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FILE COPY

210 N. Park Ave.  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

November 21, 1996  
**OVERNIGHT**

DEPOSIT TREAS. REC. DATE  
D407 11/22/96 NOV 22 '96

Tel: 407-740-8575  
Fax: 407-740-0613

Florida Public Service Commission  
Division of Administration, Room G-50  
101 East Gaines Street  
Tallahassee, FL 32399-0850

961401-TI

RE: Initial Application and Tariff of U S WEST Long Distance, Inc. for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

Dear Sir/Madam:

Enclosed for filing are the original and twelve (12) copies of the above-referenced application of U S WEST Long Distance, Inc.

Also enclosed is a Technologies Management, Inc. check in the amount of \$250 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

Sincerely,

*Monique Byrnes*

Monique Byrnes  
Consultant to  
U S WEST Long Distance, Inc.

cc: R. Terry, USWLD  
file: USWLD - FL  
tms: FL96000

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

Initials of person who forwarded check:  
AG

96 NOV 21 PM 3 17  
MAIL ROOM  
RECEIVED  
SERVICES DIVISION

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- PH \_\_\_\_\_
- SI \_\_\_\_\_
- SS \_\_\_\_\_
- TH \_\_\_\_\_

DOCUMENT NUMBER-DATE

12547 NOV 22 96

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL  
FILE COPY

Application Form

for

Authority to Provide Interexchange Telecommunications Service  
Between Points Within the State of Florida

To: Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Gerald R. Gunter Building, Room 270  
Tallahassee, Florida 32399-0850  
(904) 413-6600

This package includes the original and twelve (12) copies of the application along with a non-refundable application fee of \$250.00.

1. **This is an application for:**

- Original Authority (new company)
- Approval of transfer (to another certificated company)
- Approval of assignment of existing certificate (to a noncertificated company)
- Approval for transfer of control (To another certificated company.

2. **Select what type of business your company will be conducting (check all that apply):**

**Facilities based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

**Alternative Operator Service** - company provides or plans to provide alternative operator services for IXC's; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

**Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

**Switchless rebiller** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

**Call aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers associated with such aggregated telecommunications business.

3. **Name of corporation, partnership, cooperative, joint venture or sole proprietorship:**

U S WEST Long Distance, Inc.

4. **Name under which the applicant will do business (fictitious name, etc.):**

U S WEST Long Distance, Inc.



5. **National address (including street name & number, post office box, city, state and zip code).**

U S WEST Long Distance, Inc.  
1801 California, 31st Floor  
Denver, Colorado 80202

Telephone: (303) 672-1021  
Facsimile: (303) 294-9932

6. **Florida address (including street name & number, post office box, city, state and zip code).**

None.

7. **Structure of organization:**

<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation
<input checked="" type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Foreign Partnership
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Other, _____	

8. **If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.**

Not applicable.

(a) **Provide proof of compliance with the foreign partnership statute (Chapter 620.169 FS), if applicable.**

(b) **Indicate if the individual or any of the partners have previously been:**

(1) **adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.**

(2) **officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with the company, give reason why not.**



9. If incorporated, please give:

- (a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

See: Attachment I

- (b) Name and address of the company's Florida registered agent.

Corporation Service Company  
1201 Hayes Street  
Tallahassee, FL 32301

- (c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Fictitious name registration number: Not Applicable

- (d) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

- (1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

No officer, director or stockholder of the Company has been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime. No officer, director or stockholder of the Company are involved in proceedings which may result in such action.

- (2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with the company, give reason why not.

No officer, director, partner or stockholder of the Company is an officer, director or stockholder in any other Florida certificated telephone company.

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application:

Monique Byrnes  
Consultant to U S WEST Long Distance, Inc.  
Technologies Management, Inc.  
P.O. Drawer 200  
Winter Park, FL 32790-0200  
(407) 740-8575  
(FAX) 740-0613

(b) Official Point of Contact for the ongoing operations of the company:

Judy A. Pepler  
U S WEST Long Distance, Inc.  
1801 California, 31st Floor  
Denver, Colorado 80202  
(303) 672-1054

(c) Tariff:

Monique Byrnes  
Consultant to U S WEST Long Distance, Inc.  
Technologies Management, Inc.  
P.O. Drawer 200  
Winter Park, FL 32790-0200  
(407) 740-8575

(d) Complaints/Inquiries from customers:

Robin Terry  
U S WEST Long Distance, Inc.  
1801 California, 31st Floor  
Denver, Colorado 80202  
(303) 672-1054

11. List the states in which the applicant:

- (a) Has operated as an interexchange carrier.  
USWLD is a start-up company and has not begun offering service in any state at this time.
- (b) Has applications pending to be certificated as an interexchange carrier.  
Illinois, New York, Tennessee
- (c) Is certificated to operate as an interexchange carrier.  
Michigan, New Jersey, Texas
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.  
None
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.  
None
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange carrier or other telecommunications entity, and the circumstances involved.  
None

12. What services will the applicant offer to other certified telephone companies:

- |   |                                    |
|---|------------------------------------|
| <input type="checkbox"/> Facilities   | <input type="checkbox"/> Operators |
| <input type="checkbox"/> Billing and Collection                                 | <input type="checkbox"/> Sales     |
| <input type="checkbox"/> Maintenance  |                                    |
| <input checked="" type="checkbox"/> Other: <u>None anticipated at this time</u> |                                    |

13. Do you have a marketing program?

Yes.

14. Will your marketing program:

- Pay commissions?  
 Offer sales franchises?  
 Offer multi-level sales incentives?  
 Offer other sales incentives?



15. Explain any of the offers checked in question 14 (to whom, what amount, type of franchise, etc.).

Commissions may be paid to sales representatives based on sales performance.

16. Who will receive the bills for your service (check all that apply)?

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Residential customers   | <input checked="" type="checkbox"/> Business customers |
| <input type="checkbox"/> PATS providers   | <input type="checkbox"/> PATS station end-users        |
| <input type="checkbox"/> Hotels & motels  | <input type="checkbox"/> Hotel & motel guests          |
| <input type="checkbox"/> Universities   | <input type="checkbox"/> Univ. dormitory residents     |
| <input checked="" type="checkbox"/> Other: (specify) <u>Anyone who uses the Company's service</u> |  |

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not, who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Yes, USWLD's name will appear on the bill. Bills will include a toll-free number for inquiries or complaints (1-800-487-9378)

- (b) The name and address of the firm who will bill for your service.

USWLD will bill their Customers through the local exchange carrier utilizing the billing services of Zero Plus Dialing, Inc. (ZPDI).

18. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

See Attachment II.

19. The applicant will provide the following interexchange carrier services (Check all that apply):

- MTS with distance sensitive per minute rates
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
- MTS with route specific rates per minute
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
- MTS with statewide flat rates per minute (i.e. not distance sensitive)
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
- MTS for pay telephone service providers.
- Block of time calling plan (Reach Out Florida, Ring America, etc.)
- 800 Service (toll free)
- WATS type service (Bulk or volume discount)
  - Method of access is via dedicated facilities
  - Method of access is via switched facilities
- Private line services (Channel Services)  
(For ex. 1.544 mbps, DS-3, etc.)
- Travel service
  - Method of access is 950
  - Method of access is 800
- 900 service
- Operator Services
  - Available to presubscribed customers
  - Available to non presubscribed customers (for example, patrons of hotels, students in universities, patients in hospitals.
  - Available to inmates
- Services included are:
  - Station assistance
  - Person to person assistance
  - Directory assistance
  - Operator verify and interrupt
  - Conference calling

20. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

For direct dialed calls: 1 + destination number

For 800 calls: 1+ subscriber's 800 telephone number

For travel service calls: an 800 access number, plus identification number, plus the destination telephone number.

21. Other:



APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of one and one-half percent, or currently applicable rates, on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax, or other currently applicable percentage, must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **LEC BYPASS RESTRICTIONS:** I acknowledge the Commission's policy that interexchange carriers shall not construct facilities to bypass the LECs without first demonstrating to the Commission that the LEC cannot offer the needed facilities at a competitive price and in a timely manner.
6. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange telephone service.
7. **ACCURACY OF APPLICATION:** By my signature below, I attest to the accuracy of the information contained in this application and associated attachments.

Kathy R. Stephens  
Kathy R. Stephens  
Vice President  
U S WEST Long Distance, Inc.

Nov. 7, 1996  
Date

**APPENDICES**

- A - Certificate of Transfer Statement
- B - Customer deposits and advance payments
- C - Intrastate network
- D - Florida telephone exchanges and EAS routes
- E - Glossary

**ATTACHMENTS:**

- I - Florida Secretary of State Registration
- II - Proposed Tariff

- III - Financial Statements
- IV - Resumes

APPENDIX A

CERTIFICATE OF TRANSFER STATEMENT

I, \_\_\_\_\_, current holder of certificate number \_\_\_\_\_, have reviewed this application and join in the petitioner's request.

**Not Applicable.**

\_\_\_\_\_  
Signature of owner or chief officer of the certificate holder.

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX B

CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- (X) The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
  
- ( ) The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

*Kathy R. Stephens*  
\_\_\_\_\_  
Kathy R. Stephens  
Vice President  
U S WEST Long Distance, Inc.

Date: *Nov. 7, 1996*  
\_\_\_\_\_



APPENDIX C

INTRASTATE NETWORK

1. **POP: Addresses where located, and indicate if owned or leased.**

1) None. 2)

3) 4)

2. **SWITCHES: Address where located, by type of switch and indicate if owned or leased.**

1) None 2)

3) 4)

3. **TRANSMISSION FACILITIES: POP-to-POP facilities by type of facilities (microwave, fiber copper, satellite, etc.) and indicate if owned or leased.**

<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1) None		
2)		
3)		

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate. (Appendix D)

Statewide.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

Not applicable.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (X) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

- (a) What services have been provided and when did these service begin?

Not applicable.

- (b) If the services are not currently offered, when were they discontinued?

Not applicable.

Kathy R Stephens  
Kathy R Stephens  
Vice President  
U S WEST Long Distance, Inc.

Nov. 7, 1996  
Date

APPENDIX D

FLORIDA TELEPHONE EXCHANGES AND EAS ROUTES

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

Jacksonville  
Gainesville  
Daytona Beach  
Ocala  
Orlando  
Cocoa  
Melbourne  
West Palm Beach  
Miami  
Pensacola  
Panama City  
Tallahassee  
Titusville

Tampa  
Clearwater  
St. Petersburg  
Lakeland  
Winter Park  
Ft. Lauderdale  
Pompano Beach  
Hollywood  
North Dade  
Sarasota  
Ft. Myers  
Naples

U S WEST Long Distance, Inc. intends to offer service throughout the State of Florida.

*Kathy R. Stephens*

\_\_\_\_\_  
Kathy R. Stephens  
Vice President  
U S WEST Long Distance, Inc.

*Nov. 7, 1996*

\_\_\_\_\_  
Date



ATTACHMENT I

AUTHORITY TO OPERATE IN FLORIDA



**FLORIDA DEPARTMENT OF STATE**  
**Sandra B. Mortham**  
**Secretary of State**

May 28, 1996

**CT CORPORATION**

Qualification documents for U S WEST COMMUNICATIONS SYSTEMS CORPORATION were filed on May 28, 1996 and assigned document number F96000002650. Please refer to this number whenever corresponding with this office.

Your corporation is now qualified and authorized to transact business in Florida as of the file date.

A corporation annual report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. If you do not already have an FEI number, please apply NOW with the Internal Revenue by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding this matter, please telephone (904) 487-6091, the Foreign Qualification/Tax Lien Section.

Freta Lott  
Corporate Specialist Supervisor  
Division of Corporations

Letter Number: 596A00020563

**APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION  
TRANSACTION BUSINESS IN FLORIDA**

**IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS  
SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACTION BUSINESS IN THE  
STATE OF FLORIDA:**

1. U S WEST Communications Systems Corporation  
(Name of corporation: must include the word "INCORPORATED", "COMPANY", "CORPORATION", or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. Colorado (State or country under the law of which it is incorporated)      3. 84-1329540 (FEI number, if applicable)

4. November 14, 1995 (Date of incorporation)      5. Perpetual (Duration: Year corp. will cease to exist or "perpetual")

6. Upon Qualification  
(Date first transacted business in Florida. (See sections 607.1501, 607.1502, and 817.156, F.S.))

7. 7800 E. Orchard Rd., Suite 480, Englewood, Colorado 80111  
(Current mailing address)

8. to provide inter-LATA long distance telecommunications services for residential and business customers  
(Purpose(s) of corporation authorized in home state or country to be carried out in the state of Florida)

9. Name and street address of Florida registered agent:  
Name: C T Corporation System  
Office Address: c/o C T Corporation System, 1200 South Pine Island Road  
Plantation, Florida, 33324  
(Zip Code)

10. Registered agent acceptance:  
*Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application. I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligation of my position as registered agent.*  
C T Corporation System

Marcia J. Sunahara  
(Registered agent's signature) (Officer)  
Marcia J. Sunahara, Asst. Vice Pres.  
(Type Name and Title of Officer)

FILED  
96 MAY 28 PM 1:20  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA



11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and addresses of officers and/or directors:

**A. DIRECTORS**

Chairman: see attached list of directors

Address: \_\_\_\_\_

Vice Chairman: see attached list of directors

Address: \_\_\_\_\_

Director: see attached list of directors

Address: \_\_\_\_\_

Director: \_\_\_\_\_

Address: \_\_\_\_\_

**B. OFFICERS**

President: see attached list of officers

Address: \_\_\_\_\_

Vice President: \_\_\_\_\_

Address: \_\_\_\_\_

Secretary: \_\_\_\_\_

Address: \_\_\_\_\_

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

96 MAY 28 PM 1:20

**FILED**

Treasurer: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

NOTE: If necessary, you may attach an addendum to the application listing additional officers and/or directors.

13. Glenda M. Hjar  
(Signature of Chairman, Vice Chairman, or any officer listed in number 12 of the application)

14. Glenda M. Hjar, Asst. Secretary  
(Typed or printed name and capacity of person signing application)

**FILED**  
96 MAY 28 PM 1:20  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

04/29/1996

Directors and Officers  
V S WEST Communications Systems Corporation

DIRECTORS:

Richard K. Coleman, Jr.                      Director  
SSN            : 249-06-3817  
Primary       : 1801 California Street  
Address       : Suite 3100  
                 Denver, Colorado 80202

Kathy R. Stephens                            Director  
SSN            : 518-76-0954  
Primary       : 1801 California Street  
Address       : Suite 2020  
                 Denver, Colorado 80202

OFFICERS:

Richard K. Coleman, Jr.                      President  
SSN            : 249-06-3817  
Primary       : 1801 California Street  
Address       : Suite 3100  
                 Denver, Colorado 80202

Kathy R. Stephens                            Vice President & Treasurer  
SSN            : 518-76-0954  
Primary       : 1801 California Street  
Address       : Suite 2020  
                 Denver, Colorado 80202

Paul A. Lit                                      Secretary  
SSN            : 193-38-6294  
Primary       : 9785 Maroon Circle  
Address       : Suite G104  
                 Englewood, Colorado 80112

Stephen E. Brils                               Assistant Secretary  
SSN            : 519-76-0167  
Primary       : 7800 East Orchard Road  
Address       : Suite 480  
                 Englewood, Colorado 80111

Glenda M. Hijar                               Assistant Secretary  
SSN            : 524-64-1500  
Primary       : 7800 East Orchard Road  
Address       : Suite 480

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

96 MAY 28 PM 1:20

FILED





**FLORIDA DEPARTMENT OF STATE**  
**Sandra B. Mortham**  
Secretary of State

July 24, 1996

**CT CORPORATION SYSTEM**  
**TALLAHASSEE, FL 32301**

**Re: Document Number F96000002650**

The Amendment to the Application of a Foreign Corporation for U S WEST COMMUNICATIONS SYSTEMS CORPORATION which changed its name to U S WEST LONG DISTANCE, INC., a Colorado corporation authorized to transact business in Florida, was filed on July 24, 1996.

Should you have any questions regarding this matter, please telephone (904) 487-6050, the Amendment Filing Section.

Karen Gibson  
Corporate Specialist  
Division of Corporation

Letter Number: 996A00035697

ATTACHMENT II

PROPOSED TARIFF

TITLE Sheet

FLORIDA TELECOMMUNICATIONS TARIFF

OF

U S WEST LONG DISTANCE, INC.

