



RON L. TRULLINGER

March 29, 2012

Oregon Public Utility Commission  
Attn: Filing Center  
550 Capitol Street NE, Ste 215  
Salem, OR 97301-2551

RE: UM-1484 CenturyLink/Qwest Merger  
Condition 52 - Cost Allocation Manual

Dear Commission:

Pursuant to docket UM 1484, Order No. 11-095 ("Order"), CenturyLink provides the enclosed Cost Allocation Manual to comply with Condition 52 of the Order. CenturyLink previously filed a new affiliated interest agreement, which is also required by Condition 52, on June 30, 2011.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Ron Trullinger  
State Regulatory Affairs Director

Enclosure  
cc: Service List

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**CenturyTel of Oregon, Inc.**

**CenturyTel of Eastern Oregon, Inc.**

**United Telephone Co.  
of the Northwest**

**Qwest Corporation (Oregon)**

**COST  
ALLOCATION  
MANUAL**

**January 1, 2012**

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## I. INTRODUCTION

### Purpose

This Cost Allocation Manual specifies the procedures followed to apportion costs between regulated and non-regulated activities for CenturyTel of Oregon, Inc., CenturyTel of Eastern Oregon, Inc., United Telephone Company of the Northwest, and Qwest Corporation (Oregon), herein referred to as "Company". These apportionment procedures are to provide assurance that the Company's non-regulated activities are not being subsidized by the Company's regulated services.

### Scope

This manual contains an outline of the process of accounting and assigning costs, a description of non-regulated activities, a description of incidental activities, a corporate organization chart, a description of affiliate transactions, a cost apportionment table, and a description of time reporting procedures.

This manual covers those activities the Company is currently performing. If changes in service offerings require changes to the manual, the Company will submit the necessary revision of the manual. The manual will be reviewed on a periodic basis to ensure that it reflects the following year's planned activities. The process discussed in this manual are applied prior to the application of the separations procedures.

### Accounting for Costs

The Company records transactions in accordance with the Code of Federal Regulations Title 47 Part 32 – Uniform System of Accounts for Telecommunications Companies. Separate accounts are maintained by the Company for non-regulated activities. This allows costs to be directly recorded or assigned to the appropriate account whenever possible.

### Fully Attributable Costing Methodology

The Company adheres to the fully attributable costing methodology utilizing the principle of cost attribution. Under this principle, a cost is apportioned to a final cost objective only if a cause and effect relationship can be observed between that cost and its cost objective. This relationship may be exclusive, in which case a cost

can be directly assigned to a single cost objective, and no apportionment is necessary. Certain costs shared by regulated services and non-regulated services can be attributed between two cost objectives based on a direct measurement of cost causation. On the other hand, the relationship may be indirect, in which case a cost is attributed, using a surrogate measure of cause and effect.

Some costs exist where a cause and effect relationship cannot be observed between the cost and the cost objective. These costs are attributed using a composite allocator.

In summary, the costs attribution guidelines underlying the procedures in this manual are:

- Costs will be assigned directly to the maximum extent practical.
- Costs with causal relationships to cost objectives will be assigned using factors based on either a direct attributable or an indirect attributable causal relationship.
- Any remaining relevant costs will be attributed using a composite allocator.

### Definition of Costs

This costing methodology recognizes four cost apportionment methods as defined below:

1. Direct Assignment occurs when the costs are incurred in providing either regulated service exclusively or non-regulated services exclusively.
2. Direct Attribution occurs when common costs are allocated between regulated and non-regulated activities based on direct measures of cost-causation or direct analysis of the origin of the cost.
3. Indirect Attribution occurs when common costs are allocated between regulated and non-regulated activities based on indirect measures of cost-causation.
4. Unattributable Costs occur when costs of assets and resources are shared between regulated services and non-regulated activities and no causal relationship exist. These costs will be apportioned as appropriate to both regulated services and non-regulated activities through the use of a composite allocator.

### Analysis of Costs

Costs are directly assigned to either regulated or non-regulated activities whenever possible. Costs which cannot be directly assigned to either regulated or non-regulated activities will be described as common costs. Common costs are assigned to regulated and non-regulated activities using direct or indirect attribution as described above.

Direct assigned non-regulated investments, reserves, revenues and expenses are segregated from regulated operations in the company's accounting records. These costs are incurred exclusively for providing non-regulated activities. Direct and indirect attributable common costs are apportioned to regulated and non-regulated accounts as appropriate. As a result, the non-regulated costs are removed prior to the application of the jurisdictional separations process.

## II. NON-REGULATED ACTIVITIES

This section identifies and describes the non-regulated activities performed by the Company. These activities are recorded on the books of the regulated telephone Company and segregated through the use of separate accounts. The non-regulated activities of the Company are primarily a result of the deregulation of customer premise equipment and inside wire.

### Sale and Lease of Customer Premises Equipment

The Company sells, leases, installs and repairs the following customer premise equipment:

- Private Branch Exchange equipment
- Key or multi-line systems
- Centrex customer premise equipment
- Single and multi line phones
- Data Communications equipment
- Paystations
- Miscellaneous telephone accessories and equipment

### Sale and Maintenance of Customer Premise Inside Wire

The Company sells, installs, and repairs both simple and complex inside wire distribution systems.

### Sales Agency Agreement

Services provided through contracts with inter-exchange carriers. The Company sells and/or provides the inter-exchange carriers with sales leads for 800 lines, private lines, optional calling plans, calling cards and other inter-exchange products or services.

### Voice Messaging Services

The Company provides voice mail services which allow the subscriber to send and receive voice messages. This includes call answering and related messaging services provided to the general public by voice storage and forward equipment not a part of the local exchange switching facility.

### Local and Wide Area Network Services

This activity includes evaluating customer equipment and network needs and providing and installing appropriate network solutions.

### Paystation Service

The Company provides coin, coin-less and automated paystation services.

### Internet/Intranet Access

The Company provides access to the Internet/Intranet through nonregulated routing equipment.



