.77**	**120.00**	**160.51**	**0.00**	**0.00**	**28.33**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.36**	**43.17**	**0.96**	**418.38**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.69	0.02	6.69
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.69	0.02	6.69
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**27.87**	**1.88**	**0.78**	**121.92**	**163.08**	**0.00**	**0.00**	**28.78**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.93**	**43.86**	**0.97**	**425.08**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	2.24	0.15	0.06	9.78	13.08	0.00	0.00	2.31	0.00	0.00	0.00	0.00	0.00	0.00	2.88	3.52	0.08	34.10
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.96	0.06	0.03	4.20	5.62	0.00	0.00	0.99	0.00	0.00	0.00	0.00	0.00	0.00	1.24	1.51	0.03	14.64
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.22	0.01	0.01	0.96	1.28	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.35	0.01	3.35
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.21	0.01	0.01	0.94	1.25	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.34	0.01	3.26
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	1.52	0.10	0.04	6.64	8.88	0.00	0.00	1.57	0.00	0.00	0.00	0.00	0.00	0.00	1.96	2.39	0.05	23.14
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.07	0.00	0.00	0.31	0.42	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.11	0.00	1.09
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	5.22	0.35	0.15	22.82	30.53	0.00	0.00	5.39	0.00	0.00	0.00	0.00	0.00	0.00	6.73	8.21	0.18	79.58
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**33.09**	**2.23**	**0.92**	**144.75**	**193.61**	**0.00**	**0.00**	**34.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**42.66**	**52.07**	**1.16**	**504.65**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.22	0.01	0.01	0.94	1.26	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.34	0.01	3.28
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.30	0.02	0.01	1.33	1.78	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.48	0.01	4.64
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.20	0.01	0.01	0.87	1.16	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.31	0.01	3.03
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.07	0.00	0.00	0.32	0.43	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.11	0.00	1.11
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 83	0.79	0.05	0.02	3.46	4.63	0.00	0.00	0.82	0.00	0.00	0.00	0.00	0.00	0.00	1.02	1.25	0.03	12.08
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$33.88**	**$2.28**	**$0.95**	**$148.21**	**$198.25**	**$0.00**	**$0.00**	**$34.99**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$43.68**	**$53.31**	**$1.18**	**$516.73**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 1

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		1,560.51	108.50	47.28	7,041.87	9,913.37	0.00	0.00	2,781.41	0.00	0.00	0.00	0.00	0.00	0.00	1,932.09	843.96	51.28	24,280.27
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	364.11
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.36
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,631.36**	**113.43**	**47.28**	**7,361.57**	**9,913.37**	**0.00**	**0.00**	**2,781.41**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,932.09**	**843.96**	**51.28**	**24,675.74**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	168.85	11.74	5.12	761.93	1,072.63	0.00	0.00	63.14	0.00	0.00	0.00	0.00	0.00	0.00	173.89	55.87	5.08	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	14.07	0.98	0.43	63.49	89.39	0.00	0.00	5.26	0.00	0.00	0.00	0.00	0.00	0.00	14.49	4.66	0.42	193.19
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	65.54	4.56	1.99	295.76	416.36	0.00	0.00	161.60	0.00	0.00	0.00	0.00	0.00	0.00	108.58	45.41	3.02	
12	Avg. Monthly COM	Ln. 11 divided by 12	5.46	0.38	0.17	24.65	34.70	0.00	0.00	13.47	0.00	0.00	0.00	0.00	0.00	0.00	9.05	3.78	0.25	91.90
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	27.31	1.90	0.83	123.23	173.48	0.00	0.00	67.31	0.00	0.00	0.00	0.00	0.00	0.00	45.21	18.90	1.26	
15	Avg. Monthly IT	Ln. 14 divided by 12	2.28	0.16	0.07	10.27	14.46	0.00	0.00	5.61	0.00	0.00	0.00	0.00	0.00	0.00	3.77	1.58	0.10	38.29
16	Total Maint. Factor		0.0118	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	28.40	1.28	0.56	83.09	116.98	0.00	0.00	12.79	0.00	0.00	0.00	0.00	0.00	0.00	72.65	11.73	1.03	
18	Total Monthly Maint.	Ln. 17 divided by 12	2.37	0.11	0.05	6.92	9.75	0.00	0.00	1.07	0.00	0.00	0.00	0.00	0.00	0.00	6.05	0.98	0.09	27.38
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	21.22	1.48	0.64	95.77	134.82	0.00	0.00	37.83	0.00	0.00	0.00	0.00	0.00	0.00	26.28	11.48	0.70	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.77	0.12	0.05	7.98	11.24	0.00	0.00	3.15	0.00	0.00	0.00	0.00	0.00	0.00	2.19	0.96	0.06	27.52
22	Tot. Mo. Inv. Related Charge, Equip.		25.94	1.75	0.76	113.32	159.52	0.00	0.00	28.56	0.00	0.00	0.00	0.00	0.00	0.00	35.55	11.95	0.92	378.27
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	14.56	1.01	0.00	65.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	1.21	0.08	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.77
27	Land Loading	Ln. 5, above	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	1.25	0.09	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.10	0.01	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	1.32	0.09	0.00	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.36
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	27.26	1.84	0.76	119.26	159.52	0.00	0.00	28.56	0.00	0.00	0.00	0.00	0.00	0.00	35.55	11.95	0.92	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.12	0.01	0.00	0.51	0.69	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.05	0.00	1.66
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**27.38**	**1.85**	**0.76**	**119.78**	**160.21**	**0.00**	**0.00**	**28.68**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.70**	**12.00**	**0.93**	**387.28**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.02	0.00	0.74
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.02	0.00	0.74

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 1

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**27.43**	**1.85**	**0.77**	**120.00**	**160.51**	**0.00**	**0.00**	**28.73**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.77**	**12.02**	**0.93**	**388.02**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.19	0.01	6.21
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.19	0.01	6.21
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**27.87**	**1.88**	**0.78**	**121.92**	**163.08**	**0.00**	**0.00**	**29.19**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**36.34**	**12.22**	**0.94**	**394.23**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	2.24	0.15	0.06	9.78	13.08	0.00	0.00	2.34	0.00	0.00	0.00	0.00	0.00	0.00	2.92	0.98	0.08	31.62
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.96	0.06	0.03	4.20	5.62	0.00	0.00	1.01	0.00	0.00	0.00	0.00	0.00	0.00	1.25	0.42	0.03	13.58
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.22	0.01	0.01	0.96	1.28	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.10	0.01	3.10
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.21	0.01	0.01	0.94	1.25	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.09	0.01	3.03
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	1.52	0.10	0.04	6.64	8.88	0.00	0.00	1.59	0.00	0.00	0.00	0.00	0.00	0.00	1.98	0.66	0.05	21.46
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.07	0.00	0.00	0.31	0.42	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.03	0.00	1.01
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	5.22	0.35	0.15	22.82	30.53	0.00	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	6.80	2.29	0.18	73.80
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**33.09**	**2.23**	**0.92**	**144.75**	**193.61**	**0.00**	**0.00**	**34.66**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**43.15**	**14.50**	**1.12**	**468.03**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.22	0.01	0.01	0.94	1.26	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.09	0.01	3.04
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.30	0.02	0.01	1.33	1.78	0.00	0.00	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.13	0.01	4.31
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.20	0.01	0.01	0.87	1.16	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.09	0.01	2.81
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.07	0.00	0.00	0.32	0.43	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.03	0.00	1.03
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 83	0.79	0.05	0.02	3.46	4.63	0.00	0.00	0.83	0.00	0.00	0.00	0.00	0.00	0.00	1.03	0.35	0.03	11.20
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$33.88**	**$2.28**	**$0.95**	**$148.21**	**$198.25**	**$0.00**	**$0.00**	**$35.49**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$44.18**	**$14.85**	**$1.15**	**$479.23**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 2

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		1,560.51	108.50	47.28	7,041.87	9,913.37	0.00	0.00	2,784.11	0.00	0.00	0.00	0.00	0.00	0.00	1,936.66	1,457.60	52.57	24,902.47
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	364.11
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.36
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,631.36**	**113.43**	**47.28**	**7,361.57**	**9,913.37**	**0.00**	**0.00**	**2,784.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,936.66**	**1,457.60**	**52.57**	**25,297.94**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	168.85	11.74	5.12	761.93	1,072.63	0.00	0.00	63.20	0.00	0.00	0.00	0.00	0.00	0.00	174.30	96.49	5.20	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	14.07	0.98	0.43	63.49	89.39	0.00	0.00	5.27	0.00	0.00	0.00	0.00	0.00	0.00	14.52	8.04	0.43	196.62
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	65.54	4.56	1.99	295.76	416.36	0.00	0.00	161.76	0.00	0.00	0.00	0.00	0.00	0.00	108.84	78.42	3.10	
12	Avg. Monthly COM	Ln. 11 divided by 12	5.46	0.38	0.17	24.65	34.70	0.00	0.00	13.48	0.00	0.00	0.00	0.00	0.00	0.00	9.07	6.53	0.26	94.69
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	27.31	1.90	0.83	123.23	173.48	0.00	0.00	67.38	0.00	0.00	0.00	0.00	0.00	0.00	45.32	32.65	1.29	
15	Avg. Monthly IT	Ln. 14 divided by 12	2.28	0.16	0.07	10.27	14.46	0.00	0.00	5.61	0.00	0.00	0.00	0.00	0.00	0.00	3.78	2.72	0.11	39.45
16	Total Maint. Factor		0.0118	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	28.40	1.28	0.56	83.09	116.98	0.00	0.00	12.81	0.00	0.00	0.00	0.00	0.00	0.00	72.82	20.26	1.05	
18	Total Monthly Maint.	Ln. 17 divided by 12	2.37	0.11	0.05	6.92	9.75	0.00	0.00	1.07	0.00	0.00	0.00	0.00	0.00	0.00	6.07	1.69	0.09	28.10
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	21.22	1.48	0.64	95.77	134.82	0.00	0.00	37.86	0.00	0.00	0.00	0.00	0.00	0.00	26.34	19.62	0.71	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.77	0.12	0.05	7.98	11.24	0.00	0.00	3.16	0.00	0.00	0.00	0.00	0.00	0.00	2.19	1.65	0.06	28.22
22	Tot. Mo. Inv. Related Charge, Equip.		25.94	1.75	0.76	113.32	159.52	0.00	0.00	28.58	0.00	0.00	0.00	0.00	0.00	0.00	35.63	20.64	0.95	387.09
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	14.56	1.01	0.00	65.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	1.21	0.08	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.77
27	Land Loading	Ln. 5, above	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	1.25	0.09	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.10	0.01	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	1.32	0.09	0.00	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.36
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	27.26	1.84	0.76	119.26	159.52	0.00	0.00	28.58	0.00	0.00	0.00	0.00	0.00	0.00	35.63	20.64	0.95	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.12	0.01	0.00	0.51	0.69	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.09	0.00	1.70
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**27.38**	**1.85**	**0.76**	**119.78**	**160.21**	**0.00**	**0.00**	**28.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.79**	**20.73**	**0.95**	**396.14**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.04	0.00	0.75
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.04	0.00	0.75

