

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Approved by OMB
3060-0355
Expires 07/31/2004

1. Name and Address of Reporting Company

Qwest Corporation Including Melheur and El Paso
1801 California Street
Denver, CO 80202

2. Reporting Calendar Year

(A) From : January 2003 to December 2003

(B) First Report Filed: March 31, 2004

(C) Final Report Filed: March 31, 2005

FCC 492A

PRICE CAP REGULATION
RATE OF RETURN MONITORING REPORT

Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	2,378,272	2,379,556	1,284
2. Total Expenses and Taxes	1,783,063	1,787,866	4,803
3. Operating Income (Net Return) (Ln1-Ln2)	595,209	591,690	(3,519)
4. Rate Base (Avg Net Investment)	2,584,100	2,602,209	18,109
5. Rate of Return (Ln3/Ln4)	23.03%	22.74%	-0.30%
6. Sharing/Low End Adjustment Amount	0	0	0
7. FCC Ordered Refund - Amortized for Current Period	0	0	0

REMARKS

(1) Data shown in Column A reflects the removal of \$1,202.7M in revenues and associated costs for excluded services not subject to Price Cap incentive regulation in accordance with the Commission's Price Cap Plan and its TRP Order, released April 18, 2003.

(2) A composite rate of 5.0% is used for the state and local taxes. This rate is calculated by dividing the total booked state and local tax for the year end 2003 by the federal taxable income for year end 2003.

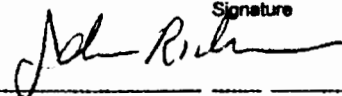
(3) Differences shown in Column c reflect adjustments to 2003 financial results that were submitted in ARMIS 43-01 on November 17, 2004.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date 3/31/05
Typed Name of Person Signing John Richardson
303-992-2996

Title of Person Signing
Senior Vice President
- Finance and Controller

Signature



PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

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PRICE CAP REGULATION
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3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	1,993,515		
2. Total Expenses and Taxes	1,507,942		
3. Operating Income (Net Return) (Ln1-Ln2)	485,573		
4. Rate Base (Avg Net Investment)	1,900,340		
5. Rate of Return (Ln3/Ln4)	25.55%		
6. Sharing/Low End Adjustment Amount	0	0	0
7. FCC Ordered Refund - Amortized for Current Period	0	0	0

REMARKS

(1) Data shown in Column A reflects the removal of \$1,526.5M in revenues and associated costs for excluded services not subject to Price Cap incentive regulation in accordance with the Commission's Price Cap Plan and its TRP Order, released April 19, 2004.

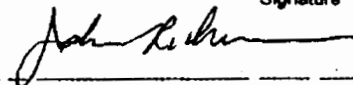
(2) A composite rate of 6.02% is used for the state and local taxes. This rate is calculated by dividing the total booked state and local tax for the year end 2004 by the federal taxable income for year end 2004.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date
3/31/05
Typed Name of Person Signing
John Richardson
303-992-2996

Title of Person Signing
Senior Vice President
- Finance and Controller

Signature



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