

QWEST CORP

FORM 10-Q (Quarterly Report)

Filed 11/14/1994 For Period Ending 9/30/1994

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 1994

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-3040

U S WEST Communications, Inc.

A Colorado Corporation IRS Employer No.
84-0273800

1801 California Street, Denver, Colorado 80202

Telephone Number (303) 896-3099

THE REGISTRANT, A WHOLLY-OWNED SUBSIDIARY OF U S WEST, INC., MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH REDUCED DISCLOSURE FORMAT PURSUANT TO GENERAL INSTRUCTION H(2).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__

TABLE OF CONTENTS

Item	Page
PART I - FINANCIAL INFORMATION	
1. Financial Statements (Unaudited)	
Consolidated Statements of Operations - Three and nine months ended September 30, 1994 and 1993	3
Condensed Consolidated Balance Sheets - September 30, 1994 and December 31, 1993	4
Consolidated Statements of Cash Flows - Nine months ended September 30, 1994 and 1993	6
Consolidated Statements of Shareowner's Equity - Nine months ended September 30, 1994 and 1993	7
Notes to Consolidated Financial Statements	8
2. Management's Analysis - (Reduced disclosure format pursuant to General Instruction H(2))	9
PART II - OTHER INFORMATION	
6. Exhibits and Reports on Form 8-K	16

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(Dollars in millions)	Three Months Ended		Nine Months Ended	
	September 30, 1994	September 30, 1993	September 30, 1994	September 30, 1993
<hr/>				
OPERATING REVENUES				
Local service	\$1,034	\$942	\$3,035	\$2,842
Interstate access service	573	528	1,691	1,593
Intrastate access service	188	173	541	513
Long distance network service	323	371	1,019	1,082
Other services	149	134	442	410
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating revenues	2,267	2,148	6,728	6,440
	<hr/>	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES				
Employee-related costs	752	732	2,207	2,134
Other operating expenses	400	391	1,199	1,212
Taxes other than income taxes	99	98	294	290
Restructuring charge	-	880	-	880
Depreciation and amortization	471	454	1,406	1,355
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	1,722	2,555	5,106	5,871
	<hr/>	<hr/>	<hr/>	<hr/>
Income (loss) from operations	545	(407)	1,622	569
Interest expense	82	87	243	286
Other income (expense)	(6)	2	25	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
Income (loss) before income taxes and extraordinary items	457	(492)	1,404	272
Provision for (benefit of) income taxes	172	(143)	527	111
	<hr/>	<hr/>	<hr/>	<hr/>
Income (loss) before extraordinary items	285	(349)	877	161
Extraordinary items				
Discontinuance of SFAS No. 71, net of tax	-	(3,041)	-	(3,041)
Early extinguishment of debt, net of tax	-	(27)	-	(77)
	<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME (LOSS)	\$285	(\$3,417)	\$877	(\$2,957)
	=====	=====	=====	=====

See Notes to Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(Dollars in millions)	September 30, 1994	December 31, 1993
ASSETS		
Current assets		
Cash and cash equivalents	\$53	\$67
Accounts receivable	1,514	1,391
Materials and supplies	123	108
Deferred tax asset	219	292
Other	45	59
Total current assets	1,954	1,917
Property, plant and equipment	28,887	28,012
Less: Accumulated depreciation	16,165	15,465
Net property, plant and equipment	12,722	12,547
Other	820	698
Total assets	\$15,496	\$15,162

See Notes to Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(Dollars in millions)	September 30, 1994	December 31, 1993
LIABILITIES AND SHAREOWNER'S EQUITY		
Current liabilities		
Short-term debt	\$1,432	\$1,260
Accounts payable	747	935
Employee compensation	301	303
Current portion of		
restructuring charge	367	421
Other	933	893
Total current liabilities	3,780	3,812
Long-term debt	4,245	4,092
Postretirement benefit		
obligation	2,358	2,593
Deferred taxes and credits	1,522	1,525
Shareowner's equity		
Common shares - one share		
without par value	7,193	6,742
Accumulated deficit	(3,602)	(3,602)
Total shareowner's equity	3,591	3,140
Total liabilities and		
shareowner's equity	\$15,496	\$15,162

See Notes to Consolidated Financial Statements.