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 2

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**27.43**	**1.85**	**0.77**	**120.00**	**160.51**	**0.00**	**0.00**	**28.76**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.86**	**20.77**	**0.95**	**396.90**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.33	0.02	6.35
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.33	0.02	6.35
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**27.87**	**1.88**	**0.78**	**121.92**	**163.08**	**0.00**	**0.00**	**29.22**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**36.43**	**21.10**	**0.97**	**403.25**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	2.24	0.15	0.06	9.78	13.08	0.00	0.00	2.34	0.00	0.00	0.00	0.00	0.00	0.00	2.92	1.69	0.08	32.35
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.96	0.06	0.03	4.20	5.62	0.00	0.00	1.01	0.00	0.00	0.00	0.00	0.00	0.00	1.25	0.73	0.03	13.89
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.22	0.01	0.01	0.96	1.28	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.17	0.01	3.18
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.21	0.01	0.01	0.94	1.25	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.16	0.01	3.10
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	1.52	0.10	0.04	6.64	8.88	0.00	0.00	1.59	0.00	0.00	0.00	0.00	0.00	0.00	1.98	1.15	0.05	21.95
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.07	0.00	0.00	0.31	0.42	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.05	0.00	1.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	5.22	0.35	0.15	22.82	30.53	0.00	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	6.82	3.95	0.18	75.49
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**33.09**	**2.23**	**0.92**	**144.75**	**193.61**	**0.00**	**0.00**	**34.69**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**43.25**	**25.05**	**1.15**	**478.74**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.22	0.01	0.01	0.94	1.26	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.16	0.01	3.11
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.30	0.02	0.01	1.33	1.78	0.00	0.00	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.23	0.01	4.40
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.20	0.01	0.01	0.87	1.16	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.15	0.01	2.87
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.07	0.00	0.00	0.32	0.43	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.06	0.00	1.05
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 83	0.79	0.05	0.02	3.46	4.63	0.00	0.00	0.83	0.00	0.00	0.00	0.00	0.00	0.00	1.04	0.60	0.03	11.46
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$33.88**	**$2.28**	**$0.95**	**$148.21**	**$198.25**	**$0.00**	**$0.00**	**$35.52**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$44.28**	**$25.65**	**$1.18**	**$490.19**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 3

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
			357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	*Equipment*		1,560.51	108.50	47.28	7,041.87	9,913.37	0.00	0.00	2,449.13	0.00	0.00	0.00	0.00	0.00	0.00	1,722.61	10,950.86	54.92	33,849.05
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	364.11
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.36
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,631.36**	**113.43**	**47.28**	**7,361.57**	**9,913.37**	**0.00**	**0.00**	**2,449.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,722.61**	**10,950.86**	**54.92**	**34,244.52**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	168.85	11.74	5.12	761.93	1,072.63	0.00	0.00	55.60	0.00	0.00	0.00	0.00	0.00	0.00	155.03	724.95	5.44	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	14.07	0.98	0.43	63.49	89.39	0.00	0.00	4.63	0.00	0.00	0.00	0.00	0.00	0.00	12.92	60.41	0.45	246.77
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	65.54	4.56	1.99	295.76	416.38	0.00	0.00	142.29	0.00	0.00	0.00	0.00	0.00	0.00	96.81	589.16	3.23	
12	Avg. Monthly COM	Ln. 11 divided by 12	5.46	0.38	0.17	24.65	34.70	0.00	0.00	11.86	0.00	0.00	0.00	0.00	0.00	0.00	8.07	49.10	0.27	134.64
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	27.31	1.90	0.83	123.23	173.48	0.00	0.00	59.27	0.00	0.00	0.00	0.00	0.00	0.00	40.31	245.30	1.35	
15	Avg. Monthly IT	Ln. 14 divided by 12	2.28	0.16	0.07	10.27	14.46	0.00	0.00	4.94	0.00	0.00	0.00	0.00	0.00	0.00	3.36	20.44	0.11	56.08
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	28.40	1.28	0.56	83.09	116.98	0.00	0.00	11.27	0.00	0.00	0.00	0.00	0.00	0.00	64.77	152.22	1.10	
18	Total Monthly Maint.	Ln. 17 divided by 12	2.37	0.11	0.05	6.92	9.75	0.00	0.00	0.94	0.00	0.00	0.00	0.00	0.00	0.00	5.40	12.68	0.09	38.31
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	21.22	1.48	0.64	95.77	134.82	0.00	0.00	33.31	0.00	0.00	0.00	0.00	0.00	0.00	23.43	148.93	0.75	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.77	0.12	0.05	7.98	11.24	0.00	0.00	2.78	0.00	0.00	0.00	0.00	0.00	0.00	1.95	12.41	0.06	38.36
22	Tot. Mo. Inv. Related Charge, Equip.		25.94	1.75	0.76	113.32	159.52	0.00	0.00	25.14	0.00	0.00	0.00	0.00	0.00	0.00	31.70	155.05	0.99	514.16
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	65.23	4.54	0.00	294.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	14.56	1.01	0.00	65.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	1.21	0.08	0.00	5.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.77
27	Land Loading	Ln. 5, above	5.62	0.39	0.00	25.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	1.25	0.09	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.10	0.01	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	1.32	0.09	0.00	5.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.36
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	27.26	1.84	0.76	119.26	159.52	0.00	0.00	25.14	0.00	0.00	0.00	0.00	0.00	0.00	31.70	155.05	0.99	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.12	0.01	0.00	0.51	0.69	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.67	0.00	2.24
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**27.38**	**1.85**	**0.76**	**119.78**	**160.21**	**0.00**	**0.00**	**25.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**31.83**	**155.71**	**0.99**	**523.76**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.30	0.00	1.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.05	0.00	0.00	0.23	0.30	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.30	0.00	1.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 Capable Loop, Zone 3

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**27.43**	**1.85**	**0.77**	**120.00**	**160.51**	**0.00**	**0.00**	**25.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**31.89**	**156.01**	**0.99**	**524.76**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.51	2.50	0.02	8.40
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.44	0.03	0.01	1.92	2.57	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.51	2.50	0.02	8.40
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**27.87**	**1.88**	**0.78**	**121.92**	**163.08**	**0.00**	**0.00**	**25.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**32.40**	**158.51**	**1.01**	**533.15**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	2.24	0.15	0.06	9.78	13.08	0.00	0.00	2.06	0.00	0.00	0.00	0.00	0.00	0.00	2.60	12.71	0.08	42.77
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.96	0.06	0.03	4.20	5.62	0.00	0.00	0.89	0.00	0.00	0.00	0.00	0.00	0.00	1.12	5.46	0.03	18.37
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.22	0.01	0.01	0.96	1.28	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.26	1.25	0.01	4.20
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.21	0.01	0.01	0.94	1.25	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.25	1.22	0.01	4.09
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	1.52	0.10	0.04	6.64	8.88	0.00	0.00	1.40	0.00	0.00	0.00	0.00	0.00	0.00	1.76	8.63	0.06	29.02
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.07	0.00	0.00	0.31	0.42	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.41	0.00	1.36
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	5.22	0.35	0.15	22.82	30.53	0.00	0.00	4.81	0.00	0.00	0.00	0.00	0.00	0.00	6.07	29.67	0.19	99.81
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**33.09**	**2.23**	**0.92**	**144.75**	**193.61**	**0.00**	**0.00**	**30.52**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**38.47**	**188.18**	**1.20**	**632.96**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.22	0.01	0.01	0.94	1.26	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.25	1.22	0.01	4.11
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.30	0.02	0.01	1.33	1.78	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.35	1.73	0.01	5.82
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.20	0.01	0.01	0.87	1.16	0.00	0.00	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.23	1.13	0.01	3.80
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.07	0.00	0.00	0.32	0.43	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.41	0.00	1.39
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.02
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.79	0.05	0.02	3.46	4.63	0.00	0.00	0.73	0.00	0.00	0.00	0.00	0.00	0.00	0.92	4.50	0.03	15.15
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$33.88**	**$2.28**	**$0.95**	**$148.21**	**$198.25**	**$0.00**	**$0.00**	**$31.25**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$39.39**	**$192.68**	**$1.23**	**$648.11**

EXHIBIT ATT-THW-7

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		571.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	571.19
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	23.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.88
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**597.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**597.12**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	61.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.15
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	23.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	10.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	7.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
22	Tot. Mo. Inv. Related Charge, Equip.		9.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.50
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	23.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
27	Land Loading	Ln. 5, above	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	9.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.02**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**10.04**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.04**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**10.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.20**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.91
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**12.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.11**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$12.40**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$12.40**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		0.70	0.00	0.00	0.00	0.00	0.00	0.00	1.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.34	0.00	3.85
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**0.74**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.81**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.34**	**0.00**	**3.89**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.02
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.02
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Tot. Mo. Inv. Related Charge, Equip.		0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.05
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Land Loading	Ln. 5, above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.05**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
			357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.05**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.05**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.06**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.02**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.02**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.02**	**$0.00**	**$0.06**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		571.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	571.77
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	23.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.90
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**597.73**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**597.73**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	61.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.16
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	24.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	10.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	7.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
22	Tot. Mo. Inv. Related Charge, Equip.		9.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.51
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	23.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
27	Land Loading	Ln. 5, above	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	9.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.03**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**10.05**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.05**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**10.21**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.21**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.91
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**12.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.12**
	MONTHLY COMMON EXPENSES:																			
70	*Executive Expense Factor*		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$12.41**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$12.41**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		0.55	0.00	0.00	0.00	0.00	0.00	0.00	1.56	0.00	0.00	0.00	0.00	0.00	0.00	1.15	0.04	0.00	3.30
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**0.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.56**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.15**	**0.04**	**0.00**	**3.32**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Tot. Mo. Inv. Related Charge, Equip.		0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.05
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Land Loading	Ln. 5, above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.05**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.05**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.05**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.03**	**0.00**	**0.00**	**0.06**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.01**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.02**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.03**	**$0.00**	**$0.00**	**$0.06**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		572.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	572.62
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	23.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.94
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**598.62**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**598.62**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	61.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.16
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	24.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	10.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	7.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
22	Tot. Mo. Inv. Related Charge, Equip.		9.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.52
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	23.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45
27	Land Loading	Ln. 5, above	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.05**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.05**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**10.07**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.07**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
52	Total Monthly Network *Support Charges*	Sum, Lns. 49, 51	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**10.23**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.23**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.91
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**12.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.14**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$12.43**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$12.43**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		0.07	0.00	0.00	0.00	0.00	0.00	0.00	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.95	0.46	0.00	2.76
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**0.08**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.95**	**0.46**	**0.00**	**2.77**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.03	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.02	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.01	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Tot. Mo. Inv. Related Charge, Equip.		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	0.04
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Land Loading	Ln. 5, above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.01**	**0.00**	**0.04**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.01**	**0.00**	**0.04**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.01**	**0.00**	**0.04**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.01**	**0.00**	**0.05**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.02**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.02**	**$0.01**	**$0.00**	**$0.05**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		571.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	571.58
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	23.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.89
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.06
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**597.53**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**597.53**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	61.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.15
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	24.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	10.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	7.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65
22	Tot. Mo. Inv. Related Charge, Equip.		9.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.50
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	23.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
27	Land Loading	Ln. 5, above	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	9.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.03**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**10.05**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.05**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**10.21**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.21**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.91
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**12.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.12**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$12.41**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$12.41**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.53	0.02	0.00	1.60
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**0.36**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.53**	**0.02**	**0.00**	**1.62**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Tot. Mo. Inv. Related Charge, Equip.		0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Land Loading	Ln. 5, above	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.02**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS0 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.02**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.02**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.03**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.01**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.01**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.01**	**$0.00**	**$0.00**	**$0.03**

EXHIBIT ATT-THW-8

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 0-8 Miles -- FIXED COMPONENT