# NONREGULATED ACTIVITIES MATRIX

Class A Accounts	Customer Premise Equipment	Voice Messaging Services	Inside Wire Services	Paystation Services
1220 Materials and Supplies	X		X	X
1439 Deferred Charges	X	X	X	X
2003 Telecommunications Plant Under Construction				
2005 Telecommunications Plant Adjustment	X	X	X	X
2110 Land and Support Assets	X	X	X	X
2210 Central Office – Switching				
2230 Central Office – Transmission				
2310 Information Origination/Termination	X	X	X	X
2410 Cable and Wire Facilities				
2690 Intangibles				
3100 Accumulated Depreciation	X	X	X	X
4340 Deferred Taxes	X	X	X	X
4360 Other Deferred Credits	X	X	X	X

# NONREGULATED ACTIVITIES MATRIX

Class A Accounts	Revenues	Customer Premise Equipment	Voice Messaging Services	Inside Wire Services	Paystation Services
5280	Nonregulated Operating Revenue	X	X	X	X
5300	Uncollectible Revenue	X	X	X	X
	<b>Plant Specific Operations</b>				
6110	Network Support Expense				
6120	General Support Expense	X	X	X	X
6210	Central Office Switching Expense				
6230	Central Office Transmission Expense				
6310	Information Origination/Termination Expense	X	X	X	X
6410	Cable and Wire Facilities Expense				
	<b>Plant Nonspecific Operations</b>				
6510	Other Property, Plant and Equipment Expense	X	X	X	X
6530	Network Operations Expense	X	X	X	X
6540	Access Expense				
6560	Depreciation and Amortization Expense	X	X	X	X
	<b>Customer Operations</b>				
6610	Marketing	X	X	X	X
6620	Services	X	X	X	X
	<b>Corporate Operations</b>				
6710	Executive and Planning	X	X	X	X
6720	General and Administrative	X	X	X	X
	<b>Other Accounts</b>				
7200	Operating Taxes	X	X	X	X
7300	Nonoperating Income and Expenses				
7500	Interest and Related Items	X	X	X	X

### III. INCIDENTAL ACTIVITIES

#### General

This section describes the activities to which the Company accords incidental accounting treatment, and the justification for that treatment. Activities are accorded incidental accounting treatment if the following conditions are met:

1. The activity is not a line-of-business;
2. The activity is an outgrowth of regulated operations;
3. There is little additional financial or business risk to the regulated operation in providing the activity, as determined by the effect on the capital investments and capital requirements; and
4. The activity utilizes an insubstantial commitment of investment or resources of the carrier, as determined by the capital investments and the service obligations of the carrier.

The following list describes those activities currently engaged in by the Company which are accorded incidental accounting treatment:

#### Listing of Activities

1. Leasing of land and building space.
2. Billing and collection activities for inter-exchange carriers and affiliates.
3. Leasing of pole attachments, conduit space, and duct space.

#### IV. CORPORATE ORGANIZATION

CenturyLink, Inc. is the holding company (parent) of all operating companies in the CenturyLink system. CenturyLink, Inc. provides executive management, professional, financial, legal, and advisory services to its affiliates. CenturyLink, Inc. provides services to telephone companies and various other subsidiaries. CenturyLink, Inc. exists solely to provide services to members of the its corporate family.

CenturyTel Service Group, LLC (CSG) is a wholly owned subsidiary of CenturyLink, Inc. CSG provides executive management, information systems, finance, human resources, legal, administrative, marketing, engineering, customer service, accounting, billing, and regional operations services to its affiliates. This company provides services to telephone companies and various other subsidiaries. CSG exists solely to provide services to members of the CenturyLink corporate family.

CenturyTel Supply Group, Inc. (CS) is a wholly owned subsidiary of CenturyLink, Inc. CS provides materials and supplies and warehousing services to its telephone affiliates. CS exists solely to provide services to members of the CenturyLink corporate family.

CenturyTel Holdings Missouri, Inc. (CHM) is a wholly owned subsidiary of CenturyLink, Inc. CHM provides regional oversight services for the Central Region and network operation center services for all telephone affiliates. CHM exists solely to provide services to members of the CenturyLink corporate family.

Embarq Management Company (EMC) is a wholly owned subsidiary of CenturyLink, Inc. EMC provided management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMC exists solely to provide services to members of the CenturyLink corporate family.

Embarq Mid-Atlantic Management Services Company (EMA) is a wholly owned subsidiary of CenturyLink, Inc. EMA provides management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMA exists solely to provide services to members of the CenturyLink corporate family.

Embarq Midwest Management Services Company (EMW) is a wholly owned subsidiary of CenturyLink, Inc. EMW provides management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMW exists solely to provide services to members of the CenturyLink corporate family.

CenturyLink local exchange carriers have personnel who are familiar with and experienced in the operation and management of telephone properties. These employees may provide certain necessary supervisory, construction, maintenance, technical, engineering, and advisory services to other local exchange carriers to achieve the most efficient and purposeful operation within the CenturyLink system.

Exhibit A outlines the organizational structure of CenturyLink, Inc.

## CENTURYLINK, INC.

**List of Subsidiaries<sup>1</sup>**  
**(each 100% owned unless noted otherwise)**  
**(As of September 30, 2011)**

<b><u>Subsidiary</u></b>	<b><u>State or Jurisdiction of Incorporation</u></b>
Actel, LLC	Delaware
Bloomington Telephone Company, Inc. (20%)	Michigan
Century Cellunet International, Inc.	Louisiana
Cellunet of India Limited	Mauritius
Century Interactive Fax, Inc.	Louisiana
Century Telephone of West Virginia, Inc.	West Virginia
CenturyTel Acquisition LLC	Louisiana
CenturyTel of Adamsville, Inc.	Tennessee
CenturyTel of Arkansas, Inc.	Arkansas
CenturyTel Broadband Services, LLC	Louisiana
CenturyTel TeleVideo, Inc.	Wisconsin
CenturyTel/Televue of Wisconsin, Inc.	Wisconsin
Qwest Broadband Services, Inc.	Delaware
CenturyTel Broadband Wireless, LLC	Louisiana
CenturyTel of Central Indiana, Inc.	Indiana
CenturyTel of Central Louisiana, LLC	Louisiana
CenturyTel of Chatham, LLC	Louisiana
CenturyTel of Chester, Inc.	Iowa
CenturyTel of Claiborne, Inc.	Tennessee
CenturyTel of East Louisiana, LLC	Louisiana
CenturyTel of Evangeline, LLC	Louisiana
CenturyTel Fiber Company II, LLC	Louisiana
CenturyTel Holdings, Inc.	Louisiana
Century Marketing Solutions, LLC	Louisiana
Century Color Graphics, LLC	Louisiana
CenturyTel Arkansas Holdings, Inc.	Arkansas
CenturyTel of Central Arkansas, LLC	Louisiana
CenturyTel of Northwest Arkansas, LLC	Louisiana
CenturyTel Holdings Alabama, Inc.	Alabama
CenturyTel of Alabama, LLC	Louisiana