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of resold telecommunication services provided by U S WEST Long Distance, Inc. ("USWLD") with principal offices located at 1801 California, 31st Floor, Denver, Colorado 80202. This tariff applies for services furnished within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

---

**Issued:**

**Effective:**

**ISSUED BY:**

**Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202**



**CHECK SHEET**

Pages, as listed below, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised pages as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<b>PAGE</b>	<b>REVISION LEVEL</b>	<b>PAGE</b>	<b>REVISION LEVEL</b>
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2	Original *	27	Original *
3	Original *	28	Original *
4	Original *	29	Original *
5	Original *	30	Original *
6	Original *	31	Original *
7	Original *	32	Original *
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14	Original *	39	Original *
15	Original *	40	Original *
16	Original *		
17	Original *		
18	Original *		
19	Original *		
20	Original *		
21	Original *		
22	Original *		
23	Original *		
24	Original *		
25	Original *		

\* included in this filing

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**Issued:**
**Effective:**

**ISSUED BY:** Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202

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**Issued:**

**Effective:**

**ISSUED BY:**

**Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202**

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**Issued:**

**Effective:**

**ISSUED BY:** Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202



**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting in an Increase to a Customer's Bill
- M - Moved from another Tariff Location
- N - New
- R - Change Resulting in a Reduction to a Customer's Bill
- T - Change in Text or Regulation but no Change in Rate or Charge.

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

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**TARIFF FORMAT**

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets - When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk(\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the Customer's location to the Company's designated point of presence or network switching center.

**Account** - The Customer who has agreed, verbally or by signature, to honor the terms of service established by the Company. An account may have more than one access line billed to the same Customer address.

**Authorization Code** - A pre-defined series of numbers to be dialed by the Customer or End User upon access to the Company's system to notify the caller and validate the caller's authorization to use the services provided. The Customer is responsible for charges incurred through the use of his or her assigned Authorization Code.

**Authorized User** - A person, firm or corporation, or any other entity authorized by the Customer to communicate utilizing the Company's services.

**Company** - U S WEST Long Distance, Inc. unless otherwise indicated by the context.

**Collect** - A billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept responsibility for the charges.

**Customer** - The person, firm or corporation, or other entity which orders, cancels, amends, or uses service and is responsible for the payment of charges and/or compliance with tariff regulations.

**Customer Dialed Calling Card Call** - A service whereby the End User dials all of the digits necessary to route and bill the call to a calling card.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, CON'T.**

**Customer Premises Equipment** - Terminal equipment, as defined herein, which is located on the Customer's premises.

**Equal Access** - A form of dialed access provided by local exchange companies whereby telephone calls dialed by the Customer are automatically routed to the Company's network. Presubscribed Customers may also route telephone calls to the Company's network by dialing an access code supplied by the Company.

**FPSC** - Florida Public Service Commission

**Holidays** - New Year's Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**LATA** - Local Area of Transport and Access.

**LEC** - Local Exchange Company.

**Off-Peak Rate Period** - 7:00 pm to, but not including, 7:00 am Sunday through Friday, all day Saturday, and Sunday to, but not including 7:00 pm.

**Operator Dialed Surcharge** - A charge which applies to operator assisted calls in addition to any other applicable service charge when the caller has the capability of dialing the billing number and/or the destination telephone number, but chooses to have the operator dial the number instead.

**Operator Station Call** - A service whereby the originating Customer uses the assistance of an operator to place or bill the call. Calls may be billed collect or to a telephone company issued Calling Card, to an authorized commercial Credit Card, to a Company Travel Card, or to a Third Party. This category does not include calls placed on a Person-to-Person basis.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, CON'T.**

**Peak Rate Period** - 7:00 am to, but not including, 7:00 pm Monday through Friday.

**Personal Account Code** - See Authorization Code.

**Person-to-Person Call** - A service whereby the person originating the call specifies to the Company operator a particular party to be reached. The Party may be an individual person, a particular mobile station, a particular station, room number, department or office to be reached through a PBX attendant.

**Point of Presence** - Location of the serving central office associated with access to the Company's network.

**Resp. Org.** - The entity that has total responsibility for the account management of a particular toll-free (eg: 800/888) number, including maintaining its customer record in the Service Management System ("SMS"). An entity which accesses the SMS to (a) search for and reserve toll-free numbers and (b) creates and maintains toll-free customer records.

**Switched Access** - Where access between the Customer and the Company is provided on local exchange company circuits capable of accessing the local switched network. The cost of switched Feature Group access is billed to the Company.

**Third Party Billing** - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number.

**Travel Card** - A billing arrangement which enables the Customer to access the service of the Company while away from home or office.

**USWLD** - U S WEST Long Distance unless otherwise indicated by the context.

**V & H Coordinates** - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purpose of rating calls.

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**SECTION 2 - RULES AND REGULATIONS****2.1 Undertaking of U S WEST Long Distance**

USWLD's services and facilities are furnished for communications originating at specified points within the state of Florida under terms of this tariff.

USWLD installs, operates, and maintains the communications services provided hereinunder in accordance with the terms and conditions set forth under this tariff. USWLD may act as the Customer's agent for ordering access connection facilities provided by other entities, when authorized by the Customer, to allow connection of a Customer's location to the USWLD network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

**2.2 Limitations**

- 2.2.1** Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2** USWLD reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.2 Limitations, con't.**

- 2.2.4** All facilities provided under this tariff are directly or indirectly controlled by USWLD and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5** Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6** USWLD reserves the right to discontinue the offering of service or deny an application for service if a change in regulation materially and negatively impacts the financial viability of the service in the best business judgment of the Company.

**2.3 Use**

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.**

**2.4 Liabilities of the Company**

**2.4.1** The liability of the Company for any claim or loss, expense or damage, due to any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charge to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs. For the purpose of computing this amount, a month is considered to have thirty (30) days. In no event will the Company be liable for any indirect, consequential, or special damages, or for any lost profits, even if advised of the possibility of the same.

**2.4.2** The Company shall not be liable for any claim or loss, expense, or damage, due to any interruption, delay, error, omission, or other defect in service, facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, any malfunction of any service or facility provided by any other carrier, act of God, fire, war, civil disturbance, act of government or by any other cause beyond the Company's control.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.**

**2.4 Liabilities of Company, con't.**

**2.4.3** The Company shall not be liable for and shall be fully indemnified and held harmless by the Customer against any claim of loss, expense, or damage, including indirect, special, or consequential damage for:

- A. defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation, or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material, data, information, or content revealed to, transmitted, processed, handled or used by the Company under this tariff;
- B. connecting, combining, or adapting Company's facilities with Customer's apparatus or systems;
- C. any act of omission by the Customer; or
- D. any personal injury or death of any person or for any loss of or damage to a Customer's premises or any other property, whether owned by the Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Company, if not caused by gross negligence of the Company.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.**

**2.4 Liabilities of Company, con't.**

- 2.4.4 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.
- 2.4.5 The Company makes no warranty regarding the provision of service pursuant to this tariff, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
- 2.4.6 The Company shall not be liable for any claim, loss or refund as a result of loss or theft of Authorization Codes or Personal Account Codes issued for use with the Company's services.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.**

**2.5 Deposits**

The Company does not collect deposits

**2.6 Advance Payments**

The Company reserves the right to require an advance payment from a Customer. The advance payment shall be in amount equal to or less than one (1) months' estimated billing. This amount will be applied against the next month's charges and a new advance payment may be collected for the next month.

**2.7 Taxes**

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.8 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

**2.9 Installation and Termination**

Service is installed upon mutual agreement between the Customer and the Company. The service agreement does not alter rates specified in this tariff.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.10 Payment for Service**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. This includes payment for calls or services originated at the Customer's number(s) or placed using a Travel Card as a form of payment, regardless of the purchaser of the card or the originating location of the call, incurred at the specific request of the Customer.

The Customer agrees to pay to the Company any cost(s) incurred as a result of any delegation of authority resulting in the use of his or her communications equipment and/or network services which result in the placement of calls via the Company. The Customer agrees to pay the Company or its authorized agent any and all cost(s) incurred as a result of the use of the service arrangement, including calls which the Customer did not individually authorize.

All charges due by the Customer are payable to the Company or any agency duly authorized to receive such payments. The billing agency may be the Company, a local exchange telephone company, or other billing service. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies having jurisdiction. Any objections to billed charges must be promptly reported to the Company or its billing agent. Adjustments shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.**

**2.10 Payment for Service, con't.**

**2.10.1** Payment is within thirty (30) days subsequent to the invoice date and is considered past due after the thirty (30) day period. A late payment charge of 1.5% applies to all overdue balances.

**2.10.2** A return check charge of \$15.00 will be assessed for checks returned for insufficient funds. Any applicable return check charges will be assessed according to the terms and conditions of the billing entity (i.e. local exchange company and/or commercial credit card company).

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.11 Refusal or Discontinuance by Company**

- 2.11.1** USWLD may refuse or discontinue service with fifteen (15) days notice to the Customer for any of the following reasons:
- A. For failure of the Customer to pay a bill for service when it is due.
  - B. For failure of the Customer to meet the Company's deposit and credit requirements.
  - C. For failure of the Customer to make proper application for service.
  - D. For Customer's violation of any of the Company's rules on file with the Commission.
  - E. For failure of the Customer to provide the Company reasonable access to its equipment and property.
  - F. For Customer's breach of the contract for service between the Company and the Customer.
  - G. For a failure of the Customer to furnish such service, equipment, and/or rights-of-way necessary to serve said Customer as shall have been specified by the Company as a condition of obtaining service.
  - H. When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.11 Refusal or Discontinuance by Company, con't.**

**2.11.2** USWLD may refuse or discontinue service without notice to the Customer for any of the following reasons:

- A. In the event of tampering with the Company's equipment.
- B. In the event of a condition determined to be hazardous to the Customer, to other Customers of the Company, to the Company's equipment, the public, or to employees of the Company.
- C. In the event of a Customer's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- D. In the event of fraudulent use of the service.

**2.12 Interruption of Service**

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer or other carriers from whom the Customer has purchased service from, are subject to the general liability provisions set forth in Section 2.4 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.13 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

**2.14 Cost of Collection and Repair**

The Customer is responsible for any and all costs incurred in the collection of monies due the Company, including legal and accounting expenses. Customer is also responsible for recovery costs of Company-provided equipment and any expenses required for repair or replacement of damaged equipment.

**2.15 Interconnection**

Service furnished by USWLD may be connected with the services or facilities of other carriers. Such service or facilities, if used, are provided under the terms, rates and conditions of the other carrier. The Customer is responsible for all charges billed by other carriers for use in connection with USWLD's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Customer.

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**SECTION 2 - RULES AND REGULATIONS, CON'T.****2.16 Toll Free Services**

- 2.16.1** The Company will make every effort to reserve 800/888 toll free vanity numbers for Customers, but makes no guarantee or warranty that the requested number(s) will be available.
- 2.16.2** The Company will participate in porting 800/888 numbers only if the account balance is zero and all charges incurred as a result of the toll free number have been paid.
- 2.16.3** 800/888 numbers shared by more than one Customer, whereby individual Customers are identified by a unique Personal Identification Number, may not be assigned or transferred for use with service provided by another carrier. Subject to the limitations provided in this tariff, the Company will only honor Customer requests for a change in Resp. Org. or 800/888 service provider for 800/888 numbers dedicated to the sole use of that single Customer.
- 2.16.4** If a Customer who has received a toll free number does not subscribe to 800/888 service within ninety (90) days, the Company reserves the right to make the assigned number available for use by another Customer.

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**SECTION 2 - RULES AND REGULATIONS, CONT.**

**2.17 Other Rules**

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities of NXX exchanges, or by blocking calls using certain Personal Account Codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk.

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**SECTION 3 - DESCRIPTION OF SERVICE****3.1 General**

Service is available twenty-four (24) hours per day, seven (7) days a week. Service is available where facilities and billing capabilities permit.

**3.2 Quality and Grade of Service Offered**

Minimum Call Completion Rate - Customers can expect a call completion rate of not less than 90% during peak use periods for Feature Group D 1+ dialing. The call completion rate is calculated as the number of calls completed (including calls completed to a busy line or to a line which remains unanswered by the called party) divided by the number of calls attempted.

**3.3 Timing of Calls**

Billing for calls placed over the network is based in part on the duration of the call.

**3.3.1** Timing for all calls begins when the called party answers the call (i.e., when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

**3.3.2** Chargeable time for all calls ends when one of the parties disconnects from the call.

**3.3.3** Minimum call duration and additional increments for billing are specified in the description of each service.

**3.3.4** There is no billing applied for incomplete calls.

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.****3.4 Calculation of Distance**

Usage charges for all mileage-sensitive services are based on the airline distance between serving wire centers associated with the originating and terminating points of the call.

The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between the Wire Center of the Customer's equipment and that of the destination point is calculated by using the "V" and "H" coordinates found in BellCore's V&H Tape and NECA FCC Tariff No. 4.

Step 1 - Obtain the "V" and "H" coordinates for the Wire Centers serving the Customer and the destination point.

Step 2 - Obtain the difference between the "V" coordinates of each of the Wire Centers. Obtain the Difference between the "H" coordinates.

Step 3 - Square the differences obtained in Step 2.

Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the Wire Centers.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.**

**3.5 Time of Day Rate Period**

Unless otherwise specified in the service description, the following rate periods apply.

When a call is established in one rate period and terminated in another, the rate in effect in each rate period applies to the portion of the call occurring within the rate period. In the event that a minute of use is split between two rate periods, the rate in effect at the start of that minute applies.

**3.5.1 Day, Evening, Night/Weekend Rate Periods**

DAY Rate Period	8:00 am to 5:00*pm Monday through Friday
EVENING Rate Period	5:00 pm to 11:00*pm Sunday through Friday
NIGHT/WEEKEND Rate Period	11:00 pm to 8:00*am Sunday through Friday, all day Saturday, and Sunday until 5:00*pm

\* to, but not including

**3.5.2 Peak/Non-Peak Rate Periods**

PEAK Rate Period	7:00 am - 7:00*pm Monday through Friday
NON-PEAK Rate Period	7:00 pm - 7:00*am Sunday through Friday all day Saturday, and Sunday until 7:00*pm

\* to, but not including

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.****3.6 Holidays Rates**

The Non-Peak rates apply to all times of day on the holidays listed below. For time-of-day sensitive calls, evening rates apply to daytime calls and night/weekend rates apply to evening calls.

- |                    |                           |
|--------------------|---------------------------|
| - New Year's Day   | January 1                 |
| - Independence     | July 4                    |
| - Labor Day        | Nationally Recognized Day |
| - Thanksgiving Day | Nationally Recognized Day |
| - Christmas        | December 25               |

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.**

**3.7 Residential Service**

**3.7.1 Direct Dial Service - Plan A**

Direct Dial Service - Plan A is an outbound calling service designed for Residential Customers from standard Customer-provided switched access lines. Service is billed in sixty (60) second increments with an initial minimum period of one (1) minute.

**3.7.2 Direct Dial Service - Plan B**

Direct Dial Service - Plan B is an outbound calling service designed for Residential Customers from standard Customer-provided switched access lines. Service is billed in sixty (60) second increments with an initial minimum period of one (1) minute.

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.****3.8 Business Service****3.8.1 Business Direct - Plan A**

Business Direct - Plan A is available to Business Customers for outbound and/or inbound calling who access the service by using standard Customer-provided switched access lines. Calls are billed in six (6) second increments with an initial minimum period of thirty (30) seconds. Volume discounts are based on the length of time the term plan agreement the Customer purchases.

In the event that the service contracted for under the Price List is no longer desired by the Customer prior to the expiration of the contract, the Customer will be required to pay a termination charge that is the amount equal to the sum of the remaining monthly guaranteed usage charges times 15%.

**3.8.2 Business Direct - Plan B**

This service is available to Business Customers who access the service by using standard Customer-provided switched access lines. Calls are billed in six (6) second increments with an initial minimum period of thirty (30) seconds. This plan does not offer time-of-day, mileage or volume-based discounts.

**3.8.3 Switched Inbound Service**

Switched Inbound Service is available to business and residential Customers for incoming calls. Calls originate from any intrastate location over an 800/888 number and terminate to a Customer-provided residential or business switched access line. Call charges are billed to the Subscriber rather than to the originating caller. Calls are billed in six (6) second increments with an initial billing period of thirty (30) seconds. A monthly service charge applies per inbound line.

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.****3.9 Operator Assisted Services**

The use of the Company's Operator Assisted Services allows the Customer to select from the special call handling or billing arrangements specified within. Call rates and applicable service charges will be assessed based on the call type (i.e., operator dialed, collect, third party billed, credit card billed or customer dialed credit card billed without the use of an operator's assistance). Rates are based on mileage, call duration and method of billing.

**3.10 USWLD Travel Card**

USWLD Travel Card provides a billing alternative for intrastate calls to business and residential Customers. Calls are originated by dialing a Company-provided toll-free number, followed by the terminating telephone number and Personal Account Number. Calls may originate from standard residential, business, PBX (hotel), or pay telephone access lines. Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Call charges include per minute usage charges and a per call service charge. Customers dialing into the Company's proprietary card platform may default to an operator and will be billed additional charges based on the level of assistance requested.

**3.10.1 Message Delivery Service**

This option allows the Customer to leave a message of up to three (3) minutes in length for later delivery. Message Delivery includes a per call surcharge and a per delivered message surcharge.

**3.10.2 Conference Calling**

This option allows the Customer to add up to five (5) other participants (legs) to a call. Calls are billed in one (1) minute increments. Call charges include per minute usage charges and a per leg surcharge.