	Plant		Circuit - Digital					Outside Plant												
Ln. No.	Account Description	Source	Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		977.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	977.27
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	40.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.85
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.52
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,021.64**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,021.64**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	105.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	8.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.81
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	41.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	3.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.42
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	17.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	1.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.43
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	17.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.48
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	13.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.11
22	Tot. Mo. Inv. Related Charge, Equip.		16.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.25
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	40.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	9.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
27	Land Loading	Ln. 5, above	3.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	17.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**17.15**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.15**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**17.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.18**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**17.45**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.45**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.40
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.95
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	3.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.27
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**20.72**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20.72**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$21.22**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$21.22**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		8.09	0.00	0.00	0.00	0.00	0.00	0.00	23.06	0.00	0.00	0.00	0.00	0.00	0.00	17.11	0.00	0.00	48.26
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**8.46**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**23.06**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.11**	**0.00**	**0.00**	**48.63**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.00	0.00	0.00	1.54	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.24
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.34	0.00	0.00	0.00	0.00	0.00	0.00	1.34	0.00	0.00	0.00	0.00	0.00	0.00	0.96	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.22
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.09
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.64	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.07
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.05
22	Tot. Mo. Inv. Related Charge, Equip.		0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.00	0.69
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
27	Land Loading	Ln. 5, above	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.70**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.70**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.01
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.71**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.06
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.04
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.13
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.29**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.38**	**0.00**	**0.00**	**0.84**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.18**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.29**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.39**	**$0.00**	**$0.00**	**$0.86**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		984.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	984.69
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	41.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.16
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	3.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.54
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,029.39**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,029.39**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0652	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	106.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	8.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.88
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	41.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	3.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.45
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	17.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.44
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	17.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.49
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	13.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.12
22	Tot. Mo. Inv. Related Charge, Equip.		16.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.37
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	41.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	9.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.77
27	Land Loading	Ln. 5, above	3.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	17.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**17.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.28**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**17.31**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.31**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**17.59**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.59**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.41
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.96
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	3.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.29
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**20.88**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20.88**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$21.38**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$21.38**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		5.33	0.00	0.00	0.00	0.00	0.00	0.00	19.44	0.00	0.00	0.00	0.00	0.00	0.00	14.43	0.15	0.00	39.35
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**5.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**19.44**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.43**	**0.15**	**0.00**	**39.59**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.01	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.19
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.22	0.00	0.00	0.00	0.00	0.00	0.00	1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.81	0.01	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.18
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.08
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.54	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.06
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.04
22	Tot. Mo. Inv. Related Charge, Equip.		0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.56
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Land Loading	Ln. 5, above	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.09**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.27**	**0.00**	**0.00**	**0.56**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.09**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.27**	**0.00**	**0.00**	**0.56**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.27**	**0.00**	**0.00**	**0.57**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.05
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.11
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.32**	**0.00**	**0.00**	**0.68**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.12**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.25**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.33**	**$0.00**	**$0.00**	**$0.70**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		997.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	997.83
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	41.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.71
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.59
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,043.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,043.13**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	107.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	41.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	3.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.49
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	17.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	1.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.46
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	18.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.51
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	13.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13
22	Tot. Mo. Inv. Related Charge, Equip.		16.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.59
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	41.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	9.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78
27	Land Loading	Ln. 5, above	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	17.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**17.51**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.51**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**17.54**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.54**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**17.82**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.82**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.43
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.97
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**21.16**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.16**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.51
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$21.66**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$21.66**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		13.95	0.00	0.00	0.00	0.00	0.00	0.00	28.89	0.00	0.00	0.00	0.00	0.00	0.00	21.44	5.88	0.00	70.16
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.58
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**14.58**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28.89**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.44**	**5.88**	**0.00**	**70.79**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	1.51	0.00	0.00	0.00	0.00	0.00	0.00	0.66	0.00	0.00	0.00	0.00	0.00	0.00	1.93	0.39	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.03	0.00	0.37
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.59	0.00	0.00	0.00	0.00	0.00	0.00	1.68	0.00	0.00	0.00	0.00	0.00	0.00	1.20	0.32	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.03	0.00	0.32
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.13	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.01	0.00	0.13
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.81	0.08	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.01	0.00	0.11
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.08	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	0.08
22	Tot. Mo. Inv. Related Charge, Equip.		0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.08	0.00	1.01
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
27	Land Loading	Ln. 5, above	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.08	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.40**	**0.08**	**0.00**	**1.02**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description / Account Number	Source	Circuit - Digital					Outside Plant												TOTALS
			Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.40**	**0.08**	**0.00**	**1.02**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.40**	**0.09**	**0.00**	**1.04**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.01	0.00	0.08
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.04
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.06
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.02	0.00	0.19
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.36**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.48**	**0.10**	**0.00**	**1.24**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.30**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.37**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.49**	**$0.10**	**$0.00**	**$1.27**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		996.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	996.85
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	41.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.67
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.59
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,042.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,042.11**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	107.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	8.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.99
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	41.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	3.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.49
13	Avg. iT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual iT	Ln. 1 times Ln. 13	17.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly iT	Ln. 14 divided by 12	1.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.45
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	18.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.51
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	13.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13
22	Tot. Mo. Inv. Related Charge, Equip.		16.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.57
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	41.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	9.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78
27	Land Loading	Ln. 5, above	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	17.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**17.49**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.49**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**17.52**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.52**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**17.80**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.80**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.43
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.97
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	3.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.33
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**21.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.14**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.51
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$21.64**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$21.64**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		7.64	0.00	0.00	0.00	0.00	0.00	0.00	16.93	0.00	0.00	0.00	0.00	0.00	0.00	12.56	0.00	0.00	37.13
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.32
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**7.99**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**16.93**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.56**	**0.00**	**0.00**	**37.48**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.00	0.00	0.00	0.00	0.00	0.00	1.13	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.20
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.98	0.00	0.00	0.00	0.00	0.00	0.00	0.71	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.17
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.07
16	Total Maint. Factor		0.0162	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.06
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.04
22	Tot. Mo. Inv. Related Charge, Equip.		0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.53
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
27	Land Loading	Ln. 5, above	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.23**	**0.00**	**0.00**	**0.54**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS1 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.23**	**0.00**	**0.00**	**0.54**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.24**	**0.00**	**0.00**	**0.55**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.04
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**0.16**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.21**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.28**	**0.00**	**0.00**	**0.65**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.17**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.22**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.29**	**$0.00**	**$0.00**	**$0.67**

EXHIBIT ATT-THW-9

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
			357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		6,573.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,573.74
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	274.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	274.78
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	23.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.67
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**6,872.19**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,872.19**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	711.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	59.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.27
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	276.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	23.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.01
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	115.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	9.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.59
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	119.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	9.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.97
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	89.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	7.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.45
22	Tot. Mo. Inv. Related Charge, Equip.		109.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.29
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	274.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	61.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	5.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.11
27	Land Loading	Ln. 5, above	23.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	5.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.55
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	114.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**115.33**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**115.33**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**115.55**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**115.55**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**117.40**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**117.40**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	9.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.42
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	4.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.04
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.92
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	6.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.39
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	21.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.98
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**139.38**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**139.38**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.28
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$142.72**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		492.82	0.00	0.00	0.00	0.00	0.00	0.00	1,053.88	0.00	0.00	0.00	0.00	0.00	0.00	782.08	0.15	0.00	2,328.93
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	20.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.60
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	1.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.77
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**515.19**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,053.88**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**782.08**	**0.15**	**0.00**	**2,351.31**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	53.32	0.00	0.00	0.00	0.00	0.00	0.00	23.92	0.00	0.00	0.00	0.00	0.00	0.00	70.39	0.01	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	4.44	0.00	0.00	0.00	0.00	0.00	0.00	1.99	0.00	0.00	0.00	0.00	0.00	0.00	5.87	0.00	0.00	12.30
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	20.70	0.00	0.00	0.00	0.00	0.00	0.00	61.23	0.00	0.00	0.00	0.00	0.00	0.00	43.95	0.01	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	1.72	0.00	0.00	0.00	0.00	0.00	0.00	5.10	0.00	0.00	0.00	0.00	0.00	0.00	3.66	0.00	0.00	10.49
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	8.62	0.00	0.00	0.00	0.00	0.00	0.00	25.50	0.00	0.00	0.00	0.00	0.00	0.00	18.30	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.72	0.00	0.00	0.00	0.00	0.00	0.00	2.13	0.00	0.00	0.00	0.00	0.00	0.00	1.53	0.00	0.00	4.37
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	8.97	0.00	0.00	0.00	0.00	0.00	0.00	4.85	0.00	0.00	0.00	0.00	0.00	0.00	29.41	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	2.45	0.00	0.00	3.60
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	6.70	0.00	0.00	0.00	0.00	0.00	0.00	14.33	0.00	0.00	0.00	0.00	0.00	0.00	10.64	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.56	0.00	0.00	0.00	0.00	0.00	0.00	1.19	0.00	0.00	0.00	0.00	0.00	0.00	0.89	0.00	0.00	2.64
22	Tot. Mo. Inv. Related Charge, Equip.		8.19	0.00	0.00	0.00	0.00	0.00	0.00	10.82	0.00	0.00	0.00	0.00	0.00	0.00	14.39	0.00	0.00	33.41
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	20.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	4.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38
27	Land Loading	Ln. 5, above	1.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.42
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	8.61	0.00	0.00	0.00	0.00	0.00	0.00	10.82	0.00	0.00	0.00	0.00	0.00	0.00	14.39	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.15
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**8.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.45**	**0.00**	**0.00**	**33.97**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.06
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.06

