

INVESTMENT TAX CREDIT EXOGENOUS

<u>Line</u>	<u>Item</u>	<u>Source for 2005/2006</u>	<u>2004/2005 [1]</u>	<u>2005/2006</u>
1	2005/2006 Investment Tax Credit	From 2004 Annual Access Filing	17,903,000	
2	2005/2006 Investment Tax Credit	Tax Records		16,944,000
3	Total Plant in Service (TPIS)	2004 ARMIS 43-01, Row 1690, Col b		43,101,217
4	Total Plant in Service (I/S)	2004 ARMIS 43-01, Row 1690, Col h		12,346,346
5	I/S TPIS Factor	Line 4 / Line 3	28.17%	28.65%
6	I/S Investment Tax Credit	1st Col = Line 1 * L 5 2nd Col = Line 2 * L 5	5,043,275	4,853,610
7	SIT Rate	2003 Form 492	5.05%	6.02%
8	FIT Impact	Line 6 * (.35/(1-.35))	2,715,610	2,613,482
9	SIT Impact	(Line 8 + Line 6) * (Line 7/(1-Line 7))	412,594	478,313
10	Calculated ITC	Line 6 + Line 8 + Line 9	8,171,479	7,945,405
11	Exogenous Impact		(8,171,479)	(7,945,405)

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<u>LINE</u>	<u>DESCRIPTION</u>	Qwest Common <u>Line</u> (A)	Qwest Special <u>Access</u> (B)	Qwest Traffic Sensitive <u>Non-ATS Related</u> (C)	Qwest <u>IXC</u> (D)	Qwest Trunking & TS <u>ATS-Related</u> (E)	Qwest <u>Excluded Services</u> (F)	Qwest <u>Total</u> (G)
1	"R" Value for 2005 Filing	1,020,725,908	587,516,948	85,900,570	8,699	259,888,263	1,526,501,994	3,480,542,383
2	"R" Value Percent to Total for 2004 Filing (Line 1A / Line 1G)	29.33%	16.88%	2.47%	0.00%	7.47%	43.86%	100.00%
3	Total 2004/2005 Investment Tax Credit (Workpaper 3, P 1)	(2,396,420)	(1,379,349)	(201,674)	(20)	(610,155)	(3,583,861)	(8,171,479)
4	Total 2005/2006 Investment Tax Credit (Workpaper 3, P1)	(2,330,120)	(1,341,188)	(196,094)	(20)	(593,275)	(3,484,709)	(7,945,405)
5	Exogenous Impact (Line 4A minus Line 3A)	66,300	38,161	5,580	1	16,882	99,152	226,075
6	Exogenous Impact Respread for ATS (Line 1A)/(Line 1A through Line 1D)	60.25%	34.68%	5.07%	0.00%	NA	NA	NA
7	Reallocation of Exogenous for ATS Revs (Line 5E*Line 6A)	10,171	5,854	856	0	-	-	-
8	Total Exogenous adjustment (Line 5A + Line 7A)	76,471	44,016	6,436	1	-	99,152	226,075

Columns A through E represent Price Cap Services

Column E represents the amount to be respread to non-ATS Price Cap services

Column F represents Excluded Services and includes services that received Pricing Flexibility approval