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**Issued:****Effective:****ISSUED BY:****Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202**

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**SECTION 3 - DESCRIPTION OF SERVICE, CON'T.****3.11 Directory Assistance**

Directory Assistance is available to USWLD Customers. Directory Assistance charge applies to each call to the Directory Assistance Bureau. Up to two requests may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

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**Issued:****Effective:**

**ISSUED BY:** Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202



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**SECTION 4 - RATES****4.1 Discounts for Hearing Impaired Customers**

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the off-peak rate during business day hours. Discounts do not apply to per call add-on charges for services when the call is placed by a method that would normally incur the surcharge.

**4.2 Emergency Call Exemptions**

The following calls are exempted from all charges: Emergency calls to recognizable authorized civil agencies including police, fire, ambulance, bomb squad and poison control. USWLD will only handle these calls if the caller dials all of the digits to route and bill the call. Credit will be given for any billed charges pursuant to this exemption on a subsequent bill after verified notification by the billed Customer within thirty (30) days of billing.

**4.3 Operator Assistance for Handicapped Persons**

Operator station surcharges will be waived for operator assistance to a caller who identified him or herself as being handicapped and unable to dial the call because of the handicap.

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Denver, Colorado 80202

**SECTION 4 - RATES, CONT.**

**4.4 Directory Assistance Charges for Handicapped Persons**

Presubscribed residential Customers or authorized users of Customers' services who are certified as handicapped are exempt from applicable Directory Assistance charges for the first 50 directory assistance calls per month.

**4.5 Residential Service**

**4.5.1 Direct Dial Service - Plan A**

Service is billed in sixty (60) second increments with an initial minimum period of one (1) minute.

	<u>Peak</u>	<u>Non-Peak</u>
Per Minute Rate	\$0.25	\$0.10

**4.5.2 Direct Dial Service - Plan B**

Service is billed in sixty (60) second increments with an initial minimum period of one (1) minute.

	<u>All Hours/Times-of-Day</u>
Per Minute Rate	\$0.15

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1801 California, 31st Floor  
Denver, Colorado 80202

## SECTION 4 - RATES, CONT.

## 4.6 Business Service

## 4.6.1 Business Direct - Plan A

Calls are billed in six (6) second increments with an initial minimum period of thirty (30) seconds. Volume discounts are based on the length of time the term plan agreement the Customer purchases.

In the event that the service contracted for under this Price List is no longer desired by the Customer prior to the expiration of the contract, the Customer will be required to pay a termination charge that is the amount equal to the sum of the remaining monthly guaranteed usage charges times 15%.

<u>Monthly Usage</u>	<u>1 Year Term</u>	<u>2 Year Term</u>	<u>3 Year Term</u>
\$ 0.00 - \$ 100.00	\$0.200	\$0.195	\$0.190
\$ 100.01 - \$ 500.00	\$0.195	\$0.190	\$0.185
\$ 500.01 - \$1000.00	\$0.190	\$0.185	\$0.180
\$1000.01 +	\$0.185	\$0.180	\$0.175

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**Denver, Colorado 80202**



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**SECTION 4 - RATES, CON'T.****4.6 Business Service, con't.****4.6.2 Business Direct - Plan B**

Calls are billed in six (6) second increments with an initial minimum period of thirty (30) seconds. This plan does not offer time-of-day, mileage or volume-based discounts.

All Hours/Times-of-Day

Per Minute Rate: \$0.20

**4.6.3 Switched Inbound Service**

Calls are billed in six (6) second increments with an initial billing period of thirty (30) seconds. A monthly service charge applies per inbound line.

Business Usage Rates: The usage rate is the same rate applied to the outbound service plan selected by the Customer.

Residential Usage Rates: \$0.20 per minute  
All times of day

Monthly Service Fee  
applied to Business and  
Residential Customers: \$4.95 per line

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1801 California, 31st Floor  
Denver, Colorado 80202

**SECTION 4 - RATES, CONT.**

**4.7 Operator Assisted Services**

Call rates and applicable service charges will be assessed based on the call type (i.e., operator dialed, collect, third party billed, credit card billed or customer dialed credit card billed without the use of an operator's assistance). Rates are based on mileage, call duration and method of billing.

**Usage Rates**

InterLATA

Mileage	Day Rate Period		Evening Rate Period		Night/Weekend Rate Period	
	Initial Period	Add'l. Period	Initial Period	Add'l. Period	Initial Period	Add'l. Period
1-10	\$.2000	\$.2000	\$.1500	\$.1500	\$.1200	\$.1200
11-22	\$.2200	\$.2200	\$.1700	\$.1700	\$.1300	\$.1300
23-55	\$.2500	\$.2500	\$.1900	\$.1900	\$.1400	\$.1400
56-124	\$.2700	\$.2700	\$.1900	\$.1900	\$.1500	\$.1500
125-292	\$.2800	\$.2800	\$.1900	\$.1900	\$.1600	\$.1600
293-430	\$.2800	\$.2800	\$.2000	\$.2000	\$.1600	\$.1600
430-624	\$.2800	\$.2800	\$.2100	\$.2100	\$.1600	\$.1600

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**Effective:**

**ISSUED BY:**

**Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202**

**SECTION 4 - RATES, CON'T.**

**4.7 Operator Assisted Services, con't.**

**Usage Rates, con't.**

IntraLATA

Mileage	Day Rate Period		Evening Rate Period		Night/Weekend Rate Period	
	Initial Period	Add'l. Period	Initial Period	Add'l. Period	Initial Period	Add'l. Period
1-10	\$.1800	\$.1800	\$.1300	\$.1300	\$.1100	\$.1100
11-22	\$.2000	\$.2000	\$.1500	\$.1500	\$.1200	\$.1200
23-55	\$.2300	\$.2300	\$.1700	\$.1700	\$.1300	\$.1300
56-124	\$.2500	\$.2500	\$.1700	\$.1700	\$.1400	\$.1400
125-292	\$.2600	\$.2600	\$.1800	\$.1800	\$.1400	\$.1400

**Per Call Surcharges**

	<u>InterLATA</u>	<u>IntraLATA</u>
Customer Dialed Calling Card	\$1.00	\$1.00
Operator Dialed Calling Card	\$1.75	\$1.00
Collect	\$1.75	\$1.00
Third Party Billed	\$1.75	\$1.00
Person-to-Person	\$3.25	\$2.50
Operator Dialed Surcharge	\$1.15	\$0.75

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**Kathy R. Stephens, Vice President  
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Denver, Colorado 80202**



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**SECTION 4 - RATES, CONT.****4.8 USWLD Travel Card**

Calls are billed in one (1) minute increments. The minimum call duration for billing purposes is one (1) minute. Call charges include per minute usage charges and a per call service charge. Customers dialing into the Company's proprietary card platform may default to an operator and will be billed additional charges based on the level of assistance requested.

Travel Card - Fully Automated

Per minute rate: \$0.20

Per call surcharge: \$0.80

Travel Card - Operator Assisted

Per minute rate: \$0.20

Per call surcharge:

Partial assistance: \$1.25

Fully assisted: \$2.25

Person-to-Person: \$3.00

**4.8.1 Message Delivery Service**

Message Delivery includes a per call surcharge and a per delivered message surcharge.

Per call surcharge: \$0.80

Per delivered message surcharge: \$0.95

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Denver, Colorado 80202**

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SECTION 4 - RATES, CON'T.

4.8 USWLD Travel Card, con't.

4.8.2 Conference Calling

Calls are billed in one (1) minute increments. Call charges include per minute usage charges and a per leg surcharge.

Per minute rate: \$0.40

Per leg surcharge: \$2.25

4.9 Directory Assistance

Up to two requests may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

Per Call Charge: \$.95

---

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Kathy R. Stephens, Vice President  
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**SECTION 5 - PROMOTIONS**

**5.1 Demonstration Calls**

From time to time USWLD will demonstrate its services by providing free test calls of up to fifteen minutes duration over its network.

**5.2 Promotions - General**

The Company may conduct special tests, pilot programs, waivers and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services.

The Company may provide promotional offerings to introduce a current or potential Customer to a service not being used by the Customer. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges.

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**Effective:**

**ISSUED BY:**

**Kathy R. Stephens, Vice President  
1801 California, 31st Floor  
Denver, Colorado 80202**



**ATTACHMENT III**

**FINANCIAL STATEMENTS**

U S WEST Long Distance, Inc.

Financial Capability

U S WEST Long Distance, Inc. provides the balance sheet and projected income statement of its parent company, U S WEST Communications, Inc. as evidence of its financial stability and capability to offer, provide and maintain the services described in its application and tariff.

The Company proposes to operate as a switchless reseller in the state. As a result, there are no additional capital requirements or expenses that will be incurred by USWLD when expanded operations to the State of Florida. All network switching and transmission is provided by the Company's underlying carrier. USWLD does not incur any network costs until calls are placed by its customers.

USWLD does not intend to lease or own any offices in Florida. The Company's primary ongoing expense will be marketing expenses primarily in the form of direct mail and advertisement.

USWLD does not have any lease obligations with its underlying carrier.

# U S WEST Media Group

1995 ANNUAL REPORT





U S WEST Media Group

U S WEST, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31.

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993
Sales and other revenues	\$ 11,746	\$10,953	\$10,294
Operating expenses	9,101	8,446	9,021
Income from operations	2,645	2,507	1,273
Interest expense	527	442	439
Gains on merger and partial sale of joint venture interest, and asset sales	293	314	-
Other expense — net	257	96	89
Income from continuing operations before income taxes and extraordinary items	2,154	2,283	745
Provision for income taxes	825	857	269
Income from continuing operations before extraordinary items	1,329	1,426	476
Discontinued operations	-	-	(82)
Income before extraordinary items	1,329	1,426	394
Extraordinary items:			
Discontinuance of SFAS No. 71 — net of tax	-	-	(3,123)
Early extinguishment of debt — net of tax	(12)	-	(77)
Net income (loss)	1,317	1,426	(2,806)
Dividend on preferred stock	3	-	-
Earnings (loss) available for common stock	\$ 1,314	\$ 1,426	\$ (2,806)
Pro forma Communications Group earnings per common share: <sup>(1)</sup>			
Income before extraordinary item	\$ 2.52	-	-
Extraordinary item — early extinguishment of debt	(0.02)	-	-
Pro forma Communications Group earnings per common share	\$ 2.50	-	-
Pro forma Media Group earnings per common share: <sup>(1)</sup>			
Income before extraordinary item	\$ 0.30	-	-
Extraordinary item — early extinguishment of debt	(0.01)	-	-
Pro forma Media Group earnings per common share	\$ 0.29	-	-
U S WEST, Inc. earnings (loss) per common share: <sup>(1)</sup>			
Continuing operations	-	\$ 3.14	\$ 1.13
Discontinued operations	-	-	(0.19)
Extraordinary items:			
Discontinuance of SFAS No. 71	-	-	(7.45)
Early extinguishment of debt	-	-	(0.18)
U S WEST, Inc. earnings (loss) per common share	-	\$ 3.14	\$ (6.69)

(1) Effective November 1, 1995, each share of U S WEST, Inc. common stock was converted into one share each of U S WEST Communications Group common stock and U S WEST Media Group common stock. Earnings per common share for 1995 has been presented on a pro forma basis to reflect the two classes of stock as if they had been outstanding since January 1, 1995. For periods prior to the recapitalization, the average common shares outstanding are assumed to be equal to the average common shares outstanding for U S WEST, Inc.

U S WEST, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

DOLLARS IN MILLIONS	DECEMBER 31,	
	1995	1994
<b>ASSETS</b>		
Current assets	\$ 2,909	\$ 2,766
Property, plant and equipment — net	14,677	13,997
Investments in unconsolidated ventures, including Time Warner Entertainment	3,994	3,403
Intangible assets — net	1,798	1,858
Other assets	1,693	1,180
<b>Total assets</b>	<b>\$ 25,071</b>	<b>\$23,204</b>
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current liabilities	\$ 5,052	\$ 6,014
Long-term debt	6,954	5,101
Postretirement and other postemployment benefit obligations	2,433	2,502
Deferred income taxes, credits and other	2,033	2,154
Mandatorily redeemable preferred securities	651	51
Common shareowners' equity	7,948	7,382
<b>Total liabilities and shareowners' equity</b>	<b>\$25,071</b>	<b>\$23,204</b>

U S WEST, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

DOLLARS IN MILLIONS	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Net income (loss)	\$ 1,317	\$ 1,426	\$(2,806)
Adjustments to net income (loss)	2,479	2,232	6,009
Changes in operating assets, liabilities and other — net	(376)	(411)	(3)
<b>Cash provided by (used for):</b>			
Operating activities	3,420	3,247	3,200
Investing activities	(3,506)	(3,578)	(4,179)
Financing activities	69	513	338
Cash (used for) provided by continuing operations	(17)	182	(641)
Cash (to) from discontinued operations	-	(101)	610
Increase (decrease) in cash and cash equivalents	(17)	81	(31)
Beginning balance, cash and cash equivalents	209	128	159
<b>Ending balance, cash and cash equivalents</b>	<b>\$ 192</b>	<b>\$ 209</b>	<b>\$ 128</b>



U S WEST, INC.  
REPORT OF INDEPENDENT  
ACCOUNTANTS

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To the Board of Directors and  
Shareowners of U S WEST, Inc.:

We have audited, in accordance with generally accepted auditing standards, the Consolidated Balance Sheets of U S WEST, Inc. as of December 31, 1995 and 1994, and the related Consolidated Statements of Operations and Cash Flows for each of the three years in the period ended December 31, 1995, appearing in the proxy statement (the "Proxy Statement") for the 1996 annual meeting of shareowners of the Corporation (not presented herein); and in our report dated February 12, 1996, except for Note 4, paragraph 3, as to which the date is February 27, 1996, also appearing in that Proxy Statement, we expressed an unqualified opinion on those Consolidated Financial Statements. In our opinion, the information set forth in the accompanying Condensed Consolidated Financial Statements is fairly presented, in all material respects, in relation to the Consolidated Financial Statements from which it has been derived.

As discussed in Note 8 to the Consolidated Financial Statements contained in the Proxy Statement, the Company discontinued accounting for the operations of U S WEST Communications, Inc. in accordance with Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," in 1993.

Coopers & Lybrand L.L.P.  
Denver, Colorado  
February 12, 1996

U S WEST, INC.  
REPORT OF MANAGEMENT

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The Consolidated Financial Statements of U S WEST (not presented herein) have been prepared in conformity with generally accepted accounting principles applied on a consistent basis. The integrity and objectivity of information in these Consolidated Financial Statements, including estimates and judgments, are the responsibility of management as is all other financial information included in this report.

U S WEST maintains a system of internal accounting controls designed to provide reasonable assurance as to the integrity and reliability of financial statements, the safeguarding of assets and the prevention and detection of material errors or fraudulent financial reporting. Monitoring of such systems includes an internal audit program designed to objectively assess the effectiveness of internal controls and recommend improvements therein.

Limitations exist in any system of internal accounting controls based upon the recognition that the cost of the system should not exceed the benefits derived. U S WEST believes that the Company's system does provide reasonable assurance that transactions are executed in accordance with management's general or specific authorizations and is adequate to accomplish the stated objectives.

The independent certified public accountants, whose report is included herein, are engaged to express an opinion on our Consolidated Financial Statements. Their opinion is based on procedures performed in accordance with generally accepted auditing standards, including examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

In an attempt to assure objectivity, the financial information contained in this report and appearing in the Proxy Statement for the 1996 annual meeting of the shareowners of the Corporation is subject to review by the Audit Committee of the Board of Directors. The Audit Committee is composed of outside directors who meet regularly with management, internal auditors and independent auditors to review financial reporting matters, the scope of audit activities and the resolution of audit findings.

Richard D. McCormick  
Chairman and Chief Executive Officer

James T. Anderson  
Acting Executive Vice President  
and Chief Financial Officer

U S WEST COMMUNICATIONS GROUP  
REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowners of U S WEST, Inc.:

We have audited, in accordance with generally accepted auditing standards, the Combined Balance Sheets of U S WEST Communications Group as of December 31, 1995 and 1994, and the related Combined Statements of Operations and Cash Flows for each of the three years in the period ended December 31, 1995, appearing in the proxy statement ("Proxy Statement") for the 1996 annual meeting of shareowners of U S WEST, Inc. (not presented herein); and in our report dated February 12, 1996, also appearing in that Proxy Statement, we expressed an unqualified opinion on those Combined Financial Statements. In our opinion, the information set forth in the accompanying Condensed Combined Financial Statements is fairly presented, in all material respects, in relation to the Combined Financial Statements from which it has been derived.

As more fully discussed in Note 2 to the Combined Financial Statements contained in the Proxy Statement, the Combined Financial Statements of U S WEST Communications Group should be read in connection with the audited Consolidated Financial Statements of U S WEST, Inc.

As discussed in Note 5 to the Combined Financial Statements contained in the Proxy Statement, the Company discontinued accounting for the operations of U S WEST Communications, Inc. in accordance with Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," in 1993.