Form 10-Q - Part I U S WEST Communications, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(Dollars in millions)	Nine Months Ended September 30,	
	1994	1993
OPERATING ACTIVITIES		
Net income (loss)	\$877	(\$2,957)
Adjustments		
Depreciation and amortization	1,406	1,355
Deferred income taxes and amortization of investment tax credit	135	(240)
Discontinuance of SFAS No. 71	-	3,041
Restructuring charge	-	880
Changes in operating assets and liabilities		
Accounts recei	(123)	(110)
Materials, supplies and other	(31)	(36)
Accounts payable and accrued liabilities	15	71
Funding of postretirement benefit obligation	(288)	(246)
Restructuring payments	(156)	(64)
Other - net	4	289
Cash provided by operating activities	1,839	1,983
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(1,732)	(1,555)
Other - net	48	26
Cash used for investing activities	(1,684)	(1,529)
FINANCING ACTIVITIES		
Net proceeds from short-term debt	286	701
Proceeds from long-term debt	251	1,794
Repayments of long-term debt	(263)	(1,862)
Dividends paid	(894)	(686)
Equity infusions from parent	451	193
Cash provided by (used for) financing activities	(169)	140
CASH AND CASH EQUIVALENTS		
Increase (decrease)	(14)	594
Beginning balance	67	53
Ending balance	\$53	\$647
	=====	=====

See Notes to Consolidated Financial Statements.

Form 10-Q - Part I U S WEST Communications, Inc.

CONSOLIDATED STATEMENTS OF SHAREOWNER'S EQUITY (Unaudited)

(Dollars in millions)	Nine Months Ended September 30,	
	1994	1993
COMMON SHARES		
Balance at beginning of period	\$6,742	\$6,457
Equity infusions from parent	451	193
Other	-	15
Balance at end of period	7,193	6,665
ACCUMULATED DEFICIT		
Balance at beginning of period	(3,602)	-
Net income (loss)	877	(2,957)
Dividends declared	(877)	(645)
Balance at end of period	(3,602)	(3,602)
TOTAL SHAREOWNER'S EQUITY	\$3,591	\$3,063
	=====	=====

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Dollars in millions)

A. Summary of Significant Accounting Policies

Consolidated Financial Statements

The consolidated financial statements have been prepared by U S WEST Communications, Inc. (the "Company") pursuant to the rules and regulations of the SEC (Securities and Exchange Commission). Certain information and footnote disclosures normally accompanying financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such SEC rules and regulations. In the opinion of the Company's management, the consolidated financial statements include all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the financial information set forth therein. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 1993.

Certain reclassifications within the financial statements have been made to conform to the current year presentation.

Computer Software

The cost of computer software, whether purchased or developed internally, is charged to expense with two exceptions. Initial operating system software is capitalized and amortized over the life of the related hardware, and initial network applications software is capitalized and amortized over three years. Subsequent upgrades to capitalized software are expensed.

Research and Development

The Company recognized \$42, \$55 and \$56 for research and development expense in 1993, 1992 and 1991, respectively. Approximately half of this activity was conducted at Bell Communications Research, Inc. ("Bellcore"), one-seventh of which is owned by the Company.

Contingencies

There are pending regulatory actions in local regulatory jurisdictions which call for price decreases, refunds or both. In one such instance, the Utah Supreme Court has remanded a Utah Public Service ("PSC") order to the PSC for reconsideration, thereby establishing two exceptions to the rule against retroactive ratemaking: 1) unforeseen and extraordinary events and 2) misconduct. The Commission's initial order denied a refund request from interexchange carriers and other parties related to the Tax Reform Act of 1986. At the current time, this case is still in the discovery process. If a formal filing, to be made in accordance with the remand from the Supreme Court, alleges that the exceptions apply, the range of possible risk is \$0 to \$140.