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**8.66**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.89**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.48**	**0.00**	**0.00**	**34.03**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.54
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.00	0.00	0.54
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**8.80**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**11.06**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.71**	**0.00**	**0.00**	**34.58**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.89	0.00	0.00	0.00	0.00	0.00	0.00	1.18	0.00	0.00	2.77
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.51	0.00	0.00	1.19
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.27
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.27
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.80	0.00	0.00	1.88
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.65	0.00	0.00	0.00	0.00	0.00	0.00	2.07	0.00	0.00	0.00	0.00	0.00	0.00	2.75	0.00	0.00	6.47
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**10.45**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**13.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.47**	**0.00**	**0.00**	**41.05**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.27
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.38
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.25
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.98
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$10.70**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$13.45**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$17.88**	**$0.00**	**$0.00**	**$42.03**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		6,572.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,572.32
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	274.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	274.72
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	23.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.66
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**6,870.70**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,870.70**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	711.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	59.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.26
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	276.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	23.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.00
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	115.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	9.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.58
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	119.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	9.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.97
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	89.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	7.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.45
22	Tot. Mo. Inv. Related Charge, Equip.		109.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.26
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	274.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	61.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	5.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.11
27	Land Loading	Ln. 5, above	23.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	5.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.55
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	114.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**115.31**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**115.31**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**115.53**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**115.53**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.85
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**117.38**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**117.38**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	9.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.42
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	4.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.04
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.92
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	6.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.39
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	21.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.97
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**139.35**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**139.35**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	1.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.28
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	3.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.34
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$142.69**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		100.81	0.00	0.00	0.00	0.00	0.00	0.00	381.22	0.00	0.00	0.00	0.00	0.00	0.00	282.90	10.11	0.00	775.04
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	4.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.21
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**105.39**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**381.22**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**282.90**	**10.11**	**0.00**	**779.62**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	10.91	0.00	0.00	0.00	0.00	0.00	0.00	8.65	0.00	0.00	0.00	0.00	0.00	0.00	25.46	0.67	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.00	0.00	2.12	0.06	0.00	3.81
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	4.23	0.00	0.00	0.00	0.00	0.00	0.00	22.15	0.00	0.00	0.00	0.00	0.00	0.00	15.90	0.54	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.35	0.00	0.00	0.00	0.00	0.00	0.00	1.85	0.00	0.00	0.00	0.00	0.00	0.00	1.32	0.05	0.00	3.57
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1.76	0.00	0.00	0.00	0.00	0.00	0.00	9.23	0.00	0.00	0.00	0.00	0.00	0.00	6.62	0.23	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.55	0.02	0.00	1.49
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1.83	0.00	0.00	0.00	0.00	0.00	0.00	1.75	0.00	0.00	0.00	0.00	0.00	0.00	10.64	0.14	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.89	0.01	0.00	1.20
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1.37	0.00	0.00	0.00	0.00	0.00	0.00	5.18	0.00	0.00	0.00	0.00	0.00	0.00	3.85	0.14	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.01	0.00	0.88
22	Tot. Mo. Inv. Related Charge, Equip.		1.68	0.00	0.00	0.00	0.00	0.00	0.00	3.91	0.00	0.00	0.00	0.00	0.00	0.00	5.21	0.14	0.00	10.94
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	4.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
27	Land Loading	Ln. 5, above	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1.76	0.00	0.00	0.00	0.00	0.00	0.00	3.91	0.00	0.00	0.00	0.00	0.00	0.00	5.21	0.14	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.05
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**1.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.93**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.23**	**0.14**	**0.00**	**11.07**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**1.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.24**	**0.14**	**0.00**	**11.09**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.18
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.18
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**1.80**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.32**	**0.15**	**0.00**	**11.27**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.43	0.01	0.00	0.90
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.01	0.00	0.39
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.01	0.00	0.61
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.03	0.00	2.11
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**2.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.75**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6.32**	**0.17**	**0.00**	**13.38**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.12
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.08
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.32
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$2.19**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$4.86**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$6.47**	**$0.18**	**$0.00**	**$13.70**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		6,153.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,153.57
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	257.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	257.22
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	22.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.15
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**6,432.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,432.94**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	665.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	55.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55.48
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	258.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	21.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.54
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	107.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	8.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.97
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	111.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	9.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.33
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	83.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	6.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.97
22	Tot. Mo. Inv. Related Charge, Equip.		102.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	102.30
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	257.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	57.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	4.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.78
27	Land Loading	Ln. 5, above	22.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	4.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	5.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.20
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	107.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.46
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**107.96**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**107.96**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**108.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**108.17**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	1.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.73
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	1.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.73
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**109.90**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**109.90**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	8.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.82
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	3.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.79
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.87
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	5.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.98
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	20.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.57
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**130.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**130.47**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.20
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.29
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	3.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.12
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$133.59**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	*Equipment*		211.42	0.00	0.00	0.00	0.00	0.00	0.00	391.17	0.00	0.00	0.00	0.00	0.00	0.00	290.28	0.00	0.00	892.87
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	8.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.84
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**221.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**391.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**290.28**	**0.00**	**0.00**	**902.47**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	22.88	0.00	0.00	0.00	0.00	0.00	0.00	8.88	0.00	0.00	0.00	0.00	0.00	0.00	26.13	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.91	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.00	0.00	0.00	0.00	0.00	0.00	2.18	0.00	0.00	4.82
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	8.88	0.00	0.00	0.00	0.00	0.00	0.00	22.73	0.00	0.00	0.00	0.00	0.00	0.00	16.31	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.74	0.00	0.00	0.00	0.00	0.00	0.00	1.89	0.00	0.00	0.00	0.00	0.00	0.00	1.36	0.00	0.00	3.99
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.70	0.00	0.00	0.00	0.00	0.00	0.00	9.47	0.00	0.00	0.00	0.00	0.00	0.00	6.79	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.57	0.00	0.00	1.66
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.85	0.00	0.00	0.00	0.00	0.00	0.00	1.80	0.00	0.00	0.00	0.00	0.00	0.00	10.91	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.91	0.00	0.00	1.38
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.88	0.00	0.00	0.00	0.00	0.00	0.00	5.32	0.00	0.00	0.00	0.00	0.00	0.00	3.95	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	1.01
22	Tot. Mo. Inv. Related Charge, Equip.		3.51	0.00	0.00	0.00	0.00	0.00	0.00	4.02	0.00	0.00	0.00	0.00	0.00	0.00	5.34	0.00	0.00	12.87
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	8.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	1.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
27	Land Loading	Ln. 5, above	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.69	0.00	0.00	0.00	0.00	0.00	0.00	4.02	0.00	0.00	0.00	0.00	0.00	0.00	5.34	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.06
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.36**	**0.00**	**0.00**	**13.11**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.72**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.04**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.37**	**0.00**	**0.00**	**13.13**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.21
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.21
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.78**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5.46**	**0.00**	**0.00**	**13.34**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.00	1.07
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.46
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.11
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.73
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.77	0.00	0.00	0.00	0.00	0.00	0.00	1.02	0.00	0.00	2.50
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**4.48**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**4.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6.48**	**0.00**	**0.00**	**15.84**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.15
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.03
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.38
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.59**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$4.99**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$6.64**	**$0.00**	**$0.00**	**$16.22**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		6,491.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,491.36
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	271.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	271.34
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	23.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23.37
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**6,786.07**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,786.07**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	702.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	58.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58.53
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	272.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	22.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.72
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	113.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	9.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.47
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	118.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	9.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.85
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	88.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	7.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.36
22	Tot. Mo. Inv. Related Charge, Equip.		107.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	107.92
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	271.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	60.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	5.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.05
27	Land Loading	Ln. 5, above	23.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	5.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	5.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	113.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**113.89**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**113.89**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, OVER 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**114.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**114.10**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.83
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.83
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**115.93**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**115.93**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	9.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.30
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	3.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.99
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	6.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.31
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	21.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.70
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**137.63**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**137.63**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.27
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	3.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.29
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$140.93**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		150.79	0.00	0.00	0.00	0.00	0.00	0.00	239.24	0.00	0.00	0.00	0.00	0.00	0.00	177.54	35.04	0.00	602.61
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	6.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.30
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**157.64**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**239.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**177.54**	**35.04**	**0.00**	**609.46**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	16.32	0.00	0.00	0.00	0.00	0.00	0.00	5.43	0.00	0.00	0.00	0.00	0.00	0.00	15.98	2.32	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.36	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	1.33	0.19	0.00	3.34
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	8.33	0.00	0.00	0.00	0.00	0.00	0.00	13.90	0.00	0.00	0.00	0.00	0.00	0.00	9.98	1.89	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.53	0.00	0.00	0.00	0.00	0.00	0.00	1.16	0.00	0.00	0.00	0.00	0.00	0.00	0.83	0.16	0.00	2.67
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	2.64	0.00	0.00	0.00	0.00	0.00	0.00	5.79	0.00	0.00	0.00	0.00	0.00	0.00	4.15	0.78	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.07	0.00	1.11
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	2.74	0.00	0.00	0.00	0.00	0.00	0.00	1.10	0.00	0.00	0.00	0.00	0.00	0.00	6.68	0.49	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0.04	0.00	0.92
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.05	0.00	0.00	0.00	0.00	0.00	0.00	3.25	0.00	0.00	0.00	0.00	0.00	0.00	2.41	0.48	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.04	0.00	0.68
22	Tot. Mo. Inv. Related Charge, Equip.		2.51	0.00	0.00	0.00	0.00	0.00	0.00	2.46	0.00	0.00	0.00	0.00	0.00	0.00	3.27	0.50	0.00	8.73
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	6.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
27	Land Loading	Ln. 5, above	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	2.63	0.00	0.00	0.00	0.00	0.00	0.00	2.46	0.00	0.00	0.00	0.00	0.00	0.00	3.27	0.50	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.04
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**2.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.28**	**0.50**	**0.00**	**8.89**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- DS3 UDIT, OVER 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**2.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.29**	**0.50**	**0.00**	**8.91**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.01	0.00	0.14
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.01	0.00	0.14
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**2.69**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.51**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.34**	**0.51**	**0.00**	**9.05**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.04	0.00	0.73
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.02	0.00	0.31
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.07
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.07
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.03	0.00	0.49
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.09	0.00	1.69
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**3.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2.98**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.96**	**0.60**	**0.00**	**10.75**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.07
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.01	0.00	0.10
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.06
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.02
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.01	0.00	0.26
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$3.27**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$3.05**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$4.06**	**$0.62**	**$0.00**	**$11.00**

EXHIBIT ATT-THW-10

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		26,808.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,808.05
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	1,120.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,120.58
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	96.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96.51
6	***Loaded Investment***	**Sum, Lns. 1, 3, 5**	**28,025.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28,025.14**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	2,900.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	241.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	241.72
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	1,125.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	93.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	93.83
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	469.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	39.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.10
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	487.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	40.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.66
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	364.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	30.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.38
22	Tot. Mo. Inv. Related Charge, Equip.		445.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	445.68
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	1,120.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	250.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	20.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.84
27	Land Loading	Ln. 5, above	96.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	21.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.80
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	22.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.64
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	468.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	2.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.02
35	***TOTAL MONTHLY INV. RELATED CHARGES***	**Sum, Lns. 22, 31, 34**	**470.34**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**470.34**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
			357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**471.23**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**471.23**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	7.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.54
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	7.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.54
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**478.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**478.77**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	38.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.41
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	16.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.49
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	3.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.77
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	3.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.68
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	26.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.06
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	1.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.23
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	89.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.63
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**568.40**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**568.40**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	3.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.69
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	5.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.23
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	3.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.41
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	1.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.25
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	13.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.61
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$582.00**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		3,545.89	0.00	0.00	0.00	0.00	0.00	0.00	3,161.64	0.00	0.00	0.00	0.00	0.00	0.00	2,346.24	0.00	0.00	9,053.77
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	148.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	148.22
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	12.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.77
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**3,706.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3,161.64**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**2,346.24**	**0.00**	**0.00**	**9,214.75**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	383.67	0.00	0.00	0.00	0.00	0.00	0.00	71.77	0.00	0.00	0.00	0.00	0.00	0.00	211.16	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	31.97	0.00	0.00	0.00	0.00	0.00	0.00	5.98	0.00	0.00	0.00	0.00	0.00	0.00	17.60	0.00	0.00	55.55
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	148.93	0.00	0.00	0.00	0.00	0.00	0.00	183.69	0.00	0.00	0.00	0.00	0.00	0.00	131.86	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	12.41	0.00	0.00	0.00	0.00	0.00	0.00	15.31	0.00	0.00	0.00	0.00	0.00	0.00	10.99	0.00	0.00	38.71
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	62.05	0.00	0.00	0.00	0.00	0.00	0.00	76.51	0.00	0.00	0.00	0.00	0.00	0.00	54.90	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	5.17	0.00	0.00	0.00	0.00	0.00	0.00	6.38	0.00	0.00	0.00	0.00	0.00	0.00	4.58	0.00	0.00	16.12
16	Total Maint. Factor		0.0152	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	64.54	0.00	0.00	0.00	0.00	0.00	0.00	14.54	0.00	0.00	0.00	0.00	0.00	0.00	88.22	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	5.38	0.00	0.00	0.00	0.00	0.00	0.00	1.21	0.00	0.00	0.00	0.00	0.00	0.00	7.35	0.00	0.00	13.94
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	48.22	0.00	0.00	0.00	0.00	0.00	0.00	43.00	0.00	0.00	0.00	0.00	0.00	0.00	31.91	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	4.02	0.00	0.00	0.00	0.00	0.00	0.00	3.58	0.00	0.00	0.00	0.00	0.00	0.00	2.66	0.00	0.00	10.26
22	Tot. Mo. Inv. Related Charge, Equip.		58.95	0.00	0.00	0.00	0.00	0.00	0.00	32.46	0.00	0.00	0.00	0.00	0.00	0.00	43.17	0.00	0.00	134.58
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	148.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	33.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	2.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.76
27	Land Loading	Ln. 5, above	12.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	2.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.24
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	2.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.99
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	61.94	0.00	0.00	0.00	0.00	0.00	0.00	32.46	0.00	0.00	0.00	0.00	0.00	0.00	43.17	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.59
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**62.21**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**32.60**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**43.36**	**0.00**	**0.00**	**138.17**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.26
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.26