Coopers & Lybrand L.L.P.  
Denver, Colorado  
February 12, 1996

U S WEST COMMUNICATIONS  
GROUP OFFICERS

**Sol Trujillo**  
President and Chief Executive Officer

**John Arrington**  
Vice President  
Human Resources

**Tom Bystrzycki**  
Executive Vice President  
Operations and Technologies

**Catherine Hapka**  
Executive Vice President  
Markets

**Bob Hawk**  
President  
Carrier Division

**Barbara Japha**  
Vice President  
Chief Financial Officer and Treasurer

U S WEST COMMUNICATIONS GROUP  
CONDENSED COMBINED BALANCE SHEETS

DECEMBER 31,

DOLLARS IN MILLIONS	1995	1994
<b>ASSETS</b>		
Current assets	\$ 2,292	\$ 2,138
Property, plant and equipment — net	13,529	13,041
Other assets	764	765
<b>Total assets</b>	<b>\$16,585</b>	<b>\$ 15,944</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities	\$ 3,607	\$ 4,208
Long-term debt	5,689	4,516
Postretirement and other postemployment benefit obligations	2,351	2,427
Deferred income taxes, credits and other	1,462	1,614
Communications Group equity	3,476	3,179
<b>Total liabilities and equity</b>	<b>\$16,585</b>	<b>\$ 15,944</b>

U S WEST COMMUNICATIONS GROUP  
CONDENSED COMBINED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31,

DOLLARS IN MILLIONS	1995	1994	1993
Net income (loss)	\$ 1,176	\$ 1,150	\$ (2,809)
Adjustments to net income (loss)	2,078	2,052	5,640
Changes in operating assets, liabilities and other — net	(535)	(693)	(154)
Cash provided by (used for):			
Operating activities	2,719	2,509	2,677
Investing activities	(2,268)	(2,156)	(2,192)
Financing activities	(395)	(293)	(466)
Increase in cash and cash equivalents	56	60	19
Beginning balance, cash and cash equivalents	116	56	37
Ending balance, cash and cash equivalents	\$ 172	\$ 116	\$ 56



U S WEST COMMUNICATIONS GROUP  
CONDENSED COMBINED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31,

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993
<b>Operating revenues:</b>			
Local service	\$4,344	\$4,067	\$ 3,829
Interstate access service	2,378	2,269	2,147
Intrastate access service	747	729	682
Long-distance network service	1,189	1,329	1,442
Other services	826	782	770
<b>Total operating revenues</b>	<b>9,484</b>	<b>9,176</b>	<b>8,870</b>
<b>Operating expenses <sup>(1)</sup></b>	<b>7,306</b>	<b>7,058</b>	<b>7,835</b>
<b>Income from operations</b>	<b>2,178</b>	<b>2,118</b>	<b>1,035</b>
Interest expense	427	376	412
Gain on sales of rural telephone exchanges	136	82	-
Other expense — net	41	21	24
<b>Income before income taxes and extraordinary items</b>	<b>1,846</b>	<b>1,803</b>	<b>599</b>
Provision for income taxes	662	653	208
<b>Income before extraordinary items</b>	<b>1,184</b>	<b>1,150</b>	<b>391</b>
<b>Extraordinary items:</b>			
Discontinuance of SFAS No. 71 — net of tax	-	-	(3,123)
Early extinguishment of debt — net of tax	(8)	-	(77)
<b>Net income (loss)</b>	<b>\$ 1,176</b>	<b>\$ 1,150</b>	<b>\$(2,809)</b>
<b>Pro forma earnings per common share: <sup>(2)</sup></b>			
Income before extraordinary item	\$ 2.52	\$ 2.53	-
Extraordinary item — early extinguishment of debt	(0.02)	-	-
<b>Pro forma earnings per common share</b>	<b>\$ 2.50</b>	<b>\$ 2.53</b>	<b>-</b>
<b>Pro forma average common shares outstanding (thousands) <sup>(2)</sup></b>	<b>470,716</b>	<b>453,316</b>	<b>-</b>

NORMALIZED INCOME AND NORMALIZED  
PRO FORMA EARNINGS PER COMMON SHARE

YEAR ENDED DECEMBER 31,

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993
<b>Reported net income (loss)</b>	<b>\$ 1,176</b>	<b>\$ 1,150</b>	<b>\$(2,809)</b>
<b>Adjustments to reported net income (loss):</b>			
Restructuring charge	-	-	534
Gain on sales of rural telephone exchanges	(85)	(51)	-
Costs associated with the creation of targeted stock	8	-	-
Income tax rate change — catch-up adjustment	-	-	54
Discontinuance of SFAS No. 71	-	-	3,123
Early extinguishment of debt	8	-	77
<b>Normalized income</b>	<b>\$ 1,107</b>	<b>\$ 1,099</b>	<b>\$ 979</b>
<b>Normalized pro forma earnings per common share <sup>(2)</sup></b>	<b>\$ 2.35</b>	<b>\$ 2.42</b>	<b>-</b>

(1) 1993 includes a restructuring charge of \$880.

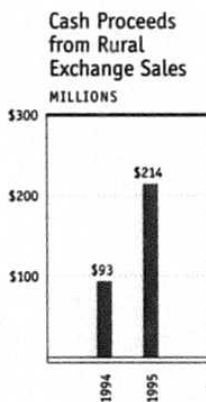
(2) Effective November 1, 1995, each share of U S WEST, Inc. common stock was converted into one share each of U S WEST Communications Group common stock and U S WEST Media Group common stock. Earnings per common share have been presented on a pro forma basis to reflect the two classes of stock as if they had been outstanding since January 1, 1994. For periods prior to the recapitalization, the average common shares outstanding are assumed to be equal to the average common shares outstanding for U S WEST, Inc.

STRATEGY 5: ENSURE A FAIR COMPETITIVE ENVIRONMENT

In 1995, we fought for telecommunications reform and sought to improve our competitive position through the following initiatives:

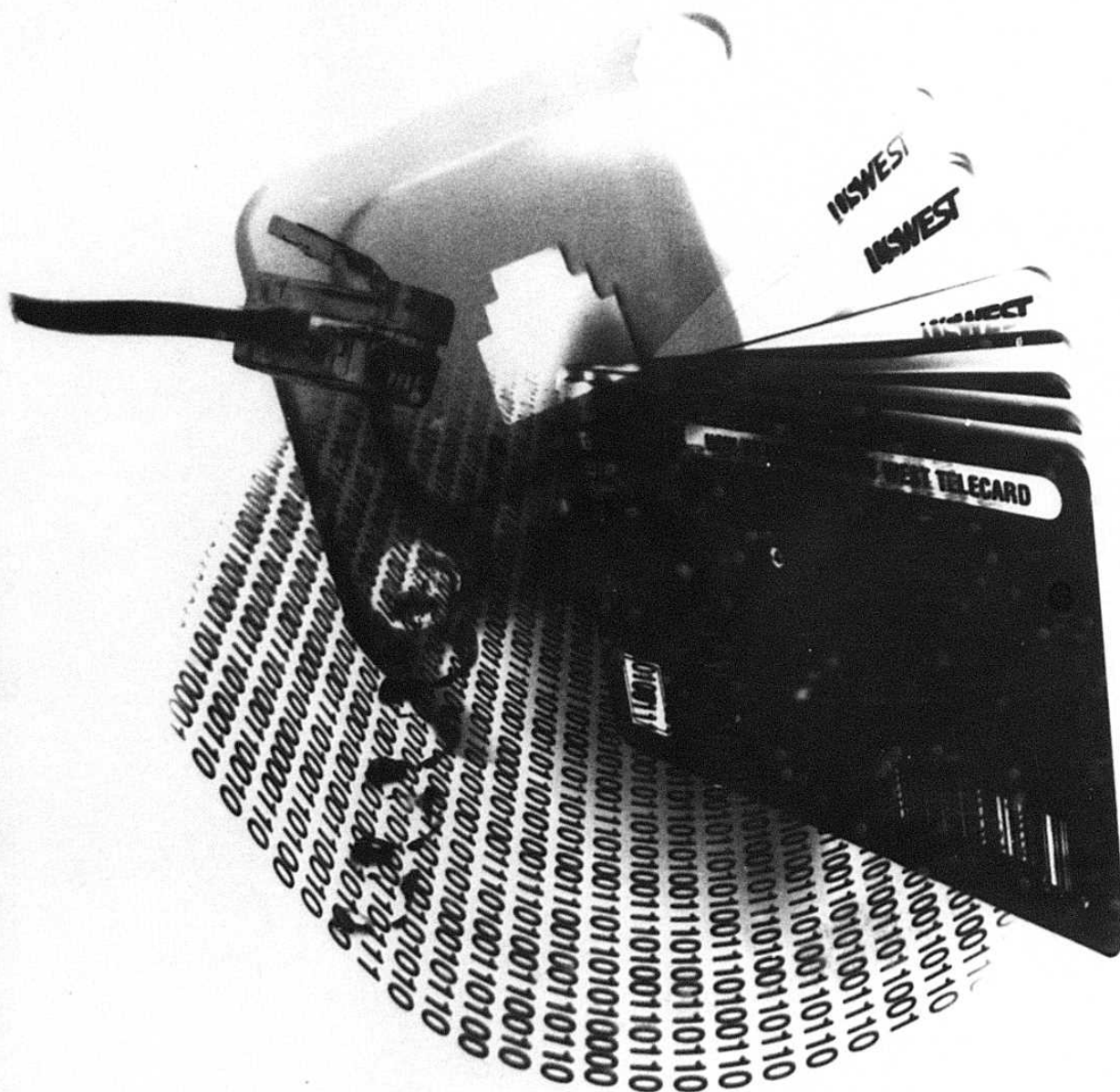
**1995 Public Policy Highlights**

- **Capital recovery.** In 1995, the FCC and six state commissions agreed with U S WEST that depreciation rates should reflect the changing competitive environment and that capital recovery should be accelerated. This enabled us to recover an additional \$134 million of annual depreciation.
- **Price rebalancing.** Currently, in most U S WEST states, our pricing is regulated by state commissions. A fair competitive environment requires two things: 1) basic residential rates must reflect their costs, and 2) prices for competitive services, such as long-distance and access, must be decreased. In 1995, five states passed legislation providing additional competitive flexibility and allowing more rebalancing. Rates were rebalanced in Arizona, Minnesota, South Dakota, Utah and Wyoming.
- **Rural exchange sales.** We continued efforts to improve operating efficiencies and optimize cash flows by selling selected rural telephone exchanges. In 1995, we sold a total of 95,000 rural access lines, which generated cash proceeds of \$214 million.



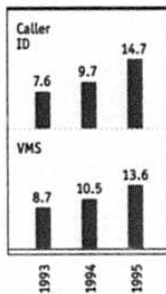
In 1996, we'll continue to pursue initiatives in capital recovery, price rebalancing and sales of additional rural exchanges. We'll selectively transition to price cap regulation in areas where it makes economic sense. We're also taking a leadership role as the FCC and state commissions implement the policies embedded in the Telecommunications Act of 1996. We're advocating a fair and reasonable approach to interconnection (allowing competitors access to our networks), resale (allowing competitors to buy our products and services and re-sell them), flexible pricing, and the establishment of competitively-neutral universal service funds.

In a competitive environment, the best deal wins. At U S WEST Communications Group, we're using our connection to customers to know them better — and give them better products and more value — than anyone else. Catherine Hapka, Executive Vice President, Markets



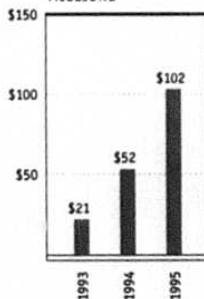


**Product Penetration Rates\***  
PERCENT



\*For residential service

**!NTERPRISE Revenues**  
MILLIONS



STRATEGY 3: BUILD CUSTOMER LOYALTY

U S WEST Communications Group has a direct and powerful connection to more than 25 million customers. In 1995, we took specific steps to strengthen that connection and build customer loyalty. Here are some examples:

**1995 Highlights**

- We maximized our use of customer databases and market intelligence systems to understand exactly what our customers want.
- We continued to develop innovative products and services for our customers. In 1995, we were the first regional Bell company to offer customers a full range of connectivity to the Internet with an innovative gateway product called !NTERACT.
- We offered a new level of customer service with our "Solution Centers." For example, our Home Office Solution Center offers specialized communications equipment and services — and ongoing consulting services — to customers who work at home.

In 1996, we're taking full advantage of our local presence and putting more resources in the field, so we can understand and serve the needs of our local communities.

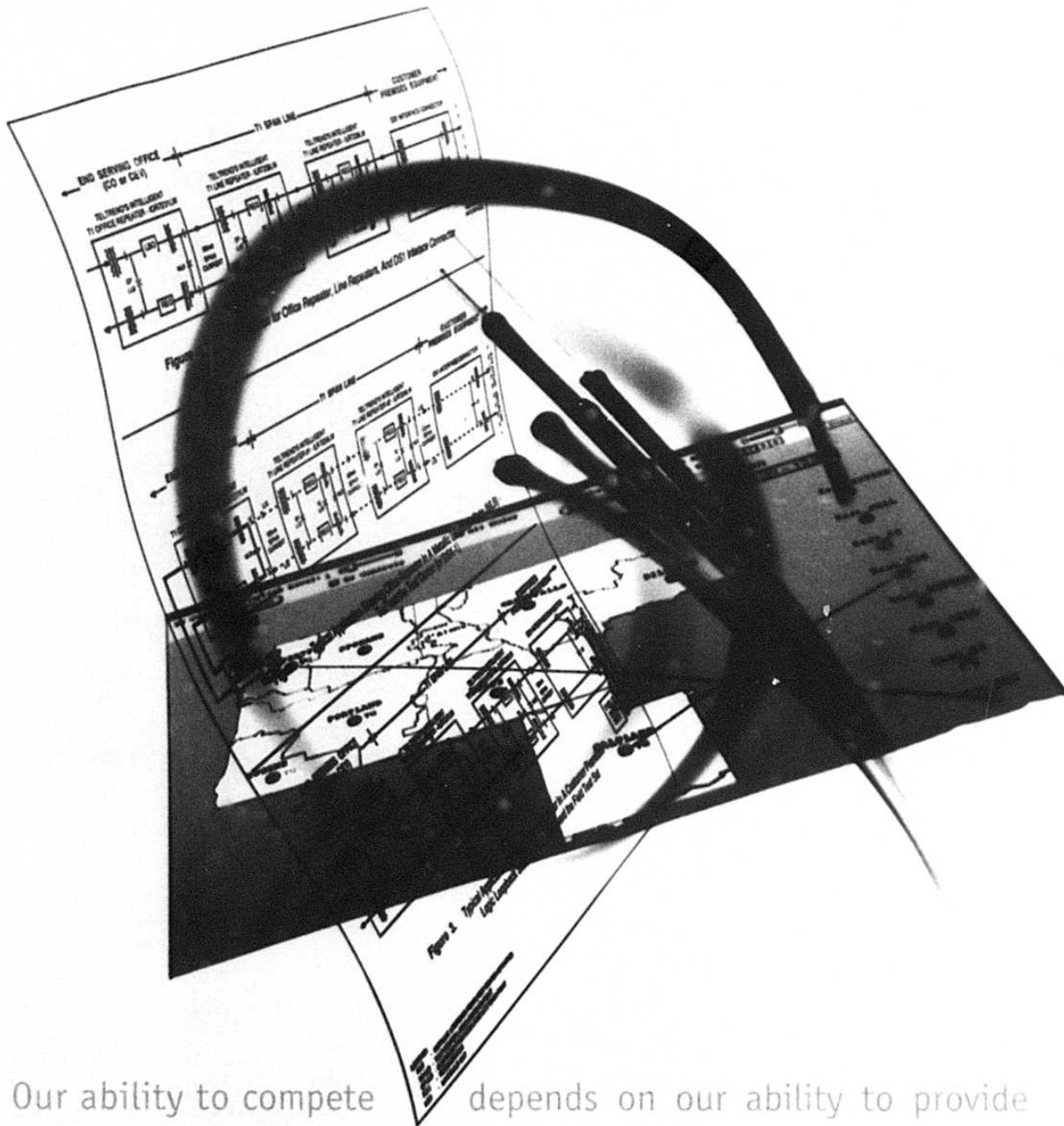
STRATEGY 4: EXPAND OUR PORTFOLIO OF PRODUCTS AND SERVICES

At U S WEST Communications Group, we're committed to giving customers the products and services they want — whether it's convenient access to phone services, customized service packages, or the ability to share data and video with people in multiple locations. In 1995, we continued to achieve strong penetration in new markets:

**1995 Highlights**

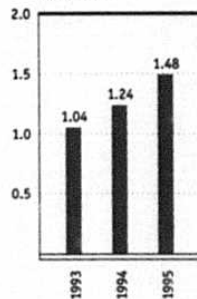
- At year end, our penetration rates for value-added, residential phone services, such as Caller ID, Call Waiting and Voice Messaging Services, were among the highest in the industry.
- We continued to offer differentiated products and services. In 1995, for example, we enhanced Caller ID by adding Long-Distance Caller ID and Call Waiting Caller ID.
- We continued to achieve strong penetration of the market for high-speed data networking through our !NTERPRISE division. Revenues from !NTERPRISE nearly doubled in 1995.
- TeleChoice,® a state-of-the-art cable-television service currently offered in Omaha, attracted new customers at an average rate of 1,900 a month from September through December 1995. This demonstrates the strength of the U S WEST brand in competitive situations.