<sup>1</sup> Does not include interests of less than 10%.  
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## Exhibit A

CenturyTel Holdings Missouri, Inc.	Missouri
CenturyTel of Missouri, LLC	Louisiana
CenturyTel Investments of Texas, Inc.	Delaware
CenturyTel of the Northwest, Inc.	Washington
Brown Equipment Corp.	Nevada
Carter Company, Inc.	Hawaii
Honomach PR, Inc.	Puerto Rico
Cascade Autovon Company	Washington
CenturyTel/Cable Layers, Inc.	Wisconsin
CenturyTel of Central Wisconsin, LLC	Delaware
CenturyTel of Colorado, Inc.	Colorado
CenturyTel of Eagle, Inc.	Colorado
CenturyTel of Eastern Oregon, Inc.	Oregon
CenturyTel Entertainment, Inc.	Washington
CenturyTel of Fairwater-Brandon-Alto, LLC	Delaware
CenturyTel of Forestville, LLC	Delaware
CenturyTel of the Gem State, Inc. (97%)	Idaho
CenturyTel of Inter Island, Inc.	Washington
CenturyTel of Larsen-Readfield, LLC	Delaware
CenturyTel of the Midwest-Kendall, LLC	Delaware
CenturyTel of the Midwest-Wisconsin, LLC	Delaware
CenturyTel of Minnesota, Inc.	Minnesota
CenturyTel of Monroe County, LLC	Delaware
CenturyTel of Montana, Inc. (99%)	Oregon
CenturyTel of Northern Wisconsin, LLC	Delaware
CenturyTel of Northwest Wisconsin, LLC	Delaware
CenturyTel of Oregon, Inc.	Oregon
CenturyTel of Paradise, Inc.	Washington
CenturyTel of Cowiche, Inc.	Washington
CenturyTel of Postville, Inc.	Iowa
CenturyTel of Southern Wisconsin, LLC	Delaware
CenturyTel of the Southwest, Inc.	New Mexico
CenturyTel Telecom Service, Inc.	Washington
CenturyTel Telephone Utilities, Inc.	Washington
CenturyTel of Upper Michigan, Inc.	Michigan
CenturyTel/UTI, Inc.	Wisconsin
CenturyTel of Washington, Inc.	Washington

**Exhibit A**

CenturyTel/WORLDDVOX, Inc.	Oregon
CenturyTel of Wyoming, Inc.	Wyoming
Eagle Valley Communications Corporation	Colorado
International Communications Holdings, Inc.	Delaware
Pacific Telecom, Inc. (Shell)	Oregon
PTI Communications of Ketchikan, Inc.	Alaska
PTI Communications of Minnesota, Inc.	Minnesota
PTI Transponders, Inc.	Oregon
Universal Contracting Corp.	Wisconsin
Universal Manufacturing Corp.	Wisconsin
Universal Telephone Long Distance, Inc.	Wisconsin
CenturyTel of Idaho, Inc.	Delaware
CenturyTel Interactive Company	Louisiana
CenturyTel International, Inc.	Louisiana
CenturyTel Internet Holdings, Inc.	Louisiana
centurytel.com, LLC	Louisiana
CenturyTel Investments, LLC	Louisiana
CenturyTel Long Distance, LLC	Louisiana
CenturyTel of Michigan, Inc.	Michigan
CenturyTel Midwest - Michigan, Inc.	Michigan
CenturyTel Mobile Communications, Inc.	Louisiana
CenturyTel of Mountain Home, Inc.	Arkansas
CenturyTel of North Louisiana, LLC	Louisiana
CenturyTel of North Mississippi, Inc.	Mississippi
CenturyTel of Northern Michigan, Inc.	Michigan
CenturyTel of Northwest Louisiana, Inc.	Louisiana
CenturyTel of Odon, Inc.	Indiana
CenturyTel of Ohio, Inc.	Ohio
CenturyTel of Ooltewah-Collegedale, Inc.	Tennessee
CenturyTel of Port Aransas, Inc.	Texas
CenturyTel of Redfield, Inc.	Arkansas
CenturyTel of Ringgold, LLC	Louisiana
CenturyTel SM Telecorp, Inc.	Texas
CenturyTel Telecommunications, Inc.	Texas
SM Telecom, Inc.	Texas
CenturyTel/SM, Inc.	Texas
CenturyTel of San Marcos, Inc.	Texas



## Exhibit A

CenturyTel San Marcos Investments, LLC	Delaware
CenturyTel Security Systems, Inc.	Louisiana
CenturyTel Service Group, LLC	Louisiana
CenturyTel Solutions, LLC	Louisiana
CenturyTel of South Arkansas, Inc.	Arkansas
CenturyTel of Southeast Louisiana, LLC	Louisiana
CenturyTel of Southwest Louisiana, LLC	Louisiana
CenturyTel Supply Group, Inc.	Louisiana
CenturyTel/Tele-Max, Inc.	Texas
CenturyTel of Lake Dallas, Inc.	Texas
CenturyTel Web Solutions, LLC	Louisiana
CenturyTel of Wisconsin, LLC	Louisiana
Embarq Corporation	Delaware
Carolina Telephone and Telegraph Company LLC	North Carolina
NOCUTS, Inc.	Pennsylvania
SC One Company	Kansas
Centel Corporation	Kansas
Centel Capital Corporation	Delaware
Centel Directories LLC	Delaware
Centel-Texas, Inc.	Texas
Central Telephone Company of Texas	Texas
EQ Central Texas Equipment LLC	Texas
Telcon, Inc.	Texas
Central Telephone Company	Delaware
Central Telephone Company of Virginia	Virginia
Embarq Florida, Inc.	Florida
The Winter Park Telephone Company	Florida
Perry Protection Services, Inc.	Florida
Centel SPE LLC	Delaware
CenturyLink Sales Solutions, Inc. <sup>2</sup>	Delaware
Embarq, Inc.	Kansas
Embarq Capital Corporation	Delaware
SC Seven Company <sup>3</sup>	Delaware
Embarq Communications, Inc.	Delaware
Embarq Communications of Virginia, Inc.	Virginia

<sup>2</sup> Formerly known as Embarq Solutions, Inc.