Item 2. Management's Analysis (Dollars in millions)

RESULTS OF OPERATIONS

Details of operations for the first nine months of 1994, including a comparison to the prior year, are presented in the following table:

	1994	1993	% Change
Operating revenues	\$6,728	\$6,440	4.5
Operating expenses			
Employee-related costs	2,207	2,134	3.4
Other operating expenses	1,199	1,212	(1.1)
Taxes other than income taxes	294	290	1.4
Restructuring charge	-	880	-
Depreciation and amortization	1,406	1,355	3.8
Interest expense	243	286	(15.0)
Other income (expense)	25	(11)	-
Income before income taxes and extraordinary items	1,404	272	-
Provision for income taxes	527	111	-
Income before extraordinary items	877	161	-
Extraordinary items			
Discontinuance of SFAS No. 71, net of tax	-	(3,041)	-
Early extinguishment of debt, net of tax	-	(77)	-
Net income (loss)	\$877	(\$2,957)	-

The Company's volume growth resulted in a normalized increase in net income of \$96 or 12.8% for the nine months ended September 30, 1994 compared to the same period last year. Normalized items exclude the effects of the 1994 \$32 gain on the sale of certain rural telephone exchanges, the 1993 \$534 (aftertax) restructuring charge, the 1993 \$54 federally mandated income tax increase and the 1993 extraordinary charges of \$3,041 for the discontinuance of Statement of Financial Accounting Standard ("SFAS") No. 71, and \$77 for the early extinguishment of debt.

Volume growth also resulted in a 8.0 percent increase in earnings before interest, taxes, depreciation and amortization and other ("EBITDA"), excluding the 1993 \$880 restructuring charge. The Company believes EBITDA is an important indicator of the operational strength of the business.

OPERATING REVENUES

In the table that follows, price changes primarily represent the aggregate effects of regulatory proceedings and growth represents increased market penetration through both increased access lines and additional sales to existing customers. Different regulatory commissions govern the interstate and intrastate jurisdictions, resulting in varying price and refund impacts.

Item 2. Management's Analysis (Dollars in millions)

OPERATING REVENUES (continued)						
	Price Changes	Lower (Higher) Refunds	Growth	Other	Increase (Decrease)	
					\$	%
Local service	\$ (7)	\$ 35	\$164	\$ 1	\$193	6.8
Interstate access	(31)	17	117	(5)	98	6.2
Intrastate access	(3)	(7)	34	4	28	5.5
Long distance	(5)	1	(26)	(33)	(63)	(5.8)
Other services	-	-	-	32	32	7.8
Total	\$ (46)	\$ 46	\$289	\$ (1)	\$288	4.5

Local service revenues increased principally as a result of higher demand for services, as evidenced by an increase of approximately 480,000 access lines, or 3.5 percent, during the last twelve months. Access line growth was 3.8 percent as adjusted for the sale of approximately 38,000 rural telephone access lines.

Increased demand for access services more than offset the effects of rate reductions. Billed access minutes of use increased 8.6 percent over the same period last year. Long distance network service revenues decreased principally due to the effects of multiple toll calling plans ("MTCP") in the states of Washington and Oregon. These regulatory arrangements allow independent telephone companies to act as toll carriers. The impact to the Company in the third quarter was a loss of \$31 in long distance revenue, partially offset by an increase of \$4 to intrastate access revenue, and a decrease of \$19 to other operating expenses (i.e. access expense). In addition to the effects of MTCP, competition continues to impact long distance network revenues. Revenues from other services increased primarily as a result of continued market penetration in voice messaging services.

OPERATING EXPENSES

Employee-related costs increased over the prior year as a result of additional costs associated with an increase in salaries, wages and contract labor of approximately \$47. Costs associated with customer service initiatives and related temporary staffing requirements contributed to the increase in employee-related costs. The customer service initiatives have partially offset 1994 employee reductions associated with restructuring. A change in pension expense of \$48 (resulting from the changes in actuarial assumptions, which included a decrease in the discount rate and the expected long-term rate of return on plan assets), also contributed to the increase. Partially offsetting this increase was a reduction in postretirement benefits expense of \$25.

Other operating expenses decreased over the same period last year due to a reduction in general operating expenses, including access charges paid to independent companies of \$25 (\$19 of which is associated with the effects of MTCP as discussed above), partially offset by an increase in advertising of \$11. Taxes other than income taxes remained essentially flat compared to the same period last year. Depreciation and amortization expense increased primarily due to the aggregate effects of a higher depreciable plant base and the discontinuance of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation."