In 1996, we plan to accelerate revenue growth by offering innovative products and services through multiple channels. We also intend to pursue opportunities to offer paging, wireless, interLATA long-distance and cable-television services to customers in our 14-state region as quickly and economically as we can.

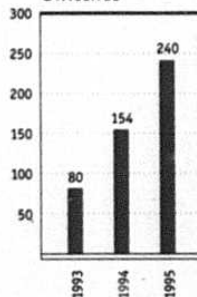


Our ability to compete depends on our ability to provide exceptional service to our customers. In 1995, we made service our top priority, and we're going to keep improving service until it consistently meets — and exceeds — our customers' expectations. Tom Bystrzycki, Executive Vice President, Operations and Technologies.

**Fiber Optic Miles**  
MILLIONS



**Frame Relay Switches**



#### STRATEGY 1: PROVIDE SUPERIOR CUSTOMER SERVICE

In 1995, we accelerated our investment in service quality. Thanks to the dedication and hard work of our employees, we're beginning to achieve substantial and sustained improvements in customer service. Here's a summary of our progress:

##### 1995 Service Improvement Highlights

- We established a new Demand Forecast Center to improve our ability to provide service to a growing customer base.
- We enhanced our network capacity in nearly 10,000 high-growth neighborhoods.
- We continued to expand network capabilities. For example, by the end of the year 98 percent of our central offices were equipped to provide on-demand services to customers. This "Soft Dial Tone" technology delivers phone service automatically, so we don't have to dispatch a technician. In 1995, more than half of the 2.8 million residential customers who requested new service received it this way.

In 1996, we plan to continue service improvements by enhancing network capacity in an additional 12,000 neighborhoods, improving productivity and redesigning and standardizing repair processes.

#### STRATEGY 2: BUILD NETWORK CAPACITY AND CAPABILITY

Think of your circulatory system — the complex network of arteries and veins that works quietly, efficiently and reliably to keep you alive. That's how we think of our network. We have millions of miles of fiber optic cable, coaxial cable and copper wire carrying critical communications services to the heart of our business: our customers.

In 1995, we accelerated capital spending to bring more services to more customers. Here's an example of some of our achievements:

##### 1995 Network Enhancement Highlights

- In 1995, we added more than 245,000 miles of fiber optic cable, for a total of nearly 1.5 million fiber optic miles in U S WEST Communications' territory. Fiber optic cable can transport an enormous amount of information, including voice, data and video, at very high speeds.
- We have one of the largest data-networking infrastructures in the industry. At year end, we had 240 frame relay switches and nearly 19,000 frame relay ports in service. Frame relay products create a virtual private network between customers even though the information exchanged runs over public phone lines.
- We began deployment of U S WEST Network 21 — a fiber optic network architecture that will enable U S WEST Communications Group to provide state-of-the-art, self-healing network services to a majority of our carrier, wireless and large business customers in major metro areas.

In 1996, we will continue a multi-year campaign to build network capacity and enable U S WEST Communications Group to deliver innovative products and services in the years ahead.



We've proven our ability to deliver high-value voice products and innovative services for complex applications, such as distance learning and teleradiology. We've also captured a significant share of the high-growth data network integration business. We'll build on those successes as we enter new businesses in long distance, wireless and cable television. *Soi Trujillo, President and Chief Executive Officer, U.S. WEST Communications Group*



### Outlook for 1996 and Beyond

The new telecommunications reform bill creates unprecedented opportunities for growth. Among them: the opportunities to enter new businesses, including long-distance, wireless and cable television. We're excited about — and ready for — this new era of competition and customer choice.

We're confident we'll be a strong competitor because we have:

- a century-long relationship with our customers;
- a proven ability to develop new markets; and
- extensive experience in delivering multiple services over two-way networks.

Also in our favor: Our region is not an easy one for local-service competitors to enter. Customers are scattered throughout our 14 states, and our strongest growth is centered outside our top-five metro areas. Many of our fastest-growing cities are in hard-to-serve areas, where the cost to duplicate our network would be prohibitive. In addition, we're working diligently to reduce costs and make sure our prices (and margins) are fully competitive.

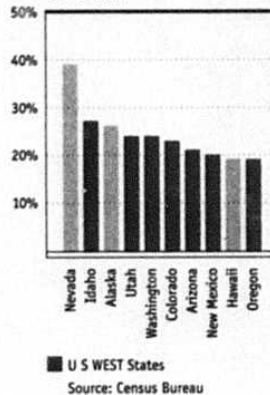
We're also ready to compete aggressively for new business. We're expanding our high-speed data services for businesses, and preparing to enter the interLATA long-distance, wireless and cable television markets, so we can offer customers full-service communication packages. We want to be the first choice among customers for communications, information and entertainment products and services. So we're integrating our efforts to assure superior service, enhance our network, build customer loyalty, expand our products and services and ensure a fair competitive environment. We explain these efforts in more detail elsewhere in this report.

As the transition continues toward a fully-competitive communications marketplace, we ask ourselves: How will we continue to differentiate ourselves from others?

Our answer: We'll keep getting better and better. Until we are the best.

SOL TRUJILLO  
President and Chief Executive Officer, U S WEST Communications Group

Top Ten Fastest Growing U.S. States 1990-2000



We're working hard to change that. In 1995, we enhanced our network in 10,000 high-growth neighborhoods. And we made significant progress in answering customers' calls quickly. In fact, by the end of the year we were answering 85 percent of customer calls in 20 seconds or less.

**We delivered modest bottom-line results.**

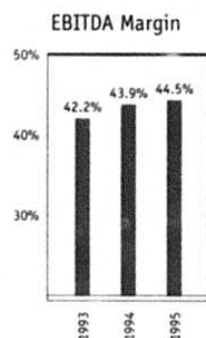
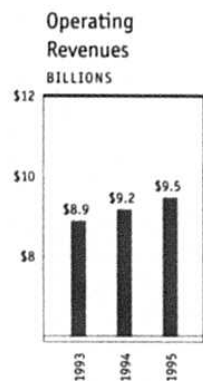
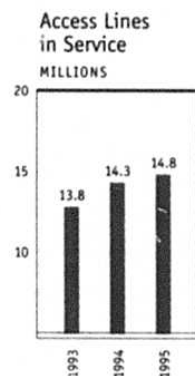
For 1995 we reported a 2.3-percent improvement in net income. As expected, income was affected by higher contract labor and overtime expenses as we accelerated our efforts to improve customer service. Thanks to the concerted efforts of our entire workforce, we're beginning to make solid improvements in service quality. Bottom-line results for the year include:

- *Earnings before interest, taxes, depreciation and amortization (EBITDA) were \$4.2 billion, a 4.8-percent increase over 1994.*
- *Excluding one-time items, net income increased 0.7 percent to \$1.1 billion, and earnings per share decreased 2.9 percent to \$2.35 for the year. The primary reason earnings per share were down while income was up was that U S WEST issued 12.8 million additional shares at the end of 1994.*
- *We continued our commitment to the dividend, paying \$2.14 per share.*

**We significantly improved our "front-line" position.**

We strengthened our competitive position:

- *We continued to recruit new leaders with solid experience in competitive industries. They come from companies like General Electric, Nestle, and other parts of U S WEST.*
- *We continued to develop innovative products and services that meet the needs of our customers in new ways. As an example, in Omaha, our TeleChoice® cable television service is proving very popular among 42,000 potential customers in the service area. In only four months, we signed up a third of the customers who had been using competitors' cable services.*
- *We completed the consolidation of 560 service centers into 26 new "mega-centers," where we'll provide faster, "one-stop" service.*
- *We established new measurements to assure that we're continuously improving sales, service, quality and productivity. We've also sharpened our focus on cash. So we're tracking new cash and return measures to help us make the most of your investment.*
- *We're strengthening the link between employees' pay and the company's financial performance. As an example, a majority of our unionized sales employees adopted an incentive-based pay plan, where annual compensation is tied to sales. This is the first such agreement among the regional Bell companies.*





## CHAIRMAN'S MESSAGE

U S WEST COMMUNICATIONS GROUP'S LOCAL TELEPHONE NETWORK IS GROWING RAPIDLY — BOTH IN THE NUMBER OF LINES IT SERVES AND THE "CONTENT" IT CARRIES. TODAY'S CUSTOMERS NEED ADDITIONAL LINES FOR HOME BUSINESSES, FAXES, MODEMS, INTERNET ACCESS, VOICE MESSAGING, CALLER ID AND VARIOUS HIGH-SPEED DATA SERVICES FOR BUSINESSES. EVEN VIDEO. WE FORESEE CONTINUED GROWTH IN SALES — AND INCOME — AS WE MEET THOSE NEEDS IN THE YEARS AHEAD. Richard D. McCormick, Chairman and Chief Executive Officer, U S WEST, Inc.

DEAR SHAREOWNERS

1995 was the beginning of a new era for U S WEST Communications Group.

We continued to deliver an expanding array of services to millions of customers. We began to catch up on new-service orders in high-growth areas of the West. And as 1996 began, we welcomed a new telecommunications law that will change the entire industry.

We're changing, too. My team and I are taking the best of our past — a skilled workforce and a modern, 14-state telecommunications network — and adding new imperatives. Speed. Market responsiveness. Innovation. Results. And most important, a renewed commitment to our customers.

We share a basic belief: that success in this business depends on our capacity to serve, our ability to deliver and our commitment to being the best at connecting our customers to their world.

### 1995 Performance Highlights


We've made progress in three major performance areas: top-line growth, bottom-line results, and what I call "front-line" performance. Top-line growth (revenue or sales) shows us how customers value our service. Bottom-line performance (earnings and cash flow) tells us how well we're managing your investment. When we track "front-line" performance, we look at issues of leadership, communication, culture and results. Our goal is superior performance on all three fronts.

#### We achieved solid top-line growth in 1995.

We achieved record revenues and the strongest annual growth in customer access lines in the history of the company. Highlights for 1995 include:

- Total revenues increased 3.4 percent over 1994, driven by strong new-product sales, improved sales of value-added services and record growth in access lines.
- We added 606,000 access lines (adjusted for the sale of some rural telephone exchanges), an increase of 4.2 percent over 1994.
- Minutes of use, which reflect the volume of business we get from connecting long-distance calls, increased 9.6 percent.

We have terrific opportunities for top-line growth. Our region includes seven of the 10 fastest-growing states in the nation. Non-farm employment is growing at twice the national average. Delivering the services demanded by that growth has been challenging, and in 1995 we continued to have some difficulty meeting customers' needs in a few fast-growing areas.



RICHARD D. McCORMICK (left)  
Chairman and Chief Executive Officer,  
U S WEST, Inc.

SOL TRUJILLO  
President and Chief Executive Officer,  
U S WEST Communications Group

U S WEST COMMUNICATIONS GROUP  
FINANCIAL HIGHLIGHTS

YEAR ENDED DECEMBER 31.

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993	1992	1991
Operating revenues	\$ 9,484	\$ 9,176	\$ 8,870	\$ 8,530	\$ 8,345
Net income (loss)	1,176	1,150	(2,809)	(815)	771
Pro forma earnings per common share <sup>(1)</sup>	2.50	2.53	-	-	-
Pro forma dividends per common share <sup>(1)</sup>	2.14	2.14	-	-	-
EBITDA <sup>(2)</sup>	\$ 4,220	\$ 4,026	\$ 3,743	\$ 3,553	\$ 3,547
EBITDA margin <sup>(2)</sup>	44.5%	43.9%	42.2%	41.7%	42.5%
Value-added product and service revenues <sup>(3)</sup>	\$ 534	\$ 339	\$ 200	\$ 136	\$ 104
Normalized income <sup>(4)</sup>	1,107	1,099	979	930	944
Normalized pro forma earnings per common share <sup>(4)</sup>	2.35	2.42	-	-	-
Total assets	\$ 16,585	\$ 15,944	\$ 15,423	\$ 20,655	\$ 20,244
Total debt	6,754	6,124	5,673	5,181	5,287
Communications Group equity <sup>(5)</sup>	3,476	3,179	2,722	6,003	7,530
Return on Communications Group equity <sup>(5,6)</sup>	35.6%	39.0%	22.5%	13.7%	12.8%
Percentage of debt to total capital <sup>(5)</sup>	66.0%	65.8%	67.6%	46.3%	41.3%
Capital expenditures	\$ 2,739	\$ 2,477	\$ 2,226	\$ 2,385	\$ 2,194
Telephone network access lines in service (thousands)	14,847	14,336	13,843	13,345	12,935
Access minutes of use — interstate (millions)	47,801	43,768	40,594	37,413	35,144
Access minutes of use — intrastate (millions)	9,504	8,507	7,529	6,956	6,557
Communications Group employees	50,825	51,402	52,598	55,352	57,725
Telephone company employees	47,934	47,493	49,668	52,423	54,923
Telephone company employees per ten thousand access lines	32.3	33.1	35.9	39.3	42.5
Pro forma average common shares outstanding (thousands) <sup>(1)</sup>	470,716	453,316	-	-	-
Pro forma common shares outstanding (thousands) <sup>(1)</sup>	473,635*	469,343	-	-	-

\* Actual

- (1) Effective November 1, 1995, each share of U S WEST, Inc. common stock was converted into one share each of U S WEST Communications Group common stock and U S WEST Media Group common stock. Earnings and dividends per common share have been presented on a pro forma basis to reflect the two classes of stock as if they had been outstanding since January 1, 1994. For periods prior to the recapitalization, the average common shares outstanding are assumed to be equal to the average common shares outstanding for U S WEST, Inc.
- (2) Earnings before interest, taxes, depreciation, amortization and other ("EBITDA"). EBITDA also excludes gains on sales of rural telephone exchanges and restructuring charges. The Communications Group considers EBITDA an important indicator of the operational strength and performance of its businesses. EBITDA, however, should not be considered as an alternative to operating or net income as an indicator of the performance of the Communications Group's businesses or as an alternative to cash flows from operating activities as a measure of liquidity, in each case determined in accordance with GAAP.
- (3) Value-added includes products and services such as CLASS, Call Waiting, Voice Messaging Services and data services.
- (4) See page 11 for 1995, 1994 and 1993 normalized income and normalized pro forma earnings per common share calculations. 1992 normalized income excludes \$1,745 for the cumulative effect of change in accounting principles. 1991 normalized income excludes a restructuring charge of \$173.
- (5) The increase in the percentage of debt to total capital and return on Communications Group equity, and the decrease in Communications Group equity since 1992, are primarily due to the effects of discontinuing SFAS No. 71 in 1993 and the cumulative effect of change in accounting principles in 1992.
- (6) 1995 return on Communications Group equity is based on net income excluding extraordinary items. For 1994, there are no adjustments to net income for this calculation. 1993 return on Communications Group equity is based on net income excluding extraordinary items, a restructuring charge and the cumulative effect on deferred taxes of the 1993 federally mandated increase in income tax rates. 1992 return on Communications Group equity is based on income before the cumulative effect of change in accounting principles. 1991 return on Communications Group equity is based on net income excluding the effects of a restructuring charge.

U S WEST Communications Group (NYSE:USW) is an emerging distribution powerhouse. We package and deliver convenient, affordable communication products and services to more than 25 million customers.

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U S WEST Communications Group is one of two major groups that make up U S WEST. We offer basic telecommunications services — including local telephone services, long-distance services and network access services for long-distance and wireless companies — in 14 western and midwestern states. Over the years, we've enhanced the value of our basic telephone service by offering new products, such as Caller ID, Call Waiting, Voice Messaging, and other products with advanced features. In 1992, we became the first regional Bell company to offer high-speed data networking services. We also provide telecommunications and data networking equipment and services to business customers and government agencies nationwide.

U S WEST Communications Group is customer-focused, market-driven and performance-based. We have more than 50,000 dedicated employees working to package and deliver convenient, affordable communications products and services to our customers.

Our strategy is to earn our customers' business — by knowing exactly what they want, providing full-service solutions to their communications needs and delivering exceptional value.

Our goal is to do it better than anyone.