<sup>3</sup> Owned 50% by Embarq Capital Corporation and 50% by United Telephone Company of Texas, Inc.

## Exhibit A

Embarq Holdings Company LLC	Delaware
Embarq Directory Trademark Company, LLC	Delaware
Embarq Interactive Holdings LLC	Delaware
Embarq Interactive Markets LLC	Delaware
Embarq Management Company	Delaware
EQ Management Equipment LP <sup>4</sup>	Nevada
Embarq Mid-Atlantic Management Services Company	North Carolina
Embarq Minnesota, Inc.	Minnesota
Embarq Missouri, Inc.	Missouri
SC Eight Company	Kansas
Embarq Network Company LLC	Delaware
Embarq Payphone Services, Inc.	Florida
Embarq Risk (Bermuda) Limited	Bermuda
EQ Equipment Leasing, Inc.	Delaware
United Telephone Company of the Carolinas LLC	South Carolina
SC Two Company	Kansas
United Telephone Company of Eastern Kansas	Delaware
United Telephone Company of Florida	Florida
Vista-United Telecommunications (49%)	Florida
United Telephone Company of Indiana, Inc.	Indiana
SC Four Company	Kansas
United Telephone Company of Kansas	Kansas
Embarq Midwest Management Services Company <sup>5</sup>	Kansas
United Teleservices, Inc.	Kansas
United Telephone Company of New Jersey, Inc.	New Jersey
United Telephone Company of the Northwest	Oregon
United Telephone Company of Ohio	Ohio
SC Five Company	Kansas
United Telephone Company of Pennsylvania LLC, The	Pennsylvania
SC Six Company	Kansas
Valley Network Partnership (40% aggregate) <sup>6</sup>	Virginia
United Telephone Company of Southcentral Kansas	Arkansas
United Telephone Company of Texas, Inc.	Texas
EQ United Texas Equipment LLC	Texas

<sup>4</sup> Embarq Management Company is 99% limited partner, EQ Equipment Leasing, Inc. is 1% general partner.

<sup>5</sup> Owned 80% by United Telephone Company of Kansas and 20% by United Telephone Company of Eastern Kansas.

<sup>6</sup> Owned 20% by The United Telephone Company of Pennsylvania and 20% by United Telephone Southeast LLC

## Exhibit A

United Telephone Company of the West	Delaware
United Telephone Southeast LLC	Virginia
SC Three Company	Kansas
Hillsboro Telephone Company, Inc. (20%)	Wisconsin
La Crosse Telephone Corporation	Wisconsin
Lafayette MSA Limited Partnership (49%)	Delaware
Madison River Communications Corp.	Delaware
Gallatin River Holdings L.L.C. <sup>7</sup>	Delaware
Gallatin River Communications L.L.C.	Delaware
Madison River Communications, LLC	Delaware
Gulf Communications, LLC <sup>8</sup>	Delaware
Savannah River Communications, LLC	Delaware
Madison River Finance Corp.	Delaware
Madison River Holdings LLC	Delaware
Madison River LTD Funding LLC	Delaware
Coastal Communications, Inc.	Delaware
Coastal Utilities, Inc.	Georgia
Coastal Long Distance Services LLC	Georgia
Gulf Coast Services, Inc.	Alabama
Gulf Long Distance LLC	Alabama
Gulf Telephone Company	Alabama
Madison River Management LLC	Delaware
Mebtel, Inc.	North Carolina
Pacific Telecom Cellular of Alaska RSA #1, Inc.	Alaska
Qwest Communications International, Inc.	Delaware
EUnet International Limited	United Kingdom
EUnet International B.V.	Netherlands
Qwest B.V.	Netherlands
KPNQwest N.V. (44.34%)	Netherlands
Qwest B.V.	Netherlands
Qwest Capital Funding, Inc.	Colorado
Qwest Europe LLC	Delaware
Qwest Foundation	Colorado
Qwest Services Corporation	Colorado

<sup>7</sup> Owned 39% by Madison River Communications Corp., 24% by Madison River Management, LLC and 37% by Madison River LTD Funding, LLC.

<sup>8</sup> 100% of Class A Preferred stock owned by Gulf Telephone Company; 1% of Class B common member interests owned by Gulf Telephone Company and 99% of class B common member interests owned by Madison River Communications, LLC

**Exhibit A**

CenturyLink Investment Management Company <sup>9</sup>	Colorado
Qwest Communications Company, LLC	Delaware
Qwest Communications Corporation of Virginia	Virginia
Qwest International Services Corporation	Delaware
Qwest N Limited Partnership (98.5%) <sup>10</sup>	Delaware
Qwest Transoceanic, Inc.	Delaware
Qwest Communications International Ltd.	United Kingdom
Qwest Holdings, BV	Netherlands
Qwest France SAS	France
Qwest Germany GmbH	Germany
Qwest Netherlands BV	Netherlands
Qwest Peru S.R.L.	Peru
Qwest Telecommunications Asia, Limited	Hong Kong
Qwest Australia Pty Limited	Australia
Qwest Communications Japan Corporation	Japan
Qwest Communications Korea, Limited	Korea
Qwest Hong Kong Telecommunications, Limited	Hong Kong
Qwest Singapore Pte Ltd.	Singapore
Qwest Taiwan Telecommunications, Limited	Taiwan
Qwest Corporation	Colorado
1200 Landmark Center Condominium Association, Inc.	Nebraska
Qwest Telecom Software Services Private Limited	India
Block 142 Parking Garage Association	Colorado
Qwest Database Services, Inc.	Colorado
SMS/800, Inc. (33.3%)	District of Columbia
Qwest India Holdings, LLC	Delaware
Qwest Telecom Software Services Private Limited	India
The El Paso County Telephone Company	Colorado
MoveARoo, LLC (33.3%)	Delaware
Qwest Dex Holdings, Inc.	Delaware
Qwest Government Services, Inc.	Colorado
Qwest LD Corp.	Delaware
Qwest Wireless, L.L.C.	Delaware
Western Re, Inc.	Vermont
SAVVIS, Inc.	Delaware

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<sup>9</sup> Formerly known as Qwest Asset Management Company

<sup>10</sup> Owned 1.5% by Qwest Services Corporation as limited partner.