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**62.33**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**32.66**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**43.44**	**0.00**	**0.00**	**138.43**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	2.21
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	2.21
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**63.33**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**33.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**44.13**	**0.00**	**0.00**	**140.64**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	5.08	0.00	0.00	0.00	0.00	0.00	0.00	2.66	0.00	0.00	0.00	0.00	0.00	0.00	3.54	0.00	0.00	11.28
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	2.18	0.00	0.00	0.00	0.00	0.00	0.00	1.14	0.00	0.00	0.00	0.00	0.00	0.00	1.52	0.00	0.00	4.85
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.00	1.11
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.00	0.00	1.08
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	3.45	0.00	0.00	0.00	0.00	0.00	0.00	1.81	0.00	0.00	0.00	0.00	0.00	0.00	2.40	0.00	0.00	7.66
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.36
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	11.86	0.00	0.00	0.00	0.00	0.00	0.00	6.21	0.00	0.00	0.00	0.00	0.00	0.00	8.26	0.00	0.00	26.33
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**75.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**39.40**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**52.40**	**0.00**	**0.00**	**166.97**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.00	0.00	1.09
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.69	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.00	0.00	1.54
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.00	1.00
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.37
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.94	0.00	0.00	0.00	0.00	0.00	0.00	1.25	0.00	0.00	4.00
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$76.98**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$40.34**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$53.65**	**$0.00**	**$0.00**	**$170.97**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		27,005.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,005.87
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	1,128.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,128.85
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	97.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97.22
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**28,231.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28,231.94**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	2,922.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	243.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	243.50
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	1,134.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	94.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94.52
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	472.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	39.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.38
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	491.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	40.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.96
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	367.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	30.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.61
22	Tot. Mo. Inv. Related Charge, Equip.		448.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	448.97
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	1,128.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	251.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	21.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.00
27	Land Loading	Ln. 5, above	97.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	21.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	1.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.81
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	22.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.80
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	471.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	2.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.03
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**473.81**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**473.81**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**474.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**474.71**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	7.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.60
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	7.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.60
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**482.30**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**482.30**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	38.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.69
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	16.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.61
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	3.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.80
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	3.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.70
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	26.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.25
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	1.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.23
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	90.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.29
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**572.59**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**572.59**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	3.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.72
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	5.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.27
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	3.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.44
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	1.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.26
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	13.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.71
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$586.30**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		579.80	0.00	0.00	0.00	0.00	0.00	0.00	1,143.66	0.00	0.00	0.00	0.00	0.00	0.00	848.71	30.32	0.00	2,602.49
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	24.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.24
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.09
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**606.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,143.66**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**848.71**	**30.32**	**0.00**	**2,628.81**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	62.73	0.00	0.00	0.00	0.00	0.00	0.00	25.96	0.00	0.00	0.00	0.00	0.00	0.00	76.38	2.01	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.23	0.00	0.00	0.00	0.00	0.00	0.00	2.16	0.00	0.00	0.00	0.00	0.00	0.00	6.37	0.17	0.00	13.92
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	24.35	0.00	0.00	0.00	0.00	0.00	0.00	66.45	0.00	0.00	0.00	0.00	0.00	0.00	47.70	1.63	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.03	0.00	0.00	0.00	0.00	0.00	0.00	5.54	0.00	0.00	0.00	0.00	0.00	0.00	3.97	0.14	0.00	11.68
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.15	0.00	0.00	0.00	0.00	0.00	0.00	27.68	0.00	0.00	0.00	0.00	0.00	0.00	19.86	0.68	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.85	0.00	0.00	0.00	0.00	0.00	0.00	2.31	0.00	0.00	0.00	0.00	0.00	0.00	1.65	0.06	0.00	4.86
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	10.55	0.00	0.00	0.00	0.00	0.00	0.00	5.26	0.00	0.00	0.00	0.00	0.00	0.00	31.91	0.42	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00	2.66	0.04	0.00	4.01
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	7.89	0.00	0.00	0.00	0.00	0.00	0.00	15.55	0.00	0.00	0.00	0.00	0.00	0.00	11.54	0.41	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.66	0.00	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.96	0.03	0.00	2.95
22	Tot. Mo. Inv. Related Charge, Equip.		9.64	0.00	0.00	0.00	0.00	0.00	0.00	11.74	0.00	0.00	0.00	0.00	0.00	0.00	15.62	0.43	0.00	37.43
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	24.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45
27	Land Loading	Ln. 5, above	2.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	10.13	0.00	0.00	0.00	0.00	0.00	0.00	11.74	0.00	0.00	0.00	0.00	0.00	0.00	15.62	0.43	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.16
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**11.79**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**15.68**	**0.43**	**0.00**	**38.08**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.07
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.07

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**10.19**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**11.81**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**15.71**	**0.43**	**0.00**	**38.15**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.01	0.00	0.61
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.01	0.00	0.61
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**10.35**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**15.96**	**0.44**	**0.00**	**38.76**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.96	0.00	0.00	0.00	0.00	0.00	0.00	1.28	0.04	0.00	3.11
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.55	0.02	0.00	1.34
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.31
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.30
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.56	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.87	0.02	0.00	2.11
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.94	0.00	0.00	0.00	0.00	0.00	0.00	2.25	0.00	0.00	0.00	0.00	0.00	0.00	2.99	0.08	0.00	7.26
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**12.29**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.25**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.95**	**0.52**	**0.00**	**46.02**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.30
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.42
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.28
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.10
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.01	0.00	1.10
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$12.59**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$14.59**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$19.41**	**$0.53**	**$0.00**	**$47.12**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		25,936.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,936.06
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	1,084.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,084.13
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	93.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	93.37
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**27,113.56**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**27,113.56**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	2,806.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	233.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233.86
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	1,089.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	90.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.78
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	453.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	37.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.82
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	472.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	39.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.34
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	352.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	29.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.39
22	Tot. Mo. Inv. Related Charge, Equip.		431.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	431.19
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	1,084.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	241.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	20.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.16
27	Land Loading	Ln. 5, above	93.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	20.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.74
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	21.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.90
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	453.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	1.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.95
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**455.04**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**455.04**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**455.90**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**455.90**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	7.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.29
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	7.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.29
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**463.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**463.20**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	37.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.16
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	15.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.96
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	3.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.65
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	3.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.56
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	25.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.21
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	1.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.19
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	86.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.71
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**549.91**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**549.91**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	3.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.57
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	5.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.06
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	3.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.30
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	1.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.21
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	13.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.16
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$563.07**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		1,231.65	0.00	0.00	0.00	0.00	0.00	0.00	1,173.50	0.00	0.00	0.00	0.00	0.00	0.00	870.85	0.00	0.00	3,276.00
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	51.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	51.48
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.43
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,287.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,173.50**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**870.85**	**0.00**	**0.00**	**3,331.92**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	133.26	0.00	0.00	0.00	0.00	0.00	0.00	26.64	0.00	0.00	0.00	0.00	0.00	0.00	78.38	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	11.11	0.00	0.00	0.00	0.00	0.00	0.00	2.22	0.00	0.00	0.00	0.00	0.00	0.00	6.53	0.00	0.00	19.86
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	51.73	0.00	0.00	0.00	0.00	0.00	0.00	68.18	0.00	0.00	0.00	0.00	0.00	0.00	48.94	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	4.31	0.00	0.00	0.00	0.00	0.00	0.00	5.68	0.00	0.00	0.00	0.00	0.00	0.00	4.08	0.00	0.00	14.07
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	21.55	0.00	0.00	0.00	0.00	0.00	0.00	28.40	0.00	0.00	0.00	0.00	0.00	0.00	20.38	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	1.80	0.00	0.00	0.00	0.00	0.00	0.00	2.37	0.00	0.00	0.00	0.00	0.00	0.00	1.70	0.00	0.00	5.86
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	22.42	0.00	0.00	0.00	0.00	0.00	0.00	5.40	0.00	0.00	0.00	0.00	0.00	0.00	32.74	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.87	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	0.00	2.73	0.00	0.00	5.05
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	16.75	0.00	0.00	0.00	0.00	0.00	0.00	15.96	0.00	0.00	0.00	0.00	0.00	0.00	11.84	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.40	0.00	0.00	0.00	0.00	0.00	0.00	1.33	0.00	0.00	0.00	0.00	0.00	0.00	0.99	0.00	0.00	3.71
22	Tot. Mo. Inv. Related Charge, Equip.		20.48	0.00	0.00	0.00	0.00	0.00	0.00	12.05	0.00	0.00	0.00	0.00	0.00	0.00	16.02	0.00	0.00	48.55
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	51.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	11.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.96
27	Land Loading	Ln. 5, above	4.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	1.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.04
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	21.52	0.00	0.00	0.00	0.00	0.00	0.00	12.05	0.00	0.00	0.00	0.00	0.00	0.00	16.02	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.21
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**21.61**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**16.09**	**0.00**	**0.00**	**49.80**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.09
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.09

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**21.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.12**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**16.12**	**0.00**	**0.00**	**49.90**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.80
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.80
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**22.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.32**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**16.38**	**0.00**	**0.00**	**50.69**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.76	0.00	0.00	0.00	0.00	0.00	0.00	0.99	0.00	0.00	0.00	0.00	0.00	0.00	1.31	0.00	0.00	4.07
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.56	0.00	0.00	1.75
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.40
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.39
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.89	0.00	0.00	2.76
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.13
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	4.12	0.00	0.00	0.00	0.00	0.00	0.00	2.31	0.00	0.00	0.00	0.00	0.00	0.00	3.07	0.00	0.00	9.49
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**26.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**14.62**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**19.45**	**0.00**	**0.00**	**60.18**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.39
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.55
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.36
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.13
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.63	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	1.44
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$26.74**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$14.97**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$19.91**	**$0.00**	**$0.00**	**$61.62**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, Over 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		26,619.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,619.90
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	1,112.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,112.71
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	95.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.83
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**27,828.44**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**27,828.44**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	2,880.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	240.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	240.02
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	1,118.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	93.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	93.17
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	465.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	38.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.82
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	484.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	40.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.37
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	362.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	30.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.17
22	Tot. Mo. Inv. Related Charge, Equip.		442.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	442.56
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	1,112.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	248.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	20.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.70
27	Land Loading	Ln. 5, above	95.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	21.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	1.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.78
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	22.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.48
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	465.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**467.04**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**467.04**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	*Advertising Expense Factor*		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.89

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, Over 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**467.92**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**467.92**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	7.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.49
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	7.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.49
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**475.41**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**475.41**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	38.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.14
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	16.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.38
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	3.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.74
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	3.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.65
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	25.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.88
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.22
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	89.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89.00
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**564.41**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**564.41**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	3.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.67
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	5.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.19
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	3.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.39
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	1.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.24
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	13.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.51
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$577.92**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, Over 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		625.32	0.00	0.00	0.00	0.00	0.00	0.00	717.72	0.00	0.00	0.00	0.00	0.00	0.00	532.62	105.12	0.00	1,980.78
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	26.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.14
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.25
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**653.71**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**717.72**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**532.62**	**105.12**	**0.00**	**2,009.17**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	67.66	0.00	0.00	0.00	0.00	0.00	0.00	16.29	0.00	0.00	0.00	0.00	0.00	0.00	47.94	6.96	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	5.64	0.00	0.00	0.00	0.00	0.00	0.00	1.36	0.00	0.00	0.00	0.00	0.00	0.00	3.99	0.58	0.00	11.57
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	26.26	0.00	0.00	0.00	0.00	0.00	0.00	41.70	0.00	0.00	0.00	0.00	0.00	0.00	29.93	5.66	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	2.19	0.00	0.00	0.00	0.00	0.00	0.00	3.47	0.00	0.00	0.00	0.00	0.00	0.00	2.49	0.47	0.00	8.63
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	10.94	0.00	0.00	0.00	0.00	0.00	0.00	17.37	0.00	0.00	0.00	0.00	0.00	0.00	12.46	2.35	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.91	0.00	0.00	0.00	0.00	0.00	0.00	1.45	0.00	0.00	0.00	0.00	0.00	0.00	1.04	0.20	0.00	3.59
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	11.38	0.00	0.00	0.00	0.00	0.00	0.00	3.30	0.00	0.00	0.00	0.00	0.00	0.00	20.03	1.46	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	1.67	0.12	0.00	3.01
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	8.50	0.00	0.00	0.00	0.00	0.00	0.00	9.76	0.00	0.00	0.00	0.00	0.00	0.00	7.24	1.43	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.81	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.12	0.00	2.24
22	Tot. Mo. Inv. Related Charge, Equip.		10.40	0.00	0.00	0.00	0.00	0.00	0.00	7.37	0.00	0.00	0.00	0.00	0.00	0.00	9.80	1.49	0.00	29.05
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	26.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	5.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
27	Land Loading	Ln. 5, above	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.53
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	10.92	0.00	0.00	0.00	0.00	0.00	0.00	7.37	0.00	0.00	0.00	0.00	0.00	0.00	9.80	1.49	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.01	0.00	0.13
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**10.97**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**7.40**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**9.84**	**1.49**	**0.00**	**29.71**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.06
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.06