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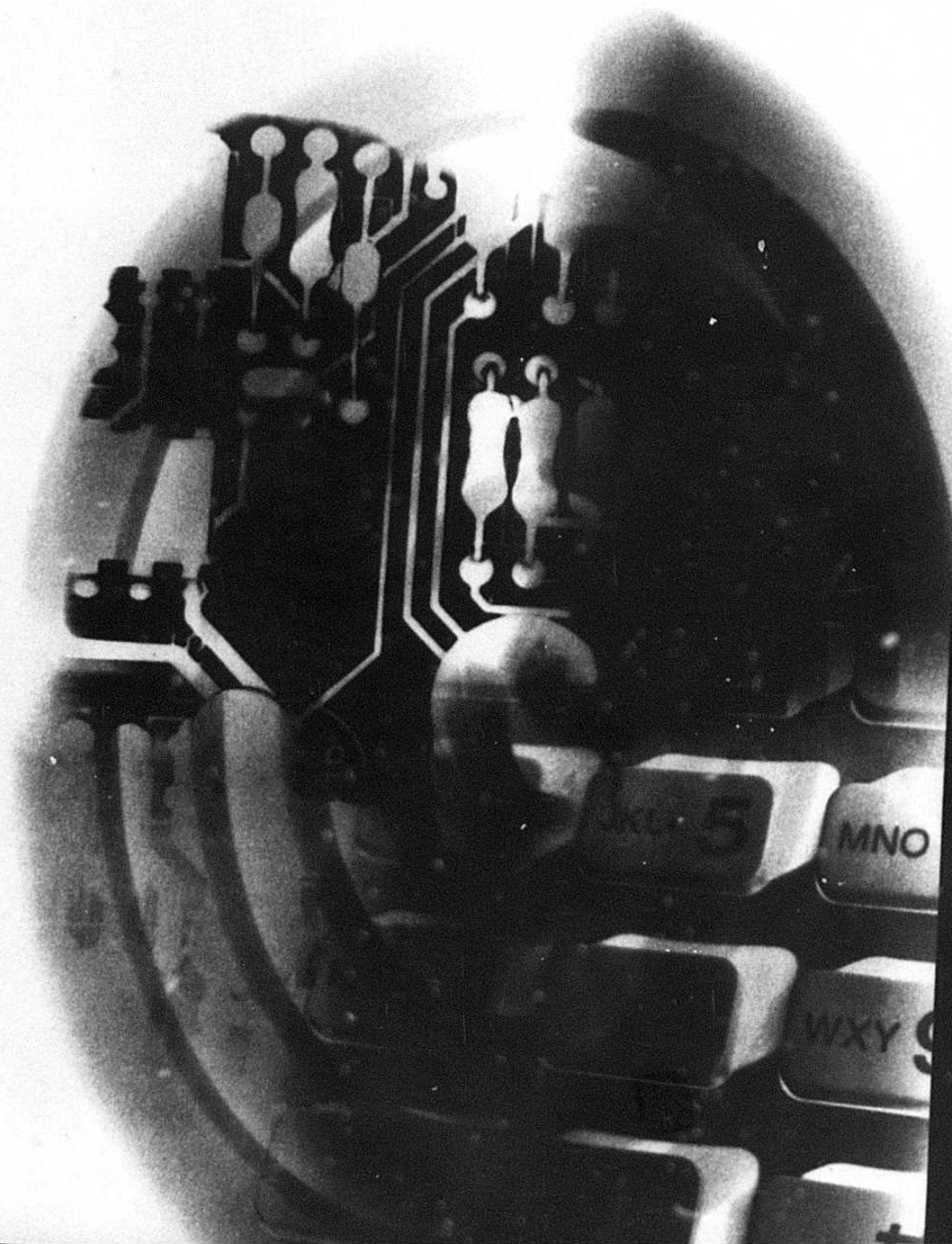
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# U S WEST Communications Group

1995 ANNUAL REPORT



U S WEST MEDIA GROUP  
FINANCIAL HIGHLIGHTS

YEAR ENDED DECEMBER 31,

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993	1992	1991
<b>Sales and other revenues:</b>					
Directory and information services	\$1,180	\$1,075	\$ 956	\$ 949	\$ 891
Wireless communications	941	781	561	407	325
Cable and telecommunications	215	18	-	-	-
Other	38	34	32	28	45
<b>Total sales and other revenues</b>	<b>\$2,374</b>	<b>\$1,908</b>	<b>\$1,549</b>	<b>\$1,384</b>	<b>\$1,261</b>
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 716</b>	<b>\$ 533</b>	<b>\$ 485</b>	<b>\$ 410</b>	<b>\$ 373</b>
Income from continuing operations before extraordinary item <sup>(2)</sup>	145	276	85	146	69
Earnings available for common stock <sup>(3)</sup>	138	276	-	-	-
<b>Total assets</b>	<b>\$8,615</b>	<b>\$7,394</b>	<b>\$5,446</b>	<b>\$3,130</b>	<b>\$3,235</b>
<b>Total debt <sup>(4)</sup></b>	<b>2,101</b>	<b>1,814</b>	<b>1,526</b>	<b>249</b>	<b>682</b>
Preferred securities <sup>(5)</sup>	651	51	-	-	-
Media Group equity	4,472	4,203	3,139	2,265	2,057
<b>Capital expenditures</b>	<b>\$ 401</b>	<b>\$ 343</b>	<b>\$ 215</b>	<b>\$ 169</b>	<b>\$ 231</b>
<b>Pro forma earnings per common share <sup>(3)</sup></b>	<b>\$ 0.29</b>	<b>\$ 0.61</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pro forma average common shares outstanding (thousands) <sup>(3)</sup></b>	<b>470,549</b>	<b>453,316</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Earnings before interest, taxes, depreciation, amortization and other (EBITDA).

(2) 1995 income from continuing operations before extraordinary item includes a gain of \$95 from the merger of TeleWest plc. ("TeleWest") with SBC CableComms (UK) and costs of \$9 associated with the November 1, 1995 recapitalization. 1994 income from continuing operations includes a gain of \$105 on the partial sale of U S WEST's joint venture interest in TeleWest and a gain of \$41 on the sale of U S WEST's paging operation. 1993 and 1991 income from continuing operations was reduced by restructuring charges of \$76 and \$57, respectively.

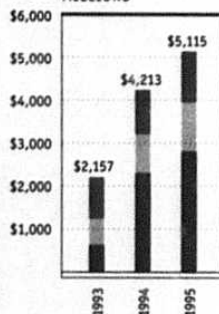
(3) Effective November 1, 1995, each share of U S WEST, Inc. common stock was converted into one share each of U S WEST Communications Group common stock and U S WEST Media Group common stock. Earnings per common share have been presented on a pro forma basis to reflect the two classes of stock as if they had been outstanding since January 1, 1994. For periods prior to the recapitalization, the average common shares outstanding are assumed to be equal to the average common shares outstanding for U S WEST, Inc.

(4) Excludes debt associated with the capital assets segment, which has been discontinued and is held for sale.

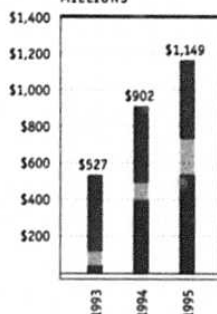
(5) Includes Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely Company-guaranteed debentures of \$600 in 1995 and preferred stock subject to mandatory redemption of \$51 in 1995 and 1994.

PROPORTIONATE DATA <sup>(6)</sup>

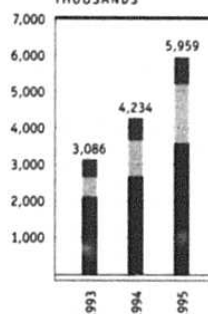
Sales and Other Revenues  
MILLIONS



EBITDA  
MILLIONS



Subscribers/  
Advertisers  
THOUSANDS



■ Directory and information services  
■ Wireless communications  
■ Cable and telecommunications

(6) Proportionate results are defined on page 12, Notes 1-2.



RICHARD D. McCORMICK (left)  
Chairman and Chief Executive Officer,  
U S WEST, Inc.

CHARLES M. LILLIS  
President and Chief Executive Officer,  
U S WEST Media Group

## CHAIRMAN'S MESSAGE

WE OPERATE IN ONE OF THE FASTEST GROWING INDUSTRIES IN THE WORLD. EACH DAY WE SEE EXAMPLES OF THE INCREASING USE OF NETWORKS TO COMMUNICATE AND CONDUCT BUSINESS. IN THE UNITED STATES ALONE, IT'S ESTIMATED THAT 50 MILLION PEOPLE WILL USE THE INTERNET ON A REGULAR BASIS BY THE YEAR 2000. THE PASSAGE OF THE TELECOMMUNICATIONS ACT WILL ONLY HASTEN THIS GROWTH AS MORE COMPANIES DEVELOP MORE SERVICES. U S WEST MEDIA GROUP IS READY FOR THESE NEW OPPORTUNITIES THROUGH ITS STRONG CABLE-TELEPHONY, WIRELESS AND DIRECTORY BUSINESSES IN SELECTED LOCAL MARKETS AROUND THE WORLD.

Richard D. McCormick, Chairman and Chief Executive Officer, U S WEST, Inc.

## DEAR SHAREOWNERS

U S WEST Media Group is composed of some of the best businesses in the world:

- *cable-telephony companies;*
- *cellular telephone and other wireless communications companies;*
- *directory publishing and other information services.*

During 1995, each of these businesses produced solid results, and we are off to an exciting start in 1996.

Early this year, we announced a dramatic step toward our future: the merger of Continental Cablevision into our company. Once that merger is completed, U S WEST Media Group will own or manage some of the best-clustered cable systems in the world. Added to our MediaOne cable system in Atlanta and our Time Warner Entertainment Partnership, we will have full ownership of cable systems serving 4.7 million customers and share in the management of an additional 11.5 million in the U.S. alone. Internationally, our cable systems will have access to another 13.9 million homes.

That means U S WEST Media Group will be one of the world's largest cable-telephony companies. It also means we are fulfilling our plan to build high-capacity local networks that carry voice, video, data and multimedia

services. Through a single cable, they'll connect customers to news, entertainment, shopping, government services, and more. We believe these networks will be an important tool in people's lives.

And the new telecommunications law opens even more doors for that future — and for U S WEST.

### 1995 Highlights

U S WEST Media Group is helping build this world through our cable, wireless and directory businesses. During 1995, we brought these services to nearly two million new customers. Some of this growth came from new operations, including cable systems in the Netherlands and the Czech Republic, and a wireless company in Malaysia. Other growth came through mergers, such as the one between our United Kingdom cable-telephony company, TeleWest, and SBC CableComms, adding nearly 132,000 customers. But most customer growth came from our existing businesses:

- *Customers of our cable-telephony services grew by more than 5 percent, excluding the effects of acquisitions. MediaOne in Atlanta led the way, increasing its customers by almost 7 percent — nearly twice the industry average.*



- Customers of our wireless services increased 67 percent led by the results of U S WEST Cellular (U.S.), One 2 One (U.K.), Westel (Hungary) and EuroTel (the Czech Republic and Slovakia).
- Our directory operations increased the number of advertisers by 7 percent.

We also reported strong financial growth. The following reflects proportionate results excluding one-time items:

- We increased sales to \$5.1 billion, a 17 percent increase over 1994.
- We produced EBITDA — earnings before interest, taxes, depreciation and amortization — of \$1.2 billion, a 17 percent increase over 1994.
- We increased sales of combined cable-telephony services to \$2.8 billion, up 13 percent. EBITDA was \$534 million, a 9 percent increase.
- We sold \$1.1 billion in wireless services, a 36 percent increase over 1994. EBITDA increased 130 percent, to \$186 million.
- We sold \$1.2 billion in directory advertising and other information services, an 11 percent increase. U S WEST Direct, our domestic Yellow Pages business, had a particularly strong year, increasing sales by 6 percent, more than twice the industry average. This was the fifth consecutive year U S WEST Direct led its peers in this area. EBITDA for directory and other "content" services worldwide was \$429 million, a 34 percent increase.

We also fulfilled our goal of unlocking the value in our stock. During the first 60 days of trading, the value of your investment in U S WEST Media Group increased more than 10 percent. We will continue to increase that value in the years ahead by operating those businesses with an eye on growth.

#### **Sound Strategy, Strong Management and Focused Employees**

To ensure continued growth in the years ahead:

- We will focus on three lines of business — cable-telephony, wireless, and directory and information services — operating in selected local markets around the world. We will continue to seek opportunities to strengthen all of these businesses, including our proposed merger of Continental Cablevision.
- We have built an extremely strong management team, developing and hiring experienced leaders.
- We have created a compensation plan that ties employees' pay to U S WEST Media Group stock performance.

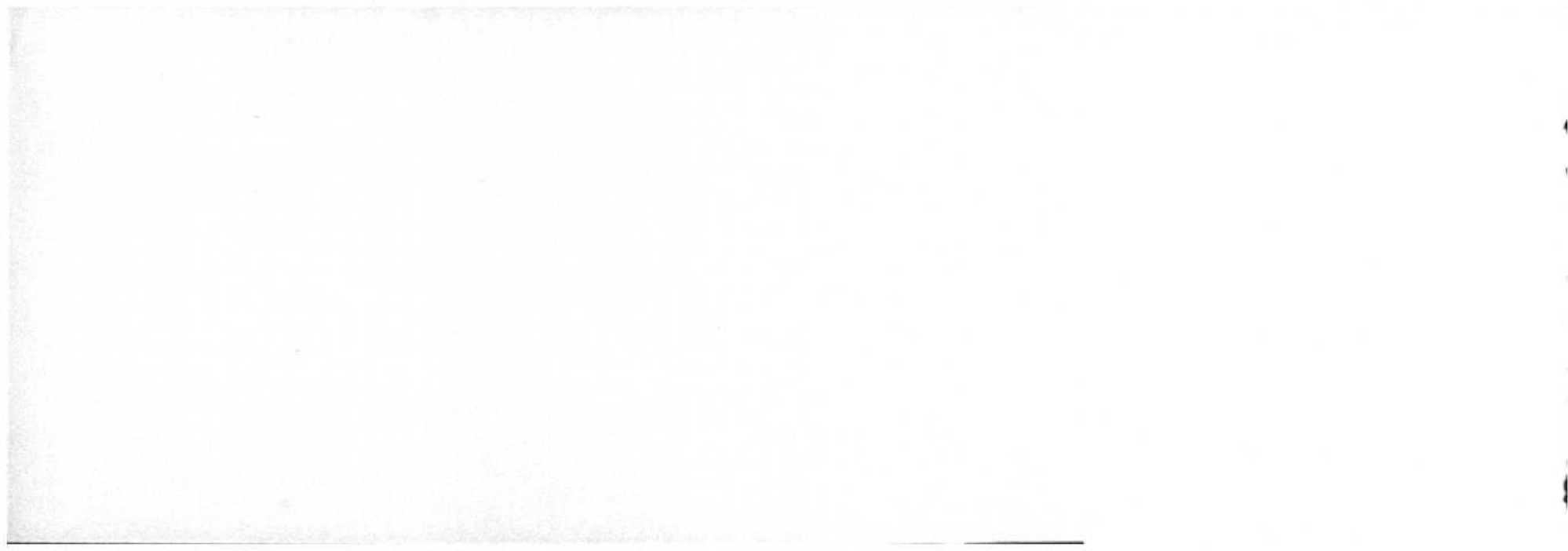
Among other steps we have taken to help these businesses grow: We won licenses to provide cellular telephone service in high-growth markets such as India and Poland. Both are markets with high economic growth and limited existing telecommunications services.

I look to the future with great confidence. We have an outstanding set of assets. We have a sound strategy, being implemented by a strong leadership team. We are pursuing the right opportunities in the right markets. This doesn't mean we don't have challenges. We need to resolve our differences with Time Warner over our investment in Time Warner Entertainment. While those differences attract a lot of attention, our day-to-day working relationship remains effective. We must also continually monitor our progress in all our businesses. If a business is not meeting our goals, we will either fix it or sell it.

We can meet those challenges and continue to build our businesses. I look forward to reporting to you next year on our successes in 1996.

*Charles M. Lillis*

CHARLES M. LILLIS  
President and Chief Executive Officer, U S WEST Media Group



# Cable-Telephony

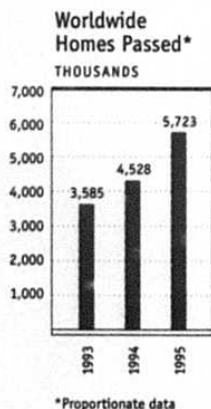
No technology matches cable for its ability to meet the needs of the emerging networked world. Only cable can deliver an expansive array of services at high speed on a fully interactive basis. In addition, cable is the only existing platform that allows true integration of voice, video and data services. Equipping a cable network to provide such features is possible on an incremental and economical basis, capable of producing high returns. Domestically, upgrades costing about \$200 per home passed enhance network quality and reliability. These upgrades also provide capacity for added channels, pay-per-view offerings, targeted advertising, high-speed data and personal computer connectivity. Further upgrades to provide telephony and multimedia services are possible on a largely variable cost basis.

The ability to upgrade the network in response to specific subscriber needs reduces the financial risk of providing enhanced services while generating significant returns. Telephony, for example, can produce returns approaching 25 percent with less than a 20 percent market share.

Recognizing this potential, U S WEST Media Group has assembled one of the best cable-telephony positions in the world. Following completion of the Continental Cablevision merger, Media Group's owned or managed properties will serve 16.2 million customers and pass 26.2 million homes. This merger strengthens U S WEST Media Group's position as a world-leader in the cable industry. During 1995, proportionate revenues from existing operations reached \$2.8 billion, up 13 percent from the previous year. Media Group cable-telephony operations generated \$534 million in proportionate EBITDA for a 9 percent increase compared with last year.