## Exhibit A

SAVVIS Argentina S.A. <sup>11</sup>	Argentina
SAVVIS Australia Pty. Ltd.	Australia
SAVVIS Canada, Inc.	Delaware
SAVVIS Communications Canada, Inc.	Canada
2099418 Ontario Corp.	Ontario
SAVVIS Communications Chile, S.A. <sup>12</sup>	Chile
SAVVIS Communications Corporation	Missouri
SAVVIS Federal Systems, Inc.	Delaware
SAVVIS Communications International, Inc.	Delaware
SAVVIS Communications Private Limited	India
SAVVIS Korea Limited	Korea
SAVVIS Communications K.K.	Japan
SAVVIS do Brasil Ltda. <sup>13</sup>	Brazil
SAVVIS Telecomunicações Ltda. <sup>14</sup>	Brazil
SAVVIS do Brasil Participacoes Ltda.	Brazil
SAVVIS Comunicacoes Ltda.	Brazil
SAVVIS Europe B.V. <sup>15</sup>	Netherlands
SAVVIS Europe BV Sucursal en España	Spain
SAVVIS Europe B.V., The Netherlands, filial Sweden <sup>16</sup>	Sweden
SAVVIS France S.A.S.	France
SAVVIS Germany GmbH	Germany
SAVVIS Hong Kong Ltd. <sup>17</sup>	Hong Kong
SAVVIS Hungary Telecommunications KFT	Hungary
SAVVIS Italia S.r.l. <sup>18</sup>	Italy
SAVVIS Malaysia Sd. Ltd.	Malaysia
SAVVIS Mexico, S.A. de C.V. <sup>19</sup>	Mexico
SAVVIS New Zealand Limited	New Zealand
SAVVIS Philippines, Inc.	Philippines
SAVVIS Poland Sp Zo.o.	Poland
SAVVIS Singapore Company Pte. Ltd.	Singapore

<sup>11</sup> 1% owned by SAVVIS Communications International, Inc.

<sup>12</sup> 0.1% owned by SAVVIS Communications International, Inc.

<sup>13</sup> 5% owned by SAVVIS Communications International, Inc.

<sup>14</sup> 0.2% owned by SAVVIS, Inc.

<sup>15</sup> This company also has registered branches in Greece and Norway

<sup>16</sup> Registered branch

<sup>17</sup> 50% owned by SAVVIS Communications International, Inc. as nominee for SAVVIS, Inc.

<sup>18</sup> 5% owned by SAVVIS Communications International, Inc.

<sup>19</sup> 1% owned by SAVVIS Communications International, Inc.

## Exhibit A

SAVVIS Switzerland A.G.	Switzerland
SAVVIS Taiwan Limited <sup>20</sup>	Taiwan
SAVVIS (Thailand) Limited	Thailand
SAVVIS U.K. Limited	United Kingdom
SkyComm Technologies Corporation (50.0%)	Delaware
Spectra Communications Group, LLC	Delaware
TelUSA Holdings, LLC (89%)	Delaware
Telephone USA of Wisconsin, LLC	Delaware

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<sup>20</sup> Chinese name is the official name.  
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## V. TRANSACTIONS WITH AFFILIATES

### Overview

This section identifies affiliates that engage in, or will engage in, transactions with the company and describes the nature, terms and frequency of these transactions.

The Company records transactions with affiliates in compliance with the Federal Communications Commission Docket No. 96-150 which was amended by the 2000 Biennial Regulatory Review Phase II issued on November 5, 2001 and in compliance with Code of Federal Regulations Title 47, Part 32 – Uniform System of Accounts For Telecommunications Companies. The rules distinguish between the valuation of assets transferred to or from non-regulated affiliates, and the valuation of services provided to or by non-regulated affiliates. All of the following affiliate transactions are identified as either the transfer of assets or as services provided between two affiliates.

### Valuation of Assets Transferred Between Affiliates

With respect to transfers of assets between the regulated activities of the Company and its non-regulated affiliates, the transferred assets are valued as follows:

- a. The transferred assets are valued at the currently effective tariff rate.
- b. If a tariff rate does not exist, the assets are valued at the market rate. Market rate is defined as the prevailing price provided to the general public in the normal course of business. To qualify for prevailing price valuation, at least 25 percent of the asset sales would have to come from unaffiliated parties.
- c. If there is no market price, asset transfers from the affiliate to the Company, are recorded at the lower of net book value (NBV) or estimated fair market value (EFMV). Asset transfers from the company to the affiliate are recorded at the higher of net book value or estimated fair market value.

### Valuation of Services Provided to or by an Affiliate

With respect to services provided between the regulated activities of the Company, and its non-regulated affiliates, the services are valued in the following order:

- a. The services are sold at the current effective tariff rate (including tariffs on file with State Commissions).

- b. If a tariff rate does not exist, the service is valued at the market rate. Market rate is defined as the prevailing price provided to unaffiliated persons or entities. To qualify for prevailing price valuation, at least 25 percent of the sales for the service would have to come from unaffiliated parties.
- c. If a prevailing price is not applicable, the cost of the service is sold between the Company and the non-regulated affiliate at the lower of fully distributed cost or fair market value if the service is provided to the Company and the higher of fully distributed cost or fair market value if the Company provides the service to its affiliates.

#### Valuation of Assets or Services Provided Between Nonregulated Activities of the Company and Its Affiliates.

Non-regulated company costs have been properly removed from regulated accounts pursuant to Part 64.901 of the Federal Communications Commission's Rules and pricing of these non-regulated transactions thus has no impact upon the ratepayers.