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC3 UDIT, Over 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	***TOTAL MO. "DIRECTLY ASSIGNED" CHGS.***	***Sum, Lns. 35, 46***	**10.99**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**7.41**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**9.86**	**1.50**	**0.00**	**29.76**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.02	0.00	0.48
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.02	0.00	0.48
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**11.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**7.53**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.02**	**1.52**	**0.00**	**30.24**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.80	0.12	0.00	2.43
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.05	0.00	1.04
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.01	0.00	0.24
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.01	0.00	0.23
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.55	0.08	0.00	1.65
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.08
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	2.09	0.00	0.00	0.00	0.00	0.00	0.00	1.41	0.00	0.00	0.00	0.00	0.00	0.00	1.88	0.28	0.00	5.66
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**13.26**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**8.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**11.89**	**1.81**	**0.00**	**35.90**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.01	0.00	0.23
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.02	0.00	0.33
76	*Legal Expense Factor*		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.01	0.00	0.22
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.08
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.04	0.00	0.86
85	***TOTAL MONTHLY "TELRIC"***	***Sum, Lns. 69, 84***	**$13.58**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$9.16**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$12.18**	**$1.85**	**$0.00**	**$36.76**

EXHIBIT ATT-THW-11

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 0-8 Miles -- FIXED COMPONENT

			Circuit - Digital					Outside Plant												
Ln. No.	Plant Account Description	Source	Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		76,698.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,698.46
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,206.00
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	276.11
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**80,180.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**80,180.57**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	8,298.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	691.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	691.56
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	3,221.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	268.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	268.44
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1,342.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	111.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.85
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1,395.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	116.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116.33
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1,043.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	86.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.92
22	Tot. Mo. Inv. Related Charge, Equip.		1,275.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,275.11
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	715.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	59.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.63
27	Land Loading	Ln. 5, above	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	61.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	5.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.14
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	64.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.77
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1,339.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	5.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.77
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**1,345.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,345.65**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	Ln. 44 times Sum Lns. 37, 39, 41, 43	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 0-8 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**1,348.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,348.20**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**1,369.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,369.77**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	109.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.88
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	47.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.19
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	10.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.79
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	10.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.52
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	74.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	3.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.51
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	256.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	256.43
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**1,626.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,626.20**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	10.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.57
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	14.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	9.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.76
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	3.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.58
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	38.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.92
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,665.13**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		104.53	0.00	0.00	0.00	0.00	0.00	0.00	1,755.14	0.00	0.00	0.00	0.00	0.00	0.00	1,302.48	0.00	0.00	3,162.15
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	4.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.37
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**109.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,755.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,302.48**	**0.00**	**0.00**	**3,166.90**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	11.31	0.00	0.00	0.00	0.00	0.00	0.00	39.84	0.00	0.00	0.00	0.00	0.00	0.00	117.22	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.94	0.00	0.00	0.00	0.00	0.00	0.00	3.32	0.00	0.00	0.00	0.00	0.00	0.00	9.77	0.00	0.00	14.03
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	4.39	0.00	0.00	0.00	0.00	0.00	0.00	101.97	0.00	0.00	0.00	0.00	0.00	0.00	73.20	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.37	0.00	0.00	0.00	0.00	0.00	0.00	8.50	0.00	0.00	0.00	0.00	0.00	0.00	6.10	0.00	0.00	14.96
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1.83	0.00	0.00	0.00	0.00	0.00	0.00	42.47	0.00	0.00	0.00	0.00	0.00	0.00	30.48	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.15	0.00	0.00	0.00	0.00	0.00	0.00	3.54	0.00	0.00	0.00	0.00	0.00	0.00	2.54	0.00	0.00	6.23
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1.90	0.00	0.00	0.00	0.00	0.00	0.00	8.07	0.00	0.00	0.00	0.00	0.00	0.00	48.97	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.67	0.00	0.00	0.00	0.00	0.00	0.00	4.08	0.00	0.00	4.91
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1.42	0.00	0.00	0.00	0.00	0.00	0.00	23.87	0.00	0.00	0.00	0.00	0.00	0.00	17.71	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.12	0.00	0.00	0.00	0.00	0.00	0.00	1.99	0.00	0.00	0.00	0.00	0.00	0.00	1.48	0.00	0.00	3.58
22	Tot. Mo. Inv. Related Charge, Equip.		1.74	0.00	0.00	0.00	0.00	0.00	0.00	18.02	0.00	0.00	0.00	0.00	0.00	0.00	23.97	0.00	0.00	43.72
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	4.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
27	Land Loading	Ln. 5, above	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1.83	0.00	0.00	0.00	0.00	0.00	0.00	18.02	0.00	0.00	0.00	0.00	0.00	0.00	23.97	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.19
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**1.83**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.07**	**0.00**	**0.00**	**44.00**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.08
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.08

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 0-8 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**1.84**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.13**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.11**	**0.00**	**0.00**	**44.08**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	0.00	0.71
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	0.00	0.71
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**1.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.42**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.50**	**0.00**	**0.00**	**44.79**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.15	0.00	0.00	0.00	0.00	0.00	0.00	1.48	0.00	0.00	0.00	0.00	0.00	0.00	1.97	0.00	0.00	3.59
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.00	0.00	1.54
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.35
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.34
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.10	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.33	0.00	0.00	2.44
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.11
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.35	0.00	0.00	0.00	0.00	0.00	0.00	3.45	0.00	0.00	0.00	0.00	0.00	0.00	4.59	0.00	0.00	8.38
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**2.22**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.87**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**29.09**	**0.00**	**0.00**	**53.17**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.35
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.49
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.32
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.12
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	1.27
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$2.27**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$22.39**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$29.78**	**$0.00**	**$0.00**	**$54.45**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		76,698.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,698.46
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,206.00
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	276.11
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**80,180.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**80,180.57**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	8,298.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	691.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	691.56
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	3,221.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	268.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	268.44
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1,342.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	111.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.85
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1,395.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	116.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116.33
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1,043.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	86.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.92
22	Tot. Mo. Inv. Related Charge, Equip.		1,275.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,275.11
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	715.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	59.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.63
27	Land Loading	Ln. 5, above	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	61.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	5.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.14
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	64.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.77
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1,339.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	5.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.77
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**1,345.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,345.65**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	Ln. 44 times Sum Lns. 37, 39, 41, 43	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 8-25 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	TOTAL MO. "DIRECTLY ASSIGNED" CHGS.	Sum, Lns. 35, 46	1,348.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,348.20
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
53	TOTAL MONTHLY DIRECT + SUPPORT	Sum, Lns. 47, 52	1,369.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,369.77
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	109.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.88
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	47.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.19
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	10.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.79
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	10.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.52
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	74.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	3.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.51
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	256.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	256.43
69	TOTAL MONTHLY "DIRECT" CHARGES	Sum, Lns. 53, 69	1,626.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,626.20
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	10.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.57
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	14.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	9.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.76
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	3.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.58
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	38.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.92
85	TOTAL MONTHLY "TELRIC"	Sum, Lns. 69, 84	*********	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,665.13

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		186.83	0.00	0.00	0.00	0.00	0.00	0.00	1,752.44	0.00	0.00	0.00	0.00	0.00	0.00	1,300.48	30.32	0.00	3,270.07
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	7.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.81
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.67
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**195.31**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,752.44**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,300.48**	**30.32**	**0.00**	**3,278.55**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	20.22	0.00	0.00	0.00	0.00	0.00	0.00	39.78	0.00	0.00	0.00	0.00	0.00	0.00	117.04	2.01	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	1.68	0.00	0.00	0.00	0.00	0.00	0.00	3.32	0.00	0.00	0.00	0.00	0.00	0.00	9.75	0.17	0.00	14.92
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	7.85	0.00	0.00	0.00	0.00	0.00	0.00	101.82	0.00	0.00	0.00	0.00	0.00	0.00	73.09	1.63	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.65	0.00	0.00	0.00	0.00	0.00	0.00	8.48	0.00	0.00	0.00	0.00	0.00	0.00	6.09	0.14	0.00	15.37
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	3.27	0.00	0.00	0.00	0.00	0.00	0.00	42.41	0.00	0.00	0.00	0.00	0.00	0.00	30.43	0.68	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.27	0.00	0.00	0.00	0.00	0.00	0.00	3.53	0.00	0.00	0.00	0.00	0.00	0.00	2.54	0.06	0.00	6.40
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	3.40	0.00	0.00	0.00	0.00	0.00	0.00	8.06	0.00	0.00	0.00	0.00	0.00	0.00	48.90	0.42	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.67	0.00	0.00	0.00	0.00	0.00	0.00	4.07	0.04	0.00	5.07
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	2.54	0.00	0.00	0.00	0.00	0.00	0.00	23.83	0.00	0.00	0.00	0.00	0.00	0.00	17.69	0.41	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.21	0.00	0.00	0.00	0.00	0.00	0.00	1.99	0.00	0.00	0.00	0.00	0.00	0.00	1.47	0.03	0.00	3.71
22	Tot. Mo. Inv. Related Charge, Equip.		3.11	0.00	0.00	0.00	0.00	0.00	0.00	17.99	0.00	0.00	0.00	0.00	0.00	0.00	23.93	0.43	0.00	45.46
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	7.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	1.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
27	Land Loading	Ln. 5, above	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	3.26	0.00	0.00	0.00	0.00	0.00	0.00	17.99	0.00	0.00	0.00	0.00	0.00	0.00	23.93	0.43	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.20
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**3.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.07**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.03**	**0.43**	**0.00**	**45.81**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.09
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.09

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 8-25 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**3.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.08**	**0.43**	**0.00**	**45.90**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.01	0.00	0.73
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.01	0.00	0.73
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**3.34**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**18.39**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**24.46**	**0.44**	**0.00**	**46.63**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.27	0.00	0.00	0.00	0.00	0.00	0.00	1.48	0.00	0.00	0.00	0.00	0.00	0.00	1.96	0.04	0.00	3.74
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.00	0.00	0.00	0.00	0.00	0.00	0.84	0.02	0.00	1.61
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.37
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.36
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.18	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.33	0.02	0.00	2.54
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.12
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.62	0.00	0.00	0.00	0.00	0.00	0.00	3.44	0.00	0.00	0.00	0.00	0.00	0.00	4.58	0.08	0.00	8.73
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**3.96**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.84**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**29.04**	**0.52**	**0.00**	**55.36**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.36
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.51
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.33
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.12
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.01	0.00	1.33
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$4.06**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$22.36**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$29.74**	**$0.53**	**$0.00**	**$56.69**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		76,698.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,698.46
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,206.00
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	276.11
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**80,180.57**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**80,180.57**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	8,298.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	691.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	691.56
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	3,221.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	268.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	268.44
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1,342.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	111.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.85
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1,395.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	116.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116.33
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1,043.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	86.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.92
22	Tot. Mo. Inv. Related Charge, Equip.		1,275.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,275.11
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	715.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	59.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.63
27	Land Loading	Ln. 5, above	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	61.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	5.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.14
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	64.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.77
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1,339.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	5.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.77
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**1,345.65**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,345.65**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	Ln. 44 times Sum Lns. 37, 39, 41, 43	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 25-50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**1,348.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,348.20**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**1,369.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,369.77**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	109.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.88
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	47.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.19
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	10.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.79
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	10.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.52
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	74.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	3.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.51
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61, 63, 65, 67	256.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	256.43
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**1,626.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,626.20**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	10.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.57
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	14.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	9.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.76
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	3.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.58
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	38.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.92
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,665.13**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		508.40	0.00	0.00	0.00	0.00	0.00	0.00	1,692.54	0.00	0.00	0.00	0.00	0.00	0.00	1,256.02	0.00	0.00	3,456.96
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	21.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.25
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.83
6	***Loaded Investment***	**Sum, Lns. 1, 3, 5**	**531.48**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,692.54**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,256.02**	**0.00**	**0.00**	**3,480.04**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	55.01	0.00	0.00	0.00	0.00	0.00	0.00	38.42	0.00	0.00	0.00	0.00	0.00	0.00	113.04	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	4.58	0.00	0.00	0.00	0.00	0.00	0.00	3.20	0.00	0.00	0.00	0.00	0.00	0.00	9.42	0.00	0.00	17.21
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	21.35	0.00	0.00	0.00	0.00	0.00	0.00	98.34	0.00	0.00	0.00	0.00	0.00	0.00	70.59	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	1.78	0.00	0.00	0.00	0.00	0.00	0.00	8.19	0.00	0.00	0.00	0.00	0.00	0.00	5.88	0.00	0.00	15.86
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	8.90	0.00	0.00	0.00	0.00	0.00	0.00	40.96	0.00	0.00	0.00	0.00	0.00	0.00	29.39	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.74	0.00	0.00	0.00	0.00	0.00	0.00	3.41	0.00	0.00	0.00	0.00	0.00	0.00	2.45	0.00	0.00	6.60
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	9.25	0.00	0.00	0.00	0.00	0.00	0.00	7.79	0.00	0.00	0.00	0.00	0.00	0.00	47.23	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.00	0.00	0.00	0.00	0.00	0.00	3.94	0.00	0.00	5.36
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	6.91	0.00	0.00	0.00	0.00	0.00	0.00	23.02	0.00	0.00	0.00	0.00	0.00	0.00	17.08	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.58	0.00	0.00	0.00	0.00	0.00	0.00	1.92	0.00	0.00	0.00	0.00	0.00	0.00	1.42	0.00	0.00	3.92
22	Tot. Mo. Inv. Related Charge, Equip.		8.45	0.00	0.00	0.00	0.00	0.00	0.00	17.38	0.00	0.00	0.00	0.00	0.00	0.00	23.11	0.00	0.00	48.94
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	21.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	4.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40
27	Land Loading	Ln. 5, above	1.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	8.88	0.00	0.00	0.00	0.00	0.00	0.00	17.38	0.00	0.00	0.00	0.00	0.00	0.00	23.11	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.21
35	**TOTAL MONTHLY *INV. RELATED* CHARGES**	**Sum, Lns. 22, 31, 34**	**8.92**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.45**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**23.21**	**0.00**	**0.00**	**49.58**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.09

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, 25-50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
	Account Number		Other 357C	Digital 257C	Premises 257CP	SONET 257CS	SONET Premises 257CSP	Poles 1C	C-Wire 3C	Conduit 4C	Cable UG Metal. 5C	Drop Buried 35C	Drop Aerial 42C	Cable Bur. Metal. 45C	Cable Aer. Metal. 52C	Cable Bld. Metal. 62C	Cable UG Fiber 85C	Cable Bur. Fiber 845C	Cable Bld. Fiber 862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**8.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.48**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**23.25**	**0.00**	**0.00**	**49.68**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.79
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.37	0.00	0.00	0.79
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**9.08**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.76**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**23.63**	**0.00**	**0.00**	**50.47**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.73	0.00	0.00	0.00	0.00	0.00	0.00	1.43	0.00	0.00	0.00	0.00	0.00	0.00	1.90	0.00	0.00	4.05
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.81	0.00	0.00	1.74
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.40
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.39
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.97	0.00	0.00	0.00	0.00	0.00	0.00	1.29	0.00	0.00	2.75
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.13
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	1.70	0.00	0.00	0.00	0.00	0.00	0.00	3.33	0.00	0.00	0.00	0.00	0.00	0.00	4.42	0.00	0.00	9.45
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**10.78**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**21.09**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28.05**	**0.00**	**0.00**	**59.92**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.00	0.00	0.39
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.55
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.36
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.13
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.67	0.00	0.00	1.43
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$11.04**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$21.59**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$28.72**	**$0.00**	**$0.00**	**$61.35**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, Over 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		76,698.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76,698.46
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,206.00
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	276.11
6	**Loaded Investment**	*Sum, Lns. 1, 3, 5*	80,180.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80,180.57
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	8,298.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	691.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	691.56
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	3,221.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	268.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	268.44
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	1,342.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	111.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.85
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	1,395.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	116.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116.33
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	1,043.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	86.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.92
22	Tot. Mo. Inv. Related Charge, Equip.		1,275.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,275.11
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	3,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	715.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	59.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.63
27	Land Loading	Ln. 5, above	276.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	61.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	5.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.14
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	64.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64.77
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	1,339.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	5.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.77
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	1,345.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,345.65
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	Ln. 44 times Sum Lns. 37, 39, 41, 43	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	2.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, Over 50 Miles -- FIXED COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												TOTALS
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**1,348.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,348.20**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	21.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.57
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**1,369.77**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,369.77**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	109.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109.88
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	47.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.19
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	10.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.79
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	10.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.52
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	74.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	74.56
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	3.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.51
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	256.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	256.43
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**1,626.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,626.20**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	10.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.57
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	14.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.96
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	9.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.76
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	3.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.58
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	38.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.92
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	*********	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,665.13**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, Over 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
	INVESTMENT																			
1	Equipment		995.84	0.00	0.00	0.00	0.00	0.00	0.00	1,645.33	0.00	0.00	0.00	0.00	0.00	0.00	1,220.99	105.12	0.00	3,967.28
2	Bldg. Loading Fact.		0.0418	0.0418	0.0000	0.0418	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
3	Building	Ln. 1 times Ln. 2	41.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.63
4	Land Loading Fact.		0.0036	0.0036	0.0000	0.0036	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
5	Land	Ln. 1 times Ln. 4	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.59
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**1,041.05**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,645.33**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,220.99**	**105.12**	**0.00**	**4,012.49**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:																			
7	Avg. Depr. Factor		0.1082	0.1082	0.1082	0.1082	0.1082	0.0674	0.1404	0.0227	0.0772	0.0944	0.1137	0.0944	0.1137	0.0598	0.0900	0.0662	0.0990	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	107.75	0.00	0.00	0.00	0.00	0.00	0.00	37.35	0.00	0.00	0.00	0.00	0.00	0.00	109.89	6.96	0.00	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	8.98	0.00	0.00	0.00	0.00	0.00	0.00	3.11	0.00	0.00	0.00	0.00	0.00	0.00	9.16	0.58	0.00	21.83
10	Avg. COM Factor		0.0420	0.0420	0.0420	0.0420	0.0420	0.0500	0.0755	0.0581	0.0546	0.0552	0.0536	0.0552	0.0536	0.0562	0.0562	0.0538	0.0589	
11	Avg. Annual COM	Ln. 1 times Ln. 10	41.83	0.00	0.00	0.00	0.00	0.00	0.00	95.59	0.00	0.00	0.00	0.00	0.00	0.00	68.62	5.66	0.00	
12	Avg. Monthly COM	Ln. 11 divided by 12	3.49	0.00	0.00	0.00	0.00	0.00	0.00	7.97	0.00	0.00	0.00	0.00	0.00	0.00	5.72	0.47	0.00	17.64
13	Avg. IT Factor		0.0175	0.0175	0.0175	0.0175	0.0175	0.0208	0.0314	0.0242	0.0227	0.0230	0.0223	0.0230	0.0223	0.0234	0.0234	0.0224	0.0245	
14	Avg. Annual IT	Ln. 1 times Ln. 13	17.43	0.00	0.00	0.00	0.00	0.00	0.00	39.82	0.00	0.00	0.00	0.00	0.00	0.00	28.57	2.35	0.00	
15	Avg. Monthly IT	Ln. 14 divided by 12	1.45	0.00	0.00	0.00	0.00	0.00	0.00	3.32	0.00	0.00	0.00	0.00	0.00	0.00	2.38	0.20	0.00	7.35
16	Total Maint. Factor		0.0182	0.0118	0.0118	0.0118	0.0118	0.0045	0.0156	0.0046	0.0376	0.0845	0.1158	0.0845	0.1158	0.0156	0.0376	0.0139	0.0200	
17	Total Annual Maint.	Ln. 1 times Ln.16	18.12	0.00	0.00	0.00	0.00	0.00	0.00	7.57	0.00	0.00	0.00	0.00	0.00	0.00	45.91	1.46	0.00	
18	Total Monthly Maint.	Ln. 17 divided by 12	1.51	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.00	0.00	0.00	0.00	0.00	0.00	3.83	0.12	0.00	6.09
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	13.54	0.00	0.00	0.00	0.00	0.00	0.00	22.38	0.00	0.00	0.00	0.00	0.00	0.00	16.81	1.43	0.00	
21	Monthly AV Taxes	Ln. 20 divided by 12	1.13	0.00	0.00	0.00	0.00	0.00	0.00	1.86	0.00	0.00	0.00	0.00	0.00	0.00	1.38	0.12	0.00	4.50
22	Tot. Mo. Inv. Related Charge, Equip.		16.56	0.00	0.00	0.00	0.00	0.00	0.00	16.89	0.00	0.00	0.00	0.00	0.00	0.00	22.47	1.49	0.00	57.40
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:																			
23	Building Loading	Ln. 3, above	41.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
24	Total AC Factor, Bldg.		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	9.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.77
27	Land Loading	Ln. 5, above	3.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total AC Factor, Land		0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	0.2232	
29	Land Annual Charge	Ln.27 times Ln. 28	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
30	Land Monthly Charge	Ln. 29 divided by 12	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.84
	BILLING AND COLLECTION CHARGES:																			
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	17.40	0.00	0.00	0.00	0.00	0.00	0.00	16.89	0.00	0.00	0.00	0.00	0.00	0.00	22.47	1.49	0.00	
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.01	0.00	0.25
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**17.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**16.96**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**22.56**	**1.49**	**0.00**	**58.49**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:																			
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	*Business Fees (Other Taxes) Expense Factor*		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	0.0019	
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.11
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.11

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- OC12 UDIT, Over 50 Miles -- VARIABLE COMPONENT