Item 2. Management's Analysis (Dollars in millions)

INTEREST EXPENSE AND OTHER

Interest expense decreased as a result of refinancing debt in the prior year to take advantage of lower interest rates, and reclassifying capitalized interest costs of \$15 from other income (expense) in 1994. Pursuant to the discontinuance of SFAS No. 71, interest capitalized as a component of plant construction is offset against interest expense.

Other income (expense) increased as a result of a pre-tax gain of approximately \$50 from the sale of certain rural telephone exchanges in 1994. Partially offsetting this gain was the reclassification of capitalized interest of \$15 to interest expense.

PROVISION FOR INCOME TAXES

The effective tax rate was 37.5 percent in the first nine months of 1994 compared to 33.3 percent in the same period last year (excluding the effects of the 1993 restructuring charge and the 1993 federally-mandated increase in income taxes). This increase is primarily a result of the effects of discontinuing the application of SFAS No. 71 in the third quarter of 1993, the ongoing impacts of the 1993 federally-mandated increase in income tax rates and an increase in income before taxes.

OTHER ITEMS

Restructuring Charges

The Company's 1993 third-quarter results included a \$880 million restructuring charge (pretax). The related restructuring plan is designed to provide faster, more responsive customer services while reducing the costs of providing these services. As part of the plan, the Company is developing new systems that will enable it to monitor networks to reduce the risk of service interruptions, activate telephone service on demand, provide automated inventory systems and centralize its service centers so that customers can have their telecommunications needs resolved with one phone call. The Company will also reduce its work force by approximately 9,000 employees (including the remaining employee reductions pursuant to the restructuring plan announced in 1991) over the life of the plan.

Following is a schedule of the costs included in the original restructuring charge:

Employee separation	\$225
Real estate	130
Relocation	105
Retraining and other	60
Systems development	360

Total	\$880
	=====

Employee separation costs include severance payments, health care coverage and postemployment education benefits. Real estate costs include preparation costs for the new service centers. The relocation and retraining costs are related to moving employees to the sites of the new service centers and retraining employees on the new methods and systems required in the new, restructured mode of operation.

Item 2. Management's Analysis (Dollars in millions)**OTHER ITEMS (continued)****Restructuring Charges (continued)**

Systems development costs include the replacement of existing, single-purpose systems with new systems designed to provide integrated, end-to-end customer service. The work-force reductions would not be possible without the development and installation of the new systems, which will eliminate the current, labor-intensive interfaces between existing systems.

Due to Company concerns associated with maintaining quality customer service while at the same time reengineering its business, the 1993 restructuring plan is expected to extend into 1997, rather than being completed by 1996 as originally contemplated. The total cash expenditures for the plan of \$880 remain unchanged. In 1994, expenditures related to the 1993 restructuring plan are estimated at \$210 as compared to \$365 as originally planned. Originally estimated expenditures of \$300 for 1995 and \$215 for 1996 are also being revised.

The Company anticipates incremental capital expenditures related to the restructuring plan of \$450 over the life of the plan. Management will continue to carefully monitor and evaluate the progress of the restructuring plan.

Employee Separation:

The original restructuring plan provided for annual employee reductions and separation amounts as follows:

Employee Reductions	1994*	1995	1996	Total
Network - managerial	602	1,095	977	2,674
Network - occupational	865	1,227	978	3,070
All other - managerial	459	335	323	1,117
All other - occupational	1,022	812	322	2,156
Total	2,948	3,469	2,600	9,017
	=====	=====	=====	=====
Separation Costs	1994*	1995	1996	Total
Network - managerial	\$22	\$42	\$40	\$104
Network - occupational	14	28	25	67
All other - managerial	0	13	13	26
All other - occupational	1	19	8	28
Subtotal	37	102	86	225
Remaining 1991 reserve	56	-	-	56
Total	\$93	\$102	\$86	\$281
	===	====	====	=====

* 1994 includes the remaining employees and the separation amounts associated with the 1991 restructuring reserve at December 31, 1993.

Item 2. Management's Analysis (Dollars in millions)**OTHER ITEMS (continued)****Restructuring Charges (continued)**

While restructuring plans are being revised to reflect the extension of employee reductions into 1997, the total work-force reduction of approximately 9,000 employees under the plan remains unchanged. Approximately 2,000 employees are expected to leave the Company in 1994 in conjunction with the restructuring plan.

Systems Development:

The Company's existing information management systems were largely developed to support analog technology in a monopoly environment. These systems are increasingly inadequate due to the effects of increased competition, new forms of regulation and changing technology which has driven consumer demand for new services which can be delivered quickly, reliably and economically. The sequential systems currently in place are slow, labor intensive and costly to maintain, and often cannot be adapted to support new product and service offerings, including future multimedia services envisioned by U S WEST.

The systems reengineering program in place involves development of new systems around the following core processes:

Service Delivery - to support faster and more accurate delivery of all products and services, including repair. These systems will permit one customer service representative to handle all facets of a customer's requirements as contrasted to the numerous points of customer interface required today.

Service Assurance - for automation and centralization of the network, including earlier identification and more rapid resolution of network problems.

Capacity Provisioning - for integrated planning of future network capacity, including the installation of software- controllable service components.

The direct, incremental and nonrecurring systems development costs contained in the restructuring plan are comprised of the following amounts:

	1994	1995	1996	Total
	----	----	----	-----
Service delivery systems	\$35	\$45	\$20	\$100
Service assurance systems	45	40	30	115
All other	25	55	65	145
	----	----	----	-----
Total	\$105	\$140	\$115	\$360
	====	====	====	=====

Item 2. Management's Analysis (Dollars in millions)**OTHER ITEMS (continued)****Restructuring Charges (continued)****Systems Development (continued):**

The majority of systems development labor will be supplied through the use of temporary employees, contractors and new employees with special skills. While it is likely that a number of the new employees will be retained after the completion of the restructuring plan due to their specialized skills, it is planned that any related increase in headcount will be offset through other employee reductions.

Systems expenses charged to current operations consist of all costs associated with the information management function, including planning, developing, testing and maintaining data bases for general purpose computers, in addition to systems costs related to maintenance of telephone network applications. Key related administrative (i.e. general purpose) systems include customer service, order entry, billing and collection, accounts payable, payroll, human resources and property records.

On-going systems costs comprised approximately six, six and five percent of the total operating expenses of the Company for 1993, 1992 and 1991, respectively, and are expected to be approximately six percent in 1994. The Company expects systems costs charged to current operations as a percent of total operating expenses to approximate the current level throughout the life of the restructuring plan. However, systems costs could increase relative to other operating costs as the Company becomes more technology-dependent.

Progress Under the Plan:

For the third quarter and nine months ended September 30, 1994, the following amounts have been charged against the restructuring reserve:

Employee Separations	Third Quarter		Nine Months	
	#	\$	#	\$
Network - managerial	95	\$4	150	\$6
Network - occupational	543	22	798	27
All other - managerial	79	1	212	7
All other - occupational	281	5	526	14
	----	---	-----	---
Total	998	\$32	1,686	\$54
	===	===	=====	===
Systems Development Costs	Third Quarter		Nine Months	
	\$		\$	
	-----		-----	
Service delivery systems	\$6		\$11	
Service assurance systems	9		18	
All other	17		26	
	-----		-----	
Total	\$32		\$55	
	=====		=====	

Item 2. Management's Analysis (Dollars in millions)**OTHER ITEMS (continued)****Restructuring Charges (continued)**

Progress Under the Plan (continued):		
	Third Quarter	Nine Months
Other Costs	\$	\$
	-----	-----
Real Estate	\$23	\$37
Relocation	4	6
Retraining and other	2	4
	-----	-----
Total	\$29	\$47
	=====	=====
1994 Restructuring Reserve		
Activity	\$93	\$156
	=====	=====

The rate of spending for systems costs was slower than anticipated during the first nine months of 1994. While the original estimate for 1994 may not be fully realized, there are no significant changes to the systems plan in total.

Relocation costs are dependent upon employee acceptance of assignments to the new service centers. It is possible that shifts in reserve categories may occur due to factors beyond the Company's control, e.g. higher terminations due to employee unwillingness to relocate.

The Company's 1991 restructuring plan included a pretax charge of \$240 to reduce the Company's work force by approximately 6,000 employees. Approximately \$2 of the 1991 restructuring charge was unused at September 30, 1994, as compared to \$56 remaining at December 31, 1993. The remaining balance of this reserve will be expended in the fourth quarter of 1994.

Contingencies

There are pending regulatory actions in local regulatory jurisdictions which call for price decreases, refunds or both. In one such instance, the Utah Supreme Court has remanded a Utah Public Service ("PSC") order to the PSC for reconsideration, thereby establishing two exceptions to the rule against retroactive ratemaking: 1) unforeseen and extraordinary events and 2) misconduct. The Commission's initial order denied a refund request from interexchange carriers and other parties related to the Tax Reform Act of 1986.

At the current time, this case is still in the discovery process. If a formal filing, to be made in accordance with the remand from the Supreme Court, alleges that the exceptions apply, the range of possible risk is \$0 to \$140.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibits identified in parentheses below, on file with the Securities and Exchange Commission, are incorporated by reference as exhibits hereto.

Exhibit
Number

12 Statement regarding computation of earnings to fixed charges ratio of U S WEST Communications, Inc.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the third quarter of 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

U S WEST Communications, Inc.

November 14, 1994

/s/ David R. Laube

*David R. Laube
Vice President-Controller
and Treasurer*

EXHIBIT 12

U S WEST COMMUNICATIONS, Inc.
 RATIO OF EARNINGS TO FIXED CHARGES
 (Dollars in Millions)

	Quarter Ended	
	9/30/94	9/30/93

Income (loss) before income taxes and extraordinary items (1)	\$457	(\$492)
Interest expense (net of amounts capitalized)	82	87
Interest factor on rentals (1/3)	16	15
	----	----
Earnings	\$555	(\$390)
Interest expense	89	87
Interest factor on rentals (1/3)	16	15
	----	----
Fixed charges	\$105	\$102
Ratio of earnings to fixed charges	5.29	(3.82)

	Year-to-Date	
	9/30/94	9/30/93

Income before income taxes and extraordinary items	\$1,404	\$272
Interest expense (net of amounts capitalized)	243	286
Interest factor on rentals (1/3)	52	48
	----	----
Earnings	\$1,699	\$606
Interest expense	263	286
Interest factor on rentals (1/3)	52	48
	----	----
Fixed charges	\$315	\$334
Ratio of earnings to fixed charges	5.39	1.81

(1) Third quarter 1993 includes a one-time restructuring charge of \$880. Excluding the restructuring charge the ratio of earnings to fixed charges would have been 4.80.

ARTICLE 5

CIK: 0000068622

NAME: U S WEST COMMUNICATIONS, INC.

MULTIPLIER: 1,000,000

PERIOD TYPE	3 MOS	9 MOS
FISCAL YEAR END	DEC 31 1994	DEC 31 1994
PERIOD END	SEP 30 1994	SEP 30 1994
CASH	53	53
SECURITIES	0	0
RECEIVABLES	1,514	1,514
ALLOWANCES	0	0
INVENTORY	123	123
CURRENT ASSETS	1,954	1,954
PP&E	28,887	28,887
DEPRECIATION	16,165	16,165
TOTAL ASSETS	15,946	15,946
CURRENT LIABILITIES	3,780	3,780
BONDS	0	0
COMMON	7,193	7,193
PREFERRED MANDATORY	0	0
PREFERRED	0	0
OTHER SE	(3,602)	(3,602)
TOTAL LIABILITY AND EQUITY	15,496	15,496
SALES	2,267	6,728
TOTAL REVENUES	2,267	6,728
CGS	0	0
TOTAL COSTS	0	0
OTHER EXPENSES	1,722	5,106
LOSS PROVISION	0	0
INTEREST EXPENSE	82	243
INCOME PRETAX	457	1,404
INCOME TAX	172	527
INCOME CONTINUING	285	877
DISCONTINUED	0	0
EXTRAORDINARY	0	0
CHANGES	0	0
NET INCOME	285	877
EPS PRIMARY	0	0
EPS DILUTED	0	0

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