#### List of Affiliates

##### **CenturyLink, Inc. (CTE)**

CTE is the holding company of the affiliates in the CenturyLink system.

CTE provides executive management, professional, financial, and advisory services to members of the CenturyLink corporate family.

##### **CenturyTel Service Group, LLC. (CSG)**

This affiliate provides managerial, technical, accounting and administrative services to affiliates. CSG exists solely to provide services to members of the CenturyLink corporate family.

##### **CenturyTel Supply Group, Inc. (CS)**

This affiliate provides materials and supplies and warehousing services to affiliates. CS exists solely to provide services to members of the CenturyLink corporate family.

##### **CenturyTel Holdings Missouri, Inc. (CHM)**

CHM provides regional oversight services for the Central Region and network operation center services for all telephone affiliates. CHM exists solely to provide services to members of the CenturyLink corporate family.



**Embarq Management Company (EMC)**

EMC provides management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMC exists solely to provide services to members of the CenturyLink corporate family.

**Embarq Mid-Atlantic Management Services Company (EMA)**

EMA provides management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMA exists solely to provide services to members of the CenturyLink corporate family.

**Embarq Midwest Management Services Company (EMW)**

EMW provides management, professional, technical, information management, and advisory services to members of the CenturyLink corporate family. EMW exists solely to provide services to members of the CenturyLink corporate family.

**CenturyTel Local Exchange Carriers (LEC)**

LEC provides supervisory, construction, maintenance, technical, engineering, and advisory services to other local exchange carriers to achieve the most efficient and purposeful operation within the CenturyLink System.

**CenturyTel Long Distance, LLC (CLD)**

This affiliate provides long distance telecommunications service including but not limited to direct dialing, operator calling card, and toll free services.

**Embarq Communications Inc. (ECI)**

This affiliate provides long distance telecommunications service including but not limited to direct dialing, operator calling card, and toll free services.

**CenturyTel Broadband, LLC. (CB)**

This affiliate provides internet access service and IPTV.

**Qwest Communications Company, LLC (QCC)**

This affiliate is a provider of telecommunications services including local, long distance, and data services.

**Qwest Long Distance Corporation (QLDC)**

This affiliate provides in-region interLATA and intraLATA services to consumer and business customers.

**SAVVIS, Inc.**

This affiliate provides cloud hosting, managed hosting, colocation and network services.

**Assets or Services Provided by the Company to its Affiliates:****Special Access Services**

The company provides dedicated (point to point) circuits to its affiliates.

**Billing and Collection Services**

The company provides billing and collection services to affiliates that have operations within its local exchange areas. Charges associated with long distance service and internet service is billed to the company's customers on their local service bill.

**Fees**

The company charges fees to affiliates when customer service representatives sell products or services of an affiliate.

**Telecommunications Services**

The company provides local telephone services, based on tariffed rates, to affiliates located within its exchange area.

**Assets**

The company does not routinely provide assets to its affiliates.

**Employee Services**

The company has employees who perform services for its affiliates. These services include installation and maintenance services provided by technicians.

**Assets or Services Received by the Company from its Affiliates:****Materials and Supplies**

CenturyTel Supply Group, Inc. provides provisioning of regulated and non-regulated telecommunications products as a single service, which includes sourcing through delivery.

**Telecommunications Services**

The company receives long distance and internet access service from affiliates.

**Assets**

The company does not routinely receive assets from its affiliates.

### **Administrative Services**

CenturyLink, Inc., CenturyTel Service Group, LLC, CenturyTel Holdings Missouri, Inc., Embarq Management Company, Embarq Mid-Atlantic Management Services Company, and Embarq Midwest Management Services Company provide administrative services to the Company.

CenturyTel Service Group, LLC provides managerial, technical, accounting and administrative services to all affiliates. These services include:

- Financial Services
  - Accounting Services
  - Budgeting and Planning
  - Internal Auditing
  - External Reporting
  - Payroll
  - Accounts Payable
  - Tax
  - Treasury Services
  - Investor Relations
  - Billing Services
  - Purchasing
- Regulatory
- Human Resources
- Engineering Services
- Network Operations Management
- External Affairs
- Marketing
- Information Services (data processing)

CenturyTel, Inc. provides administrative services to all affiliates. These services include:

- Executive Management
- Legal Services

# AFFILIATE TRANSACTIONS FROM COMPANY TO AFFILIATES

Asset/Service Provided**	CSG	CS	CTE	CLD	CB	CHM	LEC	EMC	EMA	EMW	ECI	QLDC	QCC
<b>Tariffed Rate</b>													
Special Access Services				D	D								D
Telecommunications Services													
<b>Publicly Filed Agreement</b>													
N/A													
<b>Prevailing Price</b>													
Billing and Collection Services				M	M						M	M	
<b>Assets – Higher of Fair Market Value and Net Book Cost</b>													
N/A													
<b>Services – Higher of Fair Market Value (FMV) and Fully Distributed Cost (FDC)</b>													
Employee Services (FDC)		D			D		M						
Fees (FMV)				D	D						D	D	D

Legend  
D = Daily  
M = Monthly  
Q = Quarterly  
A = Annually  
O = Occasionally

\*\* See “Assets or Services Provided by the Company to its Affiliates” appearing earlier in Section V for a more detailed description of assets and services provided.

# AFFILIATE TRANSACTIONS FROM AFFILIATES TO COMPANY

Asset/Service Provided**	CSG	CS	CTE	CLD	CB	CHM	LEC	EMC	EMA	EMW	ECI	QLDC	QCC
<b>Tariffed Rate</b>													
Telecommunications Services				D							D	D	
<b>Publicly Filed Agreement</b>													
N/A													
<b>Prevailing Price</b>													
Telecommunications Services					D								
<b>Assets – Higher of Fair Market Value and Net Book Cost</b>													
N/A													
<b>Services – Higher of Fair Market Value (FMV) and Fully Distributed Cost (FDC)</b>													
N/A													
<b>Fully Distributed Cost</b>													
Materials & Supplies		D											
Administrative Services	D		D			D	M	D	D	D			

## Legend

D = Daily  
 M = Monthly  
 Q = Quarterly  
 A = Annually  
 O = Occasionally

\*\* See “Assets or Services Received by the Company from its Affiliates” appearing earlier in Section V for a more detailed description of assets and services provided.