Ln. No.	Plant Account Description	Source	Circuit - Digital					Outside Plant												
			Other	Digital	Premises	SONET	SONET Premises	Poles	C-Wire	Conduit	Cable UG Metal.	Drop Buried	Drop Aerial	Cable Bur. Metal.	Cable Aer. Metal.	Cable Bld. Metal.	Cable UG Fiber	Cable Bur. Fiber	Cable Bld. Fiber	TOTALS
	Account Number		357C	257C	257CP	257CS	257CSP	1C	3C	4C	5C	35C	42C	45C	52C	62C	85C	845C	862C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**17.50**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**22.61**	**1.50**	**0.00**	**58.61**
	MONTHLY "NETWORK SUPPORT" EXPENSE:																			
48	Network Operations Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	"Network Support" Expense Factor		**0.0160**	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.02	0.00	0.94
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.02	0.00	0.94
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**17.78**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**17.27**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**22.97**	**1.52**	**0.00**	**59.54**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:																			
54	General Support Assets Expense Factor		**0.0815**	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	1.43	0.00	0.00	0.00	0.00	0.00	0.00	1.39	0.00	0.00	0.00	0.00	0.00	0.00	1.84	0.12	0.00	4.78
56	Gen. Pur. Computer Expense Factor		**0.0350**	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.05	0.00	2.05
58	Uncollectible Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Accounting Expense Factor		**0.0080**	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.01	0.00	0.47
62	Human Resources Expense Factor		**0.0078**	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.01	0.00	0.46
64	Information Management Expense Factor		**0.0553**	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.97	0.00	0.00	0.00	0.00	0.00	0.00	0.94	0.00	0.00	0.00	0.00	0.00	0.00	1.25	0.08	0.00	3.24
66	Intangible Expense Factor		**0.0026**	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.15
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	3.33	0.00	0.00	0.00	0.00	0.00	0.00	3.23	0.00	0.00	0.00	0.00	0.00	0.00	4.30	0.28	0.00	11.15
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 69**	**21.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**20.50**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**27.27**	**1.81**	**0.00**	**70.69**
	MONTHLY COMMON EXPENSES:																			
70	Executive Expense Factor		**0.0065**	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.01	0.00	0.46
72	Planning Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	External Relations Expense Factor		**0.0092**	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.02	0.00	0.65
76	Legal Expense Factor		**0.0060**	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.01	0.00	0.42
78	Procurement Expense Factor		**0.0022**	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.16
80	Research and Development Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
82	General Expense Factor		**0.0000**	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
84	Total Monthly "Common" Expenses Charges	um, Lns. 71, 73, 75, 77, 79, 81, 8	0.51	0.00	0.00	0.00	0.00	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.04	0.00	1.69
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$21.62**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$20.99**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$27.92**	**$1.85**	**$0.00**	**$72.38**

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Shared Transport per MOU

Ln. No.	Plant Account Description	Source	Digital Switch	UG Fiber Cable	Other Digital Equipment	Conduit Systems	Buried Fiber Cable	TOTALS
	Account Number		377C	85C	357C	4C	845C	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	INVESTMENT							
1	Equipment		0.002262	0.000238	0.000876	0.000254	0.000009	0.003639
2	Bldg. Loading Fact.		0.0418	0.0418	0.0418	0.0418	0.0418	
3	Building	Ln. 1 times Ln. 2	0.000095	0.000010	0.000037	0.000011	0.000000	0.000152
4	Land Loading Fact.		0.0036	0.0036	0.0036	0.0036	0.0036	
5	Land	Ln. 1 times Ln. 4	0.000008	0.000001	0.000003	0.000001	0.000000	0.000013
6	**Loaded Investment**	**Sum, Lns. 1, 3, 5**	**0.002365**	**0.000249**	**0.000916**	**0.000265**	**0.000009**	**0.003804**
	MONTHLY INVESTMENT-RELATED CHARGES, EQUIPMENT:							
7	Avg. Depr. Factor		0.1042	0.0900	0.1082	0.0227	0.0662	
8	Avg. Annual Depr.	Ln. 1 times Ln. 7	0.000236	0.000021	0.000095	0.000006	0.000001	
9	Avg. Monthly Depr.	Ln. 8 divided by 12	0.000020	0.000002	0.000008	0.000000	0.000000	0.000030
10	Avg. COM Factor		0.0419	0.0562	0.0420	0.0581	0.0538	
11	Avg. Annual COM	Ln. 1 times Ln. 10	0.000095	0.000013	0.000037	0.000015	0.000000	
12	Avg. Monthly COM	Ln. 11 divided by 12	0.000008	0.000001	0.000003	0.000001	0.000000	0.000013
13	Avg. IT Factor		0.0175	0.0234	0.0175	0.0242	0.0224	
14	Avg. Annual IT	Ln. 1 times Ln. 13	0.000040	0.000006	0.000015	0.000006	0.000000	
15	Avg. Monthly IT	Ln. 14 divided by 12	0.000003	0.000000	0.000001	0.000001	0.000000	0.000006
16	Total Maint. Factor		0.0238	0.0153	0.0182	0.0046	0.0139	
17	Total Annual Maint.	Ln. 1 times Ln.16	0.000054	0.000004	0.000016	0.000001	0.000000	
18	Total Monthly Maint.	Ln. 17 divided by 12	0.000004	0.000000	0.000001	0.000000	0.000000	0.000006
19	Ad Valorem Tax Factor		0.0136	0.0136	0.0136	0.0136	0.0136	
20	Annual AV Taxes	Ln. 1 times Ln. 19	0.000031	0.000003	0.000012	0.000003	0.000000	
21	Monthly AV Taxes	Ln. 20 divided by 12	0.000003	0.000000	0.000001	0.000000	0.000000	0.000004
22	Tot. Mo. Inv. Related Charge, Equip.		0.000038	0.000004	0.000015	0.000003	0.000000	0.000059
	MONTHLY INVESTMENT-RELATED CHARGES, L&B LOADINGS:							
23	Building Loading	Ln. 3, above	0.000095	0.000010	0.000037	0.000011	0.000000	0.000152
24	Total AC Factor, Bldg.		0.0400	0.0400	0.0400	0.0400	0.0400	
25	Bldg. Annual Charge	Ln. 23 times Ln. 24	0.000004	0.000000	0.000001	0.000000	0.000000	
26	Bldg. Monthly Charge	Ln. 25 divided by 12	0.000000	0.000000	0.000000	0.000000	0.000000	0.000001
27	Land Loading	Ln. 5, above	0.000008	0.000001	0.000003	0.000001	0.000000	0.000013
28	Total AC Factor, Land		0.0400	0.0400	0.0400	0.0400	0.0400	
29	Land Annual Charge	Ln.27 times Ln. 28	0.000000	0.000000	0.000000	0.000000	0.000000	
30	Land Monthly Charge	Ln. 29 divided by 12	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
31	Total L&B Monthly Charge	Sum, Lns. 26, 30	0.000000	0.000000	0.000000	0.000000	0.000000	0.000001
	BILLING AND COLLECTION CHARGES:							
32	Total Plant Investment Monthly Charges	Sum, Lns. 22 and 31	0.000038	0.000004	0.000015	0.000003	0.000000	0.000060
33	B&C Factor		0.0043	0.0043	0.0043	0.0043	0.0043	
34	Total Monthly B&C Charge	Ln. 32 times Ln. 33	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
35	**TOTAL MONTHLY INV. RELATED CHARGES**	**Sum, Lns. 22, 31, 34**	**0.000038**	**0.000004**	**0.000015**	**0.000003**	**0.000000**	**0.000060**
	MONTHLY PRODUCT ADMINISTRATION RELATED CHARGES:							
36	Direct Assigned Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
37	Direct Assigned Monthly Charges	Ln. 35 times Ln.36	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
38	Product Management Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
39	Product Management Monthly Charges	Ln. 35 times Ln.38	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
40	Sales Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
41	Monthly Sales Charges	Ln. 35 times Ln. 40	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
42	Advertising Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
43	Monthly Advertising Charges	Ln. 35 times Ln. 42	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
44	Business Fees (Other Taxes) Expense Factor		0.0019	0.0019	0.0019	0.0019	0.0019	0.0019
45	Monthly Business Fees Charges	n. 44 times Sum Lns. 37, 39, 41, 4	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
46	Total Monthly Product Administration Charges	Sum, Lns. 37, 39, 41, 43, 45	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

QWEST CORPORATION
Arizona Corporation Commission Docket No. 00000A-00-0194

TELRIC -- Shared Transport per MOU

Ln. No.	Plant Account Description / Account Number	Source	Digital Switch 377C	UG Fiber Cable 85C	Other Digital Equipment 357C	Conduit Systems 4C	Buried Fiber Cable 845C	TOTALS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
47	**TOTAL MO. "DIRECTLY ASSIGNED" CHGS.**	**Sum, Lns. 35, 46**	**0.000038**	**0.000004**	**0.000015**	**0.000003**	**0.000000**	**0.000060**
	MONTHLY "NETWORK SUPPORT" EXPENSE:							
48	Network Operations Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	
49	Network Operations Monthly Charges	Ln. 47 times Ln. 48	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
50	"Network Support" Expense Factor		0.0160	0.0160	0.0160	0.0160	0.0160	
51	Network Support" Monthly Charges	Ln. 47 times Ln. 50	0.000001	0.000000	0.000000	0.000000	0.000000	0.000001
52	Total Monthly Network Support Charges	Sum, Lns. 49, 51	0.000001	0.000000	0.000000	0.000000	0.000000	0.000001
53	**TOTAL MONTHLY DIRECT + SUPPORT**	**Sum, Lns. 47, 52**	**0.000039**	**0.000004**	**0.000015**	**0.000003**	**0.000000**	**0.000061**
	MONTHLY "DIRECTLY ATTRIBUTED" EXPENSES:							
54	General Support Assets Expense Factor		0.0815	0.0815	0.0815	0.0815	0.0815	
55	General Support Assets Monthly Charges	Ln. 47 times Ln. 54	0.000003	0.000000	0.000001	0.000000	0.000000	0.000005
56	Gen. Pur. Computer Expense Factor		0.0350	0.0350	0.0350	0.0350	0.0350	
57	Gen. Pur. Computer Monthly Charges	Ln. 47 times Ln. 56	0.000001	0.000000	0.000001	0.000000	0.000000	0.000002
58	Uncollectible Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	
59	Uncollectible Monthly Charges	Ln. 47 times Ln. 58	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
60	Accounting Expense Factor		0.0080	0.0080	0.0080	0.0080	0.0080	
61	Accounting Expense Monthly Charges	Ln. 47 times Ln. 60	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
62	Human Resources Expense Factor		0.0078	0.0078	0.0078	0.0078	0.0078	
63	Human Resources Monthly Charges	Ln. 47 times Ln. 62	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
64	Information Management Expense Factor		0.0553	0.0553	0.0553	0.0553	0.0553	
65	Information Management Monthly Charges	Ln. 47 times Ln. 64	0.000002	0.000000	0.000001	0.000000	0.000000	0.000003
66	Intangible Expense Factor		0.0026	0.0026	0.0026	0.0026	0.0026	
67	Intangible Expense Monthly Charges	Ln. 47 times Ln. 66	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
68	Total Monthly "Directly Attributed" Expense Charges	Sum Lns. 55, 57, 59, 61,63, 65, 67	0.000007	0.000001	0.000003	0.000001	0.000000	0.000011
69	**TOTAL MONTHLY "DIRECT" CHARGES**	**Sum, Lns. 53, 68**	**0.000046**	**0.000005**	**0.000018**	**0.000003**	**0.000000**	**0.000072**
	MONTHLY COMMON EXPENSES:							
70	Executive Expense Factor		0.0065	0.0065	0.0065	0.0065	0.0065	
71	Executive Expense Monthly Charges	Ln. 69 times Ln. 70	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
72	Planning Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	
73	Planning Expense Monthly Charges	Ln. 69 times Ln. 72	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
74	External Relations Expense Factor		0.0092	0.0092	0.0092	0.0092	0.0092	
75	External Relations Monthly Charges	Ln. 69 times Ln. 74	0.000000	0.000000	0.000000	0.000000	0.000000	0.000001
76	Legal Expense Factor		0.0060	0.0060	0.0060	0.0060	0.0060	
77	Legal Expense Monthly Charges	Ln. 69 times Ln. 76	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
78	Procurement Expense Factor		0.0022	0.0022	0.0022	0.0022	0.0022	
79	Procurement Expense Monthly Charges	Ln. 69 times Ln. 78	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
80	Research and Development Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	
81	R&D Expense Monthly Charges	Ln. 69 times Ln. 80	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
82	General Expense Factor		0.0000	0.0000	0.0000	0.0000	0.0000	
83	General Expense Monthly Charges	Ln. 69 times Ln. 82	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
84	Total Monthly "Common" Expenses Charges	Sum, Lns. 71, 73, 75, 77, 79, 81, 83	0.000001	0.000000	0.000000	0.000000	0.000000	0.000002
85	**TOTAL MONTHLY "TELRIC"**	**Sum, Lns. 69, 84**	**$0.000047**	**$0.000005**	**$0.000018**	**$0.000003**	**$0.000000**	**$0.000074**