Three operations — MediaOne in Atlanta, the Time Warner Entertainment (TWE) properties and TeleWest in the U.K. — led the way in producing these outstanding results.

U S WEST Media Group purchased the Atlanta properties in 1994 with an appreciation of their potential for creating value. Results during 1995 validate this belief. During the year, MediaOne grew its subscriber base nearly 7 percent, about twice the industry average. This growth, combined with operational improvements, resulted in revenues of \$215 million and \$100 million in EBITDA. To further enhance the potential of this system, MediaOne will begin providing switched telephone service across its cable



network late in 1996. An aggressive network upgrade plan calls for all homes passed by MediaOne to have cable-telephony access by the end of 1998.

Such upgrades play an important role in the Media Group's cable strategy. Through our partnership with TWE, we have established a national presence capable of providing cable-telephony service. Working together, the partners are providing local telephone service in Rochester, New York, with plans for future expansion. By 1997, TeleWest, the world's largest provider of cable-telephony service, plans to pass 80 percent of the 4.1 million homes it is franchised to serve. It also plans to offer services such as high-speed Internet access in response to market demands.

U S WEST Media Group also operates cable-telephony ventures in the Netherlands, Japan, the Czech Republic and Malaysia.

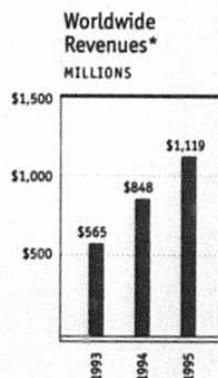
CABLE-TELEPHONY		
MAJOR OPERATIONS (TOTAL VENTURE)	HOMES PASSED (THOUSANDS)	SUBSCRIBERS (THOUSANDS)
MediaOne	848	527
Continental*	7,200	4,200
Time Warner Entertainment	14,500	9,500
TeleWest plc (U.K.)		
Cable	2,100	457
Telephony lines	-	527
KTA (Netherlands)	519	487

\* Pending acquisition.

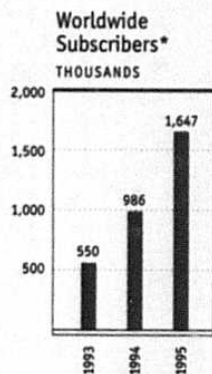


# Wireless

To succeed in the high-growth domestic wireless market, U S WEST Media Group is developing a national presence. Such a position allows us to maintain and grow market share, develop and expand powerful distribution partnerships, establish low-cost positions and differentiate our offerings from our competitors. Internationally, Media Group seeks to introduce new technology into existing markets and leverage our own and other limited telecommunications services and high economic growth.



\*Proportionate data



\*Proportionate data

During 1995, U S WEST Media Group's worldwide wireless operations produced impressive proportionate results. Revenue from wireless operations increased 36 percent to \$1.1 billion. Subscribers increased 67 percent to 1.7 million worldwide. EBITDA doubled when compared with last year.

U S WEST Cellular, the Media Group's domestic cellular operation, was a critical component of this success. On a proportionate basis, U S WEST Cellular:

- Grew its subscriber base by 64 percent.
- Increased service revenue 39 percent.
- Expanded EBITDA margins to nearly 32 percent.
- Generated EBITDA growth of 40 percent.

To further improve this performance, the Media Group took steps to position this business to compete on a national basis.

In 1995, U S WEST Cellular closed the first phase of its merger with AirTouch to create the nation's third largest cellular company. The combined operations of these companies serve 16 of the top 30 cellular markets. As the first step in this phased merger, the two companies now

operate under a joint management structure known as the Wireless Management Company (WMC). While the cellular operations of the two companies remain separate, the WMC allows the companies to reduce overhead costs, pool resources and share wireless expertise. With the recent passage of national telecommunications legislation, this merger should be completed by the end of 1996.

U S WEST Cellular and AirTouch further strengthened their operation through an alliance with Bell Atlantic and NYNEX. This marketing and technical alliance creates the largest incumbent cellular provider in the nation. To improve operations of the four partners, the alliance sets technical and service standards, establishes joint purchasing agreements, administers roaming capabilities, implements network plans and manages distribution channels and accounts on a national basis.

WIRELESS			
MAJOR OPERATIONS (TOTAL VENTURE)	POPs (MILLIONS)	SUBSCRIBERS (THOUSANDS)	% CHANGE FROM 1994
U S WEST Cellular	20	1,500	51.1%
U S WEST Cellular/AirTouch*	58	3,600	51.5
U S WEST Cellular/AirTouch/Bell Atlantic/NYNEX**	168	7,000	47.5
PCS PrimeCo***	57	Not operational	Not applicable
One 2 One (U.K.)	58	375	82.9
Westel 450 and 900 (Hungary)	11	195	65.5
EuroTel (Czech Republic and Slovakia)	16	58	81.2

\* Subscribers are on a proportionate basis for both companies.  
\*\* Includes existing cellular properties as well as PCS licenses acquired during the FCC auction.  
\*\*\* Includes PCS licenses acquired during the FCC auction.

Representing these companies, PCS PrimeCo acquired selected Personal Communication Services (PCS) properties in last year's FCC auction. The alliance will use these markets to broaden its national wireless footprint and allow it to serve 19 of the top 20 wireless markets. PCS PrimeCo expects to offer service later this year.

During the year, the number of subscribers to international wireless operations increased 86 percent at the venture level to 681,800. U S WEST Media Group operates, or has licenses to provide, wireless service in the United Kingdom, Hungary, India, Malaysia, Japan, Poland, Russia, the Czech Republic and Slovakia.

usage



Information Guide

No computer required

The

TV

INWES

Pages

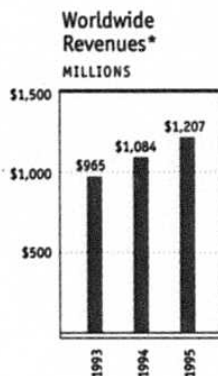


# Directory/Information Services

Media Group strengthens its position by delivering content in traditional and interactive media through two businesses — U S WEST Marketing Resources Group and U S WEST Interactive Services Group. U S WEST Marketing Resources Group connects buyers and sellers through printed and electronic directories and database marketing. Its primary focus is on the industry-leading Yellow Pages directory business. The newly formed U S WEST Interactive Services Group focuses on the acquisition, development and packaging of broadband and narrowband services for the Internet and interactive television.

In 1995, U S WEST Marketing Resources Group produced strong results through its core business, U S WEST Direct:

- Billed revenue was \$1.0 billion.
- Published revenue grew 7 percent, more than twice the average of major directory publishers.
- EBITDA was \$519 million, a 9 percent increase over last year.
- EBITDA margins exceeded 50 percent, reflecting a five-year high.



\*Proportionate data

U S WEST Direct works hard to maintain its industry leadership while pursuing growth strategies to enhance and extend the profitability of its core product. One measure of this success is that nearly 480,000 local and 5,600 national businesses advertise in its Yellow Pages. Among these advertisers, 95 percent renew their advertising.

Another gauge is usage. On average, consumers refer to U S WEST Direct books nearly three times a week. Based on consumer research,

U S WEST Direct has added new features, rescoped key directories to more accurately reflect consumer shopping patterns and redesigned directories to include new navigational and community features.

U S WEST Marketing Resources also extends the directory franchise and improves market share through direct marketing. Direct mail lists in a variety of formats help sellers identify which customers are likely to buy. U S WEST Marketing Resources is the leading list provider in the 14-state U S WEST region, with a database of more than 8 million residential listings and 1 million businesses.

As consumers migrate to electronic media, U S WEST Marketing Resources prepares to deliver information in the medium of choice. In 1995, the company expanded its advertiser-sponsored interactive audio service, Q&A. This service provides free access to community and consumer information and generated nearly 13 million calls in 1995. Internet-based directories are being introduced in 1996. Customers can use this service's powerful search capabilities and hyperlinks to advertisers' home pages to find up-to-date local information quickly and easily via the World Wide Web.

U S WEST Interactive Services Group will package information services for distribution across Media Group's networks. GOtv, launched on Time Warner Cable's Full Service Network in November, is the group's first commercial product. Using GOtv, customers view first-run movie previews, watch film reviews, research theater and show-times, scan restaurant menus and determine locations of local events and attractions. The group's current efforts focus on World Wide Web services.

Media Group replicates the success of its domestic directory business through its publishing operations in Brazil, Poland and the United Kingdom.

DIRECTORIES			
	ADVERTISERS (THOUSANDS)	REVENUE (MILLIONS)	
		1995	% CHANGE FROM 1994
TOTAL VENTURE	1995	1995	
U S WEST Direct	479 <sup>(1)</sup>	\$1,026	6.4%
Thomson (U.K.)	109	98	-
Listel (Brazil)	187	35 <sup>(2)</sup>	-
Polska (Poland)	68	24	78.1

(1) Local advertisers.  
(2) Fourth quarter revenue.

U S WEST MEDIA GROUP  
CONDENSED COMBINED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31.

DOLLARS IN MILLIONS (EXCEPT PER SHARE AMOUNTS)	1995	1994	1993
<b>Sales and other revenues:</b>			
Directory and information services	\$1,180	\$1,075	\$ 956
Wireless communications	941	781	561
Cable and telecommunications	215	18	-
Other	38	34	32
<b>Total sales and other revenues</b>	<b>2,374</b>	<b>1,908</b>	<b>1,549</b>
<b>Operating expenses <sup>(1)</sup></b>	<b>1,907</b>	<b>1,519</b>	<b>1,311</b>
<b>Income from operations</b>	<b>467</b>	<b>389</b>	<b>238</b>
Interest expense	100	66	27
Gains on merger and partial sale of joint venture interest, and asset sale	157	232	-
Equity losses in unconsolidated ventures	207	121	74
Other income (expense) — net	(9)	46	9
<b>Income from continuing operations before income taxes and extraordinary item</b>	<b>308</b>	<b>480</b>	<b>146</b>
Provision for income taxes	163	204	61
<b>Income from continuing operations before extraordinary item</b>	<b>145</b>	<b>276</b>	<b>85</b>
Discontinued operations	-	-	(82)
<b>Income before extraordinary item</b>	<b>145</b>	<b>276</b>	<b>3</b>
Extraordinary item — early extinguishment of debt	(4)	-	-
<b>Net income</b>	<b>141</b>	<b>276</b>	<b>3</b>
Dividend on preferred stock	3	-	-
<b>Earnings available for common stock</b>	<b>\$ 138</b>	<b>\$ 276</b>	<b>\$ 3</b>
<b>Pro forma earnings per common share: <sup>(2)</sup></b>			
Income before extraordinary item	\$ 0.30	\$ 0.61	-
Extraordinary item — early extinguishment of debt	(0.01)	-	-
<b>Pro forma earnings per common share</b>	<b>\$ 0.29</b>	<b>\$ 0.61</b>	<b>-</b>
<b>Pro forma average common shares outstanding (thousands) <sup>(2)</sup></b>	<b>470,549</b>	<b>453,316</b>	<b>-</b>

(1) 1993 operating expenses include a restructuring charge of \$120.

(2) Effective November 1, 1995, each share of U S WEST, Inc. common stock was converted into one share each of U S WEST Communications Group common stock and U S WEST Media Group common stock. Earnings per common share have been presented on a pro forma basis to reflect the two classes of stock as if they had been outstanding since January 1, 1994. For periods prior to the recapitalization, the average common shares outstanding are assumed to be equal to the average common shares outstanding for U S WEST, Inc.

U S WEST MEDIA GROUP  
CONDENSED COMBINED BALANCE SHEETS

DECEMBER 31.

DOLLARS IN MILLIONS	1995	1994
<b>ASSETS</b>		
Current assets	\$ 741	\$ 756
Property, plant and equipment — net	1,148	956
Investments in unconsolidated ventures, including Time Warner Entertainment	3,994	3,403
Intangible assets — net	1,798	1,858
Other assets — net	934	421
<b>Total assets</b>	<b>\$8,615</b>	<b>\$7,394</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities	\$1,569	\$1,933
Long-term debt	1,265	585
Deferred income taxes, credits and other	658	622
Mandatorily redeemable preferred securities	651	51
Media Group equity	4,472	4,203
<b>Total liabilities and equity</b>	<b>\$8,615</b>	<b>\$7,394</b>

U S WEST MEDIA GROUP  
CONDENSED COMBINED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31.

DOLLARS IN MILLIONS	1995	1994	1993
Net income	\$ 141	\$ 276	\$ 3
Adjustments to net income	456	216	396
Changes in operating assets, liabilities and other — net	43	59	124
<b>Cash provided by (used for):</b>			
Operating activities	640	551	523
Investing activities	(1,238)	(1,422)	(1,987)
Financing activities	525	993	804
<b>Cash (used for) provided by continuing operations</b>	<b>(73)</b>	<b>122</b>	<b>(660)</b>
<b>Cash (to) from discontinued operations</b>	<b>—</b>	<b>(101)</b>	<b>610</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(73)</b>	<b>21</b>	<b>(50)</b>
Beginning balance, cash and cash equivalents	93	72	122
<b>Ending balance, cash and cash equivalents</b>	<b>\$ 20</b>	<b>\$ 93</b>	<b>\$ 72</b>



U S WEST MEDIA GROUP  
SELECTED PROPORTIONATE DATA <sup>(1)</sup>

DOLLARS IN MILLIONS	CABLE AND TELECOMMUNICATIONS		WIRELESS COMMUNICATIONS		DIRECTORY AND INFORMATION SERVICES		TOTAL
	DOMESTIC <sup>(2)</sup>	INTERNAT'L	DOMESTIC	INTERNAT'L	DOMESTIC	INTERNAT'L	
<b>YEAR ENDED DECEMBER 31,</b>							
<b>1995</b>							
Sales and other revenues	\$2,661	\$ 128	\$ 824	\$295	\$1,065	\$142	\$5,115
EBITDA	589	(55)	226	(40)	426	3	1,149
Operating income (loss)	181	(117)	116	(92)	398	(10)	476
Net income (loss)	(72)	18	50	(80)	238	(13)	141
Subscribers/advertisers (thousands)	2,945	617	1,339	308	479	271	5,959
<b>1994</b>							
Sales and other revenues	\$2,196	\$ 85	\$ 662	\$186	\$1,005	\$ 79	\$4,213
EBITDA	436	(42)	161	(68)	413	2	902
Operating income (loss)	120	(73)	76	(103)	389	(8)	401
Net income (loss)	(42)	65	74	(68)	251	(4)	276
Subscribers/advertisers (thousands)	2,407	226	817	169	468	147	4,234
<b>1993</b>							
Sales and other revenues	\$ 568	\$ 59	\$ 487	\$ 78	\$ 958	\$ 7	\$2,157
EBITDA	81	(42)	121	(48)	418	(3)	527
Operating income (loss)	(7)	(64)	(25)	(53)	347	(3)	195
Income (loss) from continuing operations	(31)	(49)	(31)	(22)	221	(3)	85
Subscribers/advertisers (thousands)	1,837	215	509	41	459	25	3,086

(1) Selected proportionate data is not required by GAAP or intended to replace the Combined Financial Statements prepared in accordance with GAAP. It is presented supplementally because the Company believes that proportionate data facilitates the understanding and assessment of its Combined Financial Statements. Proportionate accounting reflects the Media Group's relative ownership interests in operating revenues and expenses for both its consolidated and equity method investments. The table includes allocations of Media Group corporate activity. The table does not reflect financial data of the capital assets segment which has been discontinued and is held for sale.

(2) The proportionate results include the Media Group's 25.51 percent pro rata priority and residual equity interests in reported Time Warner Entertainment results.

U S WEST MEDIA GROUP  
REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors  
and Shareowners of U S WEST, Inc.:

We have audited, in accordance with generally accepted auditing standards, the Combined Balance Sheets of U S WEST Media Group as of December 31, 1995 and 1994, and the related Combined Statements of Operations and Cash Flows for each of the three years in the period ended December 31, 1995, appearing in the proxy statement ("Proxy Statement") for the 1996 annual meeting of shareowners of U S WEST, Inc. (not presented herein); and in our report dated February 12, 1996, except for Note 5, paragraph 3, as to which the date is February 27, 1996, also appearing in that Proxy Statement, we expressed an unqualified opinion on those Combined Financial Statements. In our opinion, the information set forth in the accompanying Condensed Combined Financial Statements is fairly presented, in all material respects, in relation to the Combined Financial Statements from which it has been derived.

As more fully discussed in Note 2 to the Combined Financial Statements contained in the Proxy Statement, the Combined Financial Statements of U S WEST Media Group should be read in connection with the audited Consolidated Financial Statements of U S WEST, Inc.

We have also audited the Supplementary Selected Proportionate Results of Operations for each of the three years in the period ended December 31, 1995, appearing in the Proxy Statement.