## VI. COST APPORTIONMENT TABLES

This section contains the cost allocation table for each Uniform System of Account (USOA) Part 32 account containing costs incurred in providing regulated services. The cost apportionment table provides the following information for each applicable account:

- USOA Part 32 Class A Account Number & Title:  
Class A account number and title as prescribed in Part 32 USOA.
- Cost Pool:  
The grouping of related costs, representing the pool to which each USOA account is assigned based on the activity in the account.
- Cost Pool Assignment Basis:  
The method used to separate the costs into cost pools.
- Regulated / Non-regulated Apportionment Basis:  
The method used to apportion the cost pool between regulated and non-regulated activities.
- Attribution Method:  
Identifies characteristics in cost apportionment as being directly assignable, directly attributable, indirectly attributable, or unattributable to regulated and non-regulated operations.
- Comments:  
Explanatory information on apportionment procedures and cost pools.

## Definition of Terms

- Account Transaction Analysis  
Transactions within the accounts are reviewed to determine the amount to apportion to regulated and non-regulated activity.
- Relative Investment Value  
The costs in a cost pool are apportioned between regulated and non-regulated based on the assignment of dollars in the corresponding asset accounts.
- Current Year Salaries and Wages of Plant Employees  
Allocation is based upon total regulated and total non-regulated salaries and wages expense of operating plant employees as a percentage of total salaries and wages expense of operating plant employees.
- Total Current Year Salaries & Wages  
Allocation is based upon total regulated and total non-regulated salaries and wages expense of operating company employees as a percentage of total salaries and wages expense of operating company employees.
- Relative Value of Associated Primary Plant  
Pool costs are apportioned based upon the total regulated and total non-regulated investment in each Plant in Service account as a percentage of the total investment in each Plant in Service account.
- Relative Value of Plant Accounts  
Cost apportionment is based upon the total regulated and total non-regulated investment for the Plant in Service account as a percentage of the total investment in the Plant in Service account.
- Categorization and Usage Study of Property and Cost Records  
Cost assignment to regulated and non-regulated is based on analysis of detailed property records and plant usage studies.

# VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	ATTRIBUTION METHOD	COMMENTS
1220 Materials and Supplies	Regulated	Subaccount	Assigned to Regulated	Direct Assignment	
1439 Deferred Charges	Nonregulated	Subaccount	Assigned to Nonregulated	Direct Assignment	
	Regulated	Subaccount	Assigned to Regulated	Direct Assignment	
	Nonregulated	Subaccount	Assigned to Nonregulated	Direct Assignment	
2003 Telecommunications Plant Under Construction	Same as Account	Account	Relative Value of Plant Accounts	Indirect Attribution	The nonregulated portion of the cost pool will be computed by applying the ratio of nonregulated to total investment in the plant in service account.
2005 Telecommunications Plant Adjustment	Regulated	Account Transaction Analysis	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account Transaction Analysis	Assigned to Nonregulated	Direct Assignment	
2110 Land and Support Assets	Regulated	Subaccount Identification	Assigned to Regulated	Direct Assignment	
	Regulated	Subaccount Identification	Assigned to Nonregulated	Direct Assignment	
	Buildings- Regulated	Subaccount Identification	Assigned to Regulated	Direct Attribution	Land and buildings leased to others through rental agreement.
	Land	Subaccount Identification	Assigned to Regulated	Direct Attribution	Land and buildings leased to others through rental agreement.
	Furniture	Subaccount Identification	Total Company Current Year Salaries and Wages	Indirect Attribution	
	Office Equipment	Subaccount Identification	Total Company Current Year Salaries and Wages	Indirect Attribution	
	Computers	Subaccount Identification	Total Company Current Year Salaries and Wages	Indirect Attribution	
	Motor Vehicles	Subaccount Identification	Total Company Current Year Salaries and Wages	Indirect Attribution	



VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	ATTRIBUTION METHOD	COMMENTS
	Tools & Other Work Equipment		Current Year Salaries and Wages of Plant Employees	Indirect Attribution	
2210 Central Office – Switching	Regulated	Subaccount Identification	Assigned to Regulated	Direct Assignment	
	Nonregulated	Subaccount Identification	Assigned to Nonregulated	Direct Assignment	
	Common	Subaccount Identification	Categorization and Usage study of Property and Cost Records	Direct Attribution	Costs associated with nonregulated activities will be identified and properly assigned to nonregulated in the Separations process.
2230 Central Office – Transmission	Regulated	Subaccount Identification	Assigned to Regulated	Direct Assignment	
	Nonregulated	Subaccount Identification	Assigned to Nonregulated	Direct Assignment	
	Common	Subaccount Identification	Categorization and Usage study of Property and Cost Records	Direct Attribution	Costs associated with nonregulated activities will be identified and properly assigned to nonregulated in the Separations process.
2310 Information Origination/Termination Equipment	Regulated	Account	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
2410 Cable and Wire Facilities	Regulated	Account	Assigned to Regulated	Direct Assignment	
2690 Intangibles	Regulated	Account	Assigned to Regulated	Direct Assignment	
3100 Accumulated Depreciation	Same as Account	Account	Relative Value of Associated Primary Plant	Indirect Attribution	
3500 Accumulated Amortization – Intangibles	Regulated	Account	Assigned to Regulated	Direct Assignment	
4040 Customer Deposits	Regulated	Account	Assigned to Regulated	Direct Assignment	

VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	ATTRIBUTION METHOD	COMMENTS
4120 Other Accrued Liabilities	Regulated	Account	Assigned to Regulated	Direct Assignment	Amounts in this account will be excluded from ratemaking in the separations process; thus an allocation between regulated and nonregulated is not necessary.
4340 Net Noncurrent Deferred Operating Income Taxes	Regulated	Subaccount	Assigned to Regulated	Direct Assignment	
4360 Other Deferred Credits	Nonregulated	Subaccount	Assigned to Nonregulated	Direct Assignment	
5000 Basic Local Service Revenue	Regulated	Account	Assigned to Regulated	Direct Assignment	Amounts in this account will be excluded from ratemaking in the separations process; thus an allocation between regulated and nonregulated is not necessary.
5080 Network Access Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5081 End User Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5082 Switched Access Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5083 Special Access Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5084 State Access Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5100 Long Distance Message Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5200 Miscellaneous Revenue	Same as Account	Account	Assigned to Regulated	Direct Assignment	
5280 Nonregulated Operating Revenue	Same as Account	Account	Assigned to Nonregulated	Direct Assignment	
5300 Uncollectible Revenue	Regulated	Account	Assigned to Regulated	Direct Assignment	

VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED/ APPORTIONMENT BASIS	ATTRIBUTION METHOD	COMMENTS
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
6110 Network Support Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
6120 General Support Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
	Common	Account	Relative Value – General Support Assets	Direct Attribution	
6210 Central Office Switching Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
	Common	Account	Relative Value – Central Office Switching Equipment	Direct Attribution	Costs associated with nonregulated activities will be identified and properly assigned to nonregulated in the Separations process.
6230 Central Office Transmission Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
	Common	Account	Relative Value – Central Office Transmission Equipment	Direct Attribution	Costs associated with nonregulated activities will be identified and properly assigned to nonregulated in the Separations process.
6310 Information Origination/Termination Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
6410 Cable and Wire Facilities Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
6510 Other Property Plant & Equipment Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	

VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	ATTRIBUTION METHOD	COMMENTS
6530 Network Operations Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
6540 Access Expense	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
6560 Depreciation and Amortization Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	
6610 Marketing	Nonregulated	Account	Assigned to Nonregulated	Direct Assignment	
6620 Services	Same as Account	Account	Relative Value of Associated Primary Plant	Indirect Attribution	
	Regulated	Account	Assigned to Regulated	Indirect Attribution	
	Nonregulated	Account	Assigned to Nonregulated	Indirect Attribution	
6710 Executive and Planning	Regulated	Account	Assigned to Regulated	Indirect Attribution	
	Nonregulated	Account	Assigned to Nonregulated	Indirect Attribution	
6720 General and Administrative	Regulated	Account	Assigned to Regulated	Indirect Attribution	
	Nonregulated	Account	Assigned to Nonregulated	Indirect Attribution	
7200 Operating Taxes	Regulated	Account	Assigned to Regulated	Direct Assignment	
7300 Nonoperating Income & Expense	Regulated	Account	Assigned to Regulated	Direct Assignment	

# VI. COST APPORTIONMENT TABLE

USOA PART 32 CLASS A ACCOUNT NUMBER & TITLE	COST POOL	COST POOL ASSIGNMENT BASIS	REGULATED/ NONREGULATED APPORTIONMENT BASIS	ATtribution METHOD	COMMENTS
7500 Interest and Related Items	Same as Account	Account	Relative Value of Plant Accounts	Indirect Attribution	The nonregulated portion of the cost pool will be computed by applying the ratio of nonregulated to total investment in the plant in service account.

## VII. TIME REPORTING PROCEDURES

The company uses positive, exception, and survey time reporting to assign employee costs to specific accounts and to apportion costs between regulated and non-regulated activities. These costs include salaries, wages, and other employee related costs.

### Time Reporting Methods

Time reporting is utilized by employees through the daily time reporting system. The company uses the following time reporting methods as the basis for apportioning labor costs:

1. Positive Time Reporting

Positive time reporting is the process by which work is recorded in increments of time using a function code. Function codes have been established for regulated and non-regulated account codes to document the time spent performing activities related to those accounts. The smallest time reporting increment is fifteen minutes. Positive time reporting is used by those employees who perform work specifically assignable to regulated or non-regulated activities by use of a function code, e.g. field personnel and engineers. Costs for management and the support staff of the departments using positive time reporting are apportioned based on the activities reported through the time system for the employees they supervise.

2. Exception Time Reporting

Exception time reporting is the process by which an employee's time is recorded to an account or cost pool other than the account or cost pool to which the employee's time is usually recorded. The normal account distribution of an employee who exception time reports is determined by an analysis of the functions of the department to which the employee is assigned. Time spent on exception activities is only recorded if it exceeds one hour.

3. Survey Time Reporting

Survey time reporting is a process which involves monitoring work activities over a selected period of time to determine the amount of time spent on certain functions. These studies are used to calculate allocation factors for apportionment of regulated and non-regulated activities for employee groups such as customer service.

### Non-productive Time Allocation Method

Non-productive time for departments using positive time reporting methods is apportioned based on the functions of the productive labor hours in the same time period. Non-productive time includes time spent on breaks and in meetings, on vacation, holidays, sickness and other work interruptions.

### Time Reporting Training and Monitoring

Time reporting training is provided for all new employees and on an on-going basis as necessary. Supervisors review and approve time entered into the time reporting system to ensure completeness and reasonableness. For exception time reporting, time sheets are reviewed by the appropriate supervisor for accuracy and completeness.

Additional questions on recovery of relocation costs for clarification:

1. Please explain how “job size” is defined for this activity. What types of expenditures are included?
2. How was the minimum threshold “job size” for project inclusion established?
3. When money is recovered from customers, what adjustments or other entries are made to the *Depreciation Reserve Accounts*?
4. When money is recovered from customers, what adjustments or other entries are made to the *Plant In Service Accounts*?
5. What expenses by FCC account does CenturyLink plan to include in the “non-facility category? Does this include expenses that are normally capitalized such as installation labor, engineering, or other?
6. Will the money recovered be classified as revenue? Where will it be reported on the financial statements?
7. What is the expected total dollar amount that CenturyLink expects to recover through this process for a typical year?



**CERTIFICATE OF SERVICE**  
**UM 1484**

I hereby certify that on the 29<sup>th</sup> day of March, 2012, I served the foregoing CENTURYLINK'S COMPLIANCE WITH CONDITION NO. 52 OF ORDER NO. 11-095, in the above entitled docket on the following persons via e-mail, and via U.S. Mail by mailing a correct copy to them in a sealed envelope, with postage prepaid, addressed to them at their regular office address shown below, and deposited in the U.S. Post Office at Portland, Oregon.

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\* denotes signed Protective Order No. 10-192

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