In our opinion, the total sales and other revenues, the total operating income and the total net income set forth in the accompanying U S WEST Media Group Selected Proportionate Data is fairly presented, in all material respects, in relation to the Supplementary Selected Proportionate Results of Operations from which it has been derived. The individual amounts of sales and other revenues, operating income (loss) and net income (loss) presented within cable and telecommunications, wireless communications, and directory and information services, all presented in the Selected Proportionate Data, are fairly stated in all material respects in relation to the Selected Proportionate Results of Operations taken as a whole. We did not audit EBITDA or subscribers/advertisers data as presented in the Selected Proportionate Data.

Coopers & Lybrand L.L.P.  
Denver, Colorado  
February 12, 1996

U S WEST MEDIA GROUP OFFICERS

**Charles M. Lillis**  
President and  
Chief Executive Officer

**A. Gary Ames**  
President and Chief Executive Officer  
U S WEST International

**Stephen D. Boyd**  
President and Chief Executive Officer  
U S WEST Marketing Resources Group, Inc.

**Roger K. Christensen**  
Vice President  
Group Operations and Strategy

**Douglas D. Holmes**  
Vice President and  
Chief Financial Officer

**Patti A. Klinge**  
Vice President  
Human Resources

**John L. O'Farrell**  
President  
U S WEST Interactive Services, Inc.

**Thomas E. Pardun**  
President and Chief Executive Officer  
U S WEST Multimedia Communications, Inc.

**Janice C. Peters**  
President  
Wireless Operations and Investments

**Judith A. Servoss**  
Vice President  
Public Relations

**Pearré Williams**  
President  
Corporate Development Division  
U S WEST, Inc.

U S WEST, INC.  
BOARD OF DIRECTORS



**Remedios Diaz-Oliver (57)**  
The chief executive officer and president of All American Container Inc., which sells and distributes glass, plastic and metal containers for a variety of products worldwide. Ms. Diaz-Oliver joined the U S WEST board in 1988.



**Grant A. Dove (67)**  
The managing partner of Technology Strategies and Alliances, a strategic planning and investment banking firm. Mr. Dove spent nearly 30 years in a number of executive positions with Texas Instruments. He joined the U S WEST board in 1988, and chairs the Human Resources Committee.



**Allan D. Gilmour (61)**  
The former vice chairman of the Ford Motor Company, Mr. Gilmour held several executive assignments after joining Ford in 1960. He served as the company's chief financial officer before taking over leadership of its international automotive operations and, later, the Ford Automotive Group. He joined the U S WEST board in 1992, and chairs the Audit Committee.



**Pierson M. Grieve (68)**  
The chairman and chief executive officer of Ecolab Inc., a leading worldwide developer and marketer of premium cleaning, sanitizing and maintenance products and services for the hospitality, institutional and residential markets. He joined the U S WEST board in 1990, and chairs the Board Affairs Committee.



**Shirley M. Hufstедler (70)**  
Senior Of Counsel to the law firm of Morrison & Foerster. She served as secretary of education during the Carter administration and, for 11 years, as a judge for the 9th U.S. Circuit Court of Appeals. Ms. Hufstедler joined the U S WEST board in 1983, and chairs the Public Policy Committee.



**Allen F. Jacobson (69)**  
The former chairman and chief executive officer of 3M. Mr. Jacobson has been a member of the U S WEST board since 1983, and chairs the Corporate Development and Finance Committee.



**Richard D. McCormick (55)**  
Named president and chief executive officer of U S WEST January 1, 1991, and chairman of the board May 1, 1992. Mr. McCormick was president of Northwestern Bell Telephone Company before joining U S WEST as executive vice president in 1985. He became a member of the company's board in 1986.



**Marilyn Carlson Nelson (56)**  
The vice chair of Carlson Holdings Inc., a group of companies involved in marketing services, travel and hospitality services. She joined the U S WEST board in 1993.



**Frank Popoff (60)**  
The chairman and former chief executive officer of The Dow Chemical Company. Since joining Dow Chemical in 1959, he also served as the company's president and chief operating officer and executive vice president for international operations. Mr. Popoff joined the U S WEST board in 1993 and chairs the Trust Investment Committee.



**Jerry O. Williams (57)**  
The president and chief executive officer of Grand Eagle Enterprises Inc., a private investment group. Mr. Williams is the former president and chief operating officer of AM International Inc., a manufacturer and seller of design, display, reproduction and finishing products and supplies in the graphics industry. He joined the U S WEST board in 1988.



U S WEST, INC.  
OFFICERS

**Richard D. McCormick**  
Chairman and Chief Executive Officer

**James T. Anderson**  
Acting Executive Vice President and  
Chief Financial Officer

**Charles P. Russ III**  
Executive Vice President, Law and Human  
Resources, General Counsel and Secretary

**James H. Stever**  
Executive Vice President, Public Policy

**H. Laird Walker**  
Vice President, Federal Relations

*This 1995 summary annual report provides an overview of the financial condition and financial and operating results of U S WEST, Inc., U S WEST Communications Group and U S WEST Media Group. More detailed financial information appears in the U S WEST, Inc. proxy statement mailed with the summary annual report to shareowners of record as of April 8, 1996, in accordance with the regulations of the Securities and Exchange Commission.*

SHAREOWNER INFORMATION

for U S WEST Communications Group and U S WEST Media Group

**General Inquiries**

For inquiries about accounts, stock certificates, U S WEST Communications Group dividend checks, stock transfers, or for copies of earnings releases, 10-K Reports or Investor Handbooks, write to U S WEST, P. O. Box 8935, Boston, MA 02266-8935, or call toll-free, 1-800-537-0222. Shareowners calling from Alaska, Hawaii, or outside the United States, may call collect, 0-505-989-2004.

Beneficial Shareowners (shares held by your broker in the name of a brokerage house) should direct questions on administrative matters directly to the broker.

**Shareowner Investment Plan**

Shareowners may reinvest all or part of their U S WEST Communications Group dividend into additional shares of either Communications Group or Media Group stock. They also may make optional cash payments to purchase additional shares of either group. Write to U S WEST, P. O. Box 8936, Boston, MA 02266-8936, or call 1-800-537-0222 for details.

**Change of Address**

Call toll-free, 1-800-537-0222, with change of address information as promptly as possible to ensure proper and timely delivery of U S WEST Communications Group dividends and important mailings about U S WEST.

**Missing Stock Certificates**

If you believe that your stock certificates have been lost, stolen, or destroyed, immediately call our toll-free number, 1-800-537-0222, for information and further instructions. To avoid loss, theft, or destruction, we recommend that you keep your certificates in a secure place such as a safe deposit box at your bank.

**Duplicate Mailings**

If you receive more than one annual report or U S WEST Communications Group dividend check and both have exactly the same registration, you may call toll-free, 1-800-537-0222, to consolidate your accounts. Your cooperation in eliminating unnecessary accounts will help reduce expenses and provide added convenience for you.

**U S WEST Communications Group**

**Dividend Checks Not Received**

If your dividend check does not arrive on the appropriate date, we suggest that you wait about ten days to allow for any delay in mail delivery. After that time, please call us at 1-800-537-0222 to request a replacement check.

**Annual Shareowner Meeting**

The Annual Meeting of Shareowners will be held at 10 a.m. CDT on Friday, June 7, 1996, in the Benton Auditorium, Scheman Conference Center, Iowa State University, Ames, Iowa. A signer will be at the meeting to assist the hearing impaired.

**Stock Exchanges**

Both U S WEST common stocks are listed on the New York, Pacific, Zurich, Basel, Geneva, and Amsterdam Stock Exchanges. The U S WEST Communications Group ticker symbol is "USW," and the U S WEST Media Group ticker symbol is "UMG."

**Tax Basis Information**

Investors who owned U S WEST, Inc. common stock on October 31, 1995, received shares of U S WEST Media Group stock in a tax-free, one-for-one distribution. U S WEST, Inc. shares were converted to represent U S WEST Communications Group shares. You should allocate 59.82% of your original cost basis price (purchase price) to U S WEST Communications Group and 40.18% to U S WEST Media Group.

**Taxpayer Identification Number**

Federal law requires that a shareowner provide a certified Taxpayer Identification Number (TIN) for his or her shareowner account. For an individual shareowner, your TIN is your Social Security Number. If a certified TIN is not provided, we are required to withhold 31% of your U S WEST Communications Group dividend for federal income taxes.

**To Transfer Stock or Make a Name Change**

A stock transfer is required when shares are sold or given to someone, when one or more of the owners is deceased, or when there is a change in name or ownership. To transfer stock, please call our toll-free number, 1-800-537-0222, for assistance. For a stock transfer, your signature(s) must be Medallion guaranteed by a commercial bank or broker.

**Corporate Headquarters**

U S WEST, Inc.  
7800 East Orchard Road  
P. O. Box 6508  
Englewood, CO 80155-6508  
(303) 793-6500  
<http://www.uswest.com>

**USWEST**

TO OUR SHAREOWNERS

Two pathways to the future — each exciting, yet dramatically different — led U S WEST shareowners in 1995 to approve the replacement of U S WEST stock with two new classes of stock.

One tracks the performance of U S WEST Communications Group, our 14-state local telecommunications business. The other stock follows U S WEST Media Group — our directory, cellular, cable-TV and international telecommunications businesses.

Our goal in this targeted stock plan was to unlock the value represented by these two businesses, which we felt was not fully reflected in the price of the old U S WEST shares.

The stock change became effective on November 1. By year end, the new U S WEST stocks combined were up 14.1 percent since the change — and 53.3 percent for the year. Including dividends, total return for the year was 61.2 percent. The market value of your company increased \$8.9 billion during the year.

An investment in U S WEST was up more than the average of regional "Bell company" stocks for the year, and more than the average of 500 stocks measured by the commonly used Standard & Poor's index.

So I feel that the targeted stock plan has been a success, both in unlocking U S WEST's value, and in clarifying that we're in two exciting businesses — whose futures appear very bright, indeed.

Elsewhere in this report, those businesses' new leaders — Sol Trujillo and Chuck Lillis — report on their activities in 1995 and their goals for 1996 and beyond.

Early in 1996, a new, national telecommunications law went into effect. It opens the doors to a new era of competition and customer

choice for local as well as long-distance telephone services, and combined cable-TV and telephone systems.

While the various states and the Federal Communications Commission have yet to complete their rule-making, we're confident the new policy is a tremendous opportunity for U S WEST.

Both U S WEST Communications Group and U S WEST Media Group are preparing to compete in new markets, as well as to retain their customers' loyalty in old markets. I foresee a world in which telecommunications will make it dramatically easier for people to stay in touch, do their work, get information and enjoy entertainment.

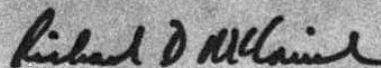
Our customers said "yes!" to that vision in 1995, through their enthusiastic response to our new cable-telephony services, our Internet access service, high-speed data services, package deals on home communications

services, cellular and other wireless communication services and more — here and around the world.

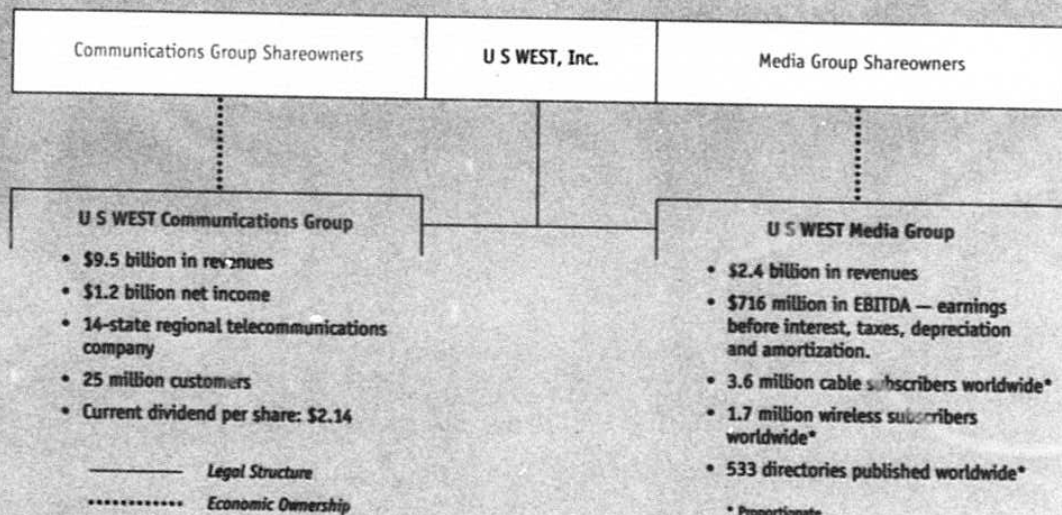
We're working hard to meet our customers' needs, both by developing new services and by dealing aggressively with the service-installation problems that have affected some of the high-growth areas in our 14-state region.

Looking ahead, I see exciting times for both U S WEST businesses. And I believe their ability to share resources and perspectives, within a single U S WEST, remains good for them — and for our customers, employees and owners.

Sincerely,



RICHARD D. McCORMICK  
Chairman and Chief Executive Officer, U S WEST, Inc.



ATTACHMENT IV

MANAGERIAL AND TECHNICAL CAPABILITIES



**U S WEST Long Distance**

**MANAGERIAL AND TECHNICAL CAPABILITIES**

Richard K. Coleman, Jr., President

Richard Coleman is responsible for the strategic direction of U S WEST Long Distance and implementing and managing its vision as a full service telecommunications company. Mr. Coleman began his telecommunications career while in the United States Air Force where he was the Director of Communications Operations (Captain) at Pope Air Force Base in North Carolina. Mr. Coleman's experience in telecommunications is vast, having held management positions with United Telephone Company of Pennsylvania, Sprint Communications Corporation in Kansas City, Centex Telemanagement Inc. in San Francisco and Frontier Communications International in Rochester. Mr. Coleman holds a B. S. degree from the United States Air Force Academy and an MBA from Golden Gate University.

Kathy R. Stephens, Vice President - Business Planning

Kathy Stephens has more than fifteen years in management and senior management positions in the telecommunications industry. As Vice President of U S WEST Long Distance she is responsible for daily operations, legal and public policy issues, pricing, product and channel strategy and negotiations with underlying carriers. Ms. Stephens began her telecommunications career with U S WEST Communications, Inc. in 1979 as a budget analyst and has held the positions of Director - Costs, Rates and Regulatory Matters and Director - Strategic Pricing in 1987 and 1989 respectively. Ms. Stephens is a graduate of Utah State University with a BA in Business Administration.

**U S WEST Long Distance**

**MANAGERIAL AND TECHNICAL CAPABILITIES, CON'T.**

Robert D. Tregemba, Vice President - Operations

Mr. Tregemba is responsible for the start up and implementation of all operating aspects of U S WEST Long Distance, including program management, technical product development, service management and maintenance, systems development for operations and customer service, network modeling and forecasting and network engineering and operations. Prior to joining U S WEST Long Distance, Mr. Tregemba was Executive Vice President of Engineering and Operations with SP Telecom/Qwest with responsibility for all engineering and network operations. He began his telecommunications career in 1970 with Southwestern Bell Telephone Company and then held numerous management positions with Sprint Communications Corporation. Mr. Tregemba holds a BS in Civil Engineering from Kansas University and a BS in Mathematics from Baker University.



210 N. Park Ave.  
P.O. Drawer 200  
Winter Park, FL  
32790-0200

Tel: 407-740-8575  
Fax: 407-740-0613

November 21, 1996  
**OVERNIGHT**

Florida Public Service Commission  
Division of Administration, Room G-50  
101 East Gaines Street  
Tallahassee, FL 32399-0850

DEPOSIT TREAS. REC. DATE  
07 ( ) / 11 21 96

RE: Initial Application and Tariff of U S WEST Long Distance, Inc. for Authority to Provide Interexchange Telecommunications Services within the State of Florida.

Dear Sir/Madam:

Enclosed for filing are the original and twelve (12) copies of the above-referenced application of U S WEST Long Distance, Inc.

Also enclosed is a Technologies Management, Inc. check in the amount of \$250 to cover the filing fee.

Please acknowledge receipt of this filing by returning, filed stamped, the extra copy of this letter in the self-addressed stamped envelope.

I may be reached at (407) 740-8575 with any questions, comments or correspondence regarding this application. Thank you for your assistance.

FOR SECURITY PURPOSES, THE BORDER OF THIS DOCUMENT CONTAINS MICROPRINTING



P.O. Drawer 200  
Winter Park, FL  
32790-0200

210 N. Park Avenue  
Winter Park, FL 32789  
(407) 740-8575



250 PARK AVENUE  
WINTER PARK, FLORIDA 32789

63-319/631

15212

NUMBER

15212

PAY: TWO HUNDRED FIFTY DOLLARS

DATE

11/21/96

AMOUNT

\*\*\*\*\*\$250.00

TO THE ORDER OF  
FLORIDA PUBLIC SERVICE COMM.  
RECORDS & REPORTING  
2540 SHUMARD OAK BLVD.  
TALLAHASSEE FL 32399-0850

TECHNOLOGIES MANAGEMENT, INC.

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW