PART I

ITEM 2. PROPERTIES

The properties of the Company do not lend themselves to description by character and location of principal units. At December 31, 1992, the percentage distribution of total net telephone plant by major category for the Company was as follows:

a.	Connecting lines not on customers' premises	41%
b.	Central office equipment	39%
c.	Land and buildings (occupied principally by central offices)	11%
d.	General equipment and vehicles	8%
e.	Miscellaneous equipment and inside wiring (substantially all of which are on the premises of customers) ...	1%

At December 31, 1992, substantially all of the installations of central office equipment were located in buildings owned by the Company situated on land which it owns in fee, while many garages, and administrative and business offices were in leased quarters.

Total investment in telephone plant increased to $26.6 billion at December 31, 1992, from $25.4 billion at December 31, 1991, after giving effect to retirements, but before deducting accumulated depreciation. The Company's 1992 capital expenditures of $2.4 billion were substantially devoted to the continued modernization of rural and urban telephone plant, including investments in fiber optic cable and the conversion of central offices to digital technology, in order to improve customer services and network productivity. 1993 capital expenditures are anticipated to be $2.2 billion and the majority of these are expected to be financed through internally generated funds.

U S WEST COMMUNICATIONS, INC.
FORM 10-K

PART I

ITEM 3. LEGAL PROCEEDINGS

AT&T and its former telephone subsidiaries, including the Company, are defendants in various pending private actions which involve claims of substantial monetary damages. Under the Modified Final Judgement ("MFJ") and certain divestiture agreements, the expenses and judgements in excess of one million dollars associated with these cases are required to be shared among U S WEST, AT&T, the other regional holding companies (formed by the AT&T divestiture) and certain affiliated companies whether or not such companies are defendants. Amounts paid in settlement of these actions will be shared only to the extent the parties to the agreement agree to share such amounts. 6

In the opinion of the Company with respect to all such actions, (i) any monetary liability or financial impact to which the Company would be subject after final adjudication as a result of all such actions would not be material in amount to the Company's financial position and (ii) any equitable relief which might be granted would not have a material effect on the business of the Company.

[illegible]

What words should we use

PART II

MANAGEMENT'S DISCUSSION. (Dollars in millions)

RESULTS OF OPERATIONS

	1992	1991	Change $	Change %
Operating Revenues				
Local service	$3,674.3	$3,500.6	$173.7	5.0
Access service - Interstate	2,046.9	2,023.4	23.5	1.2
Access service - Intrastate	672.8	649.7	23.1	3.6
Long distance network service	1,419.7	1,462.7	(43.0)	(2.9)
Miscellaneous	510.0	528.0	(18.0)	(3.4)
Operating Expenses				
Cost of services and products	2,264.0	2,196.1	67.9	3.1
Selling, general and administrative	2,502.9	2,430.8	72.1	3.0
Depreciation and amortization	1,735.4	1,690.6	44.8	2.6
Restructuring charge	-	240.0	(240.0)	-
Interest and other	436.4	453.2	(16.8)	(3.7)
Income before income taxes and cumulative effect of change in accounting principles	1,385.0	1,153.7	231.3	20.0
Provision for income taxes	435.0	355.2	79.8	22.5
Net income before cumulative effect of change in accounting principles	950.0	798.5	151.5	19.0
Cumulative effect of change in accounting principles, net of tax	(1,724.4)	-	(1,724.4)	-
Net income (loss)	($774.4)	$798.5	($1,572.9)	-

The Company had a net loss for the year due to the cumulative effect of change in accounting principles resulting from the adoption of SFAS Nos. 106 and 112. Absent the ongoing effects of the accounting change and the restructuring charge incurred in 1991, income before income taxes and cumulative effect of change in accounting principles increased this year over last by approximately 4.0%.

OPERATING REVENUES

Total operating revenues were $8,323.7 in 1992, a $159.3 or 2.0% increase compared to 1991.

MANAGEMENT'S DISCUSSION. (Dollars in millions)

OPERATING REVENUES (Continued)

Local Service

Rate Changes	*Lower Refunds*	*Growth*	*Reclassifications and Other*	*Increase(Decrease) $*	*%*
$ .3	$ 23.2	$ 167.7	$ (17.5)	$ 173.7	5.0

Local service increased $173.7 primarily due to business growth. The Company added 410,000 access lines, an increase of 3.2% over the December 31, 1991, level.

Interstate Access Service

Rate Changes	*Higher Refunds*	*Growth*	*Other*	*Increase(Decrease) $*	*%*
$ (87.6)	$ (5.4)	$ 125.1	$ (8.6)	$ 23.5	1.2

The increase in interstate access service of $23.5 was primarily a result of increased demand partially offset by the effects of rate reductions, including lower interstate rates which have been phased in by the Federal Communications Commission ("FCC") over a number of years. Interstate rates were reduced in July 1991 as a result of the FCC's adoption of price cap regulation for interstate services. Rates were again reduced by approximately $90.0 annually, effective July 1, 1992, due to FCC-mandated changes which resulted in a cost shift to intrastate jurisdictions. Interstate access minutes of use increased 6.5% over the same period in 1991.

Intrastate Access Service

Rate Changes	*Higher Refunds*	*Growth*	*Reclassifications and Other*	*Increase(Decrease) $*	*%*
$ (12.4)	$ (1.5)	$ 7.2	$ 29.8	$ 23.1	3.6

Intrastate access service increased as a result of a reclassification of certain revenues from local and long distance network services. Excluding the effect of the reclassification, intrastate access service declined primarily due to rate decreases. Intrastate access minutes of use increased 6.1% over the same period in 1991. 3

PART II

MANAGEMENT'S DISCUSSION. (Dollars in millions)

OPERATING REVENUES (Continued)

Long Distance Network Service

Rate Changes	Lower Refunds	Growth	Reclassifications and Other	Increase(Decrease) $	%
$ (22.2)	$ 16.1	$ (22.3)	$ (14.6)	$ (43.0)	(2.9)

Long distance network service decreased $43.0 due to lower rates, a reclassification of certain revenues to intrastate access service and increased competition in the intraLATA toll market. The ability of interexchange carriers to offer intraLATA as well as interLATA wide area telephone service ("WATS") and 800 service, while the Company can only offer intraLATA services, is continuing to cause substantial declines in intraLATA WATS and 800 service revenues.

Miscellaneous

Miscellaneous revenues decreased $18.0 over the same period in 1991. Lower revenues from billing and collection services were partially offset by increased revenues from voice messaging services.

OPERATING EXPENSES

Total operating expenses were $6,502.3 for 1992, a decrease of $55.2 or 0.8% compared to 1991.

Cost of services and products and selling, general and administrative expense increased $140.0 primarily due to higher health care costs for active employees as well as the 1992 ongoing impact from the adoption of SFAS No. 106. Increases to benefits were partially offset by lower access expense.

Depreciation and amortization expense increased $44.8 primarily due to a higher depreciable plant base and the approval of new depreciation rates by the FCC and certain state jurisdictions. Also contributing to the increase was the net impact of depreciation adjustments in both years resulting from alternative forms of regulation implemented in the state of Washington. The increases were partially offset by the completion of inside wire amortization in certain regulatory jurisdictions.

The Company incurred a restructuring charge in 1991 of $240.0 for planned work force reductions. Approximately one third of the reserve has been used as of December 31, 1992. Total work force reductions attributable to both restructuring and attrition approximated 2,300 employees. see 8-K page 9 90

INTEREST AND OTHER

Interest expense decreased $32.2 primarily as a result of lower amounts of outstanding debt combined with the effects of lower interest rates.

MANAGEMENT'S DISCUSSION. (Dollars in millions)

INTEREST AND OTHER (continued)

Other income (expense) includes $51.8 of interest income associated with a 1992 tax settlement with the Internal Revenue Service, partially offset by $35.9 in call premium expenses associated with the retirements of six debt issues to take advantage of lower interest rates.

PROVISION FOR INCOME TAXES

The provision for income taxes increased $79.8 almost entirely as a result of an increase in income before income taxes in 1992 as compared to 1991.

In 1993, the Company will implement SFAS No. 109, "Accounting for Income Taxes." Adoption of the new standard will not have a material effect on the Company's financial position or results of operations, primarily because of the Company's 1989 adoption of SFAS No. 96 which reflects deferred income taxes at current income tax rates.

OTHER ITEMS

Cumulative Effect of Change in Accounting Principles

The accounting change relates to two recent accounting standards issued by the Financial Accounting Standards Board. The first is Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", which mandates that employers reflect in their current expenses an accrual for the cost of providing retirement medical and life insurance benefits to current and future retirees. Prior to 1992, the Company recognized these costs as they were paid. The Company also adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits." SFAS No. 112 requires that employers accrue for the estimated costs of benefits, such as workers' compensation and disability, provided to former or inactive employees who are not eligible for retirement. Adoption of SFAS Nos. 106 and 112 resulted in a one-time, non-cash charge against 1992 earnings of $1,724.4, net of tax, including $49.1 related to SFAS No. 112.

The accrual of employee postretirement benefits is a current operating expense that has been allowed, for ratemaking purposes, in several of the Company's regulatory jurisdictions. The Company will continue to seek to recover the cost in all of its jurisdictions.

Regulatory Activity

The Utah Supreme Court has remanded a Utah Public Service Commission ("PSC") order to the PSC for reconsideration. It dealt with the impact of the Tax Reform Act of 1986 on regulated earnings. Upon reconsideration, the Company could be liable for overearnings, although at this time, any such amount is not reasonably estimable. 5

MANAGEMENT'S DISCUSSION. (Dollars in millions)

OTHER ITEMS (continued)

Alternative Forms of Regulation ("AFOR")

The Company has sought AFOR plans which provide for competitive parity, enhanced pricing flexibility and improved capability in bringing to market new products and services. The Company has existing AFOR plans in the states of Minnesota, Washington, Oregon, New Mexico, Idaho, Nebraska, North Dakota and South Dakota, and an AFOR plan is under consideration in Colorado. In a number of states where AFOR plans have been adopted, such actions have been accompanied by agreements to refund revenues, reduce existing rates or upgrade service.

Employee Relations

In late September 1992, labor contracts between the Company and its bargained-for employees were ratified, retroactive to mid-August 1992. Wages will increase approximately twelve percent over the three year life of the contracts, which also provide for benefit upgrades. The contracts represent nearly $250.0 worth of cumulative wage and benefit improvements over the three-year term. Approximately 37,000 of the Company's 52,423 employees are represented by a Union.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareowner and Board of Directors of U S WEST Communications, Inc.

We have audited the consolidated financial statements and the consolidated financial statement schedules of U S WEST Communications, Inc. listed in the index on page 27 of this Form 10-K. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of U S WEST Communications, Inc. as of December 31, 1992 and 1991, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1992, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

As discussed in Note 3 on page 21 of the Notes to Consolidated Financial Statements, the Company changed its method of accounting for postretirement benefits other than pensions and other postemployment benefits in 1992.

COOPERS & LYBRAND

Denver, Colorado
January 21, 1993

U S WEST COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in millions)	*Year Ended December 31,* 1992	1991	1990
OPERATING REVENUES			
Local service	$3,674.3	$3,500.6	$3,390.3
Access service - interstate	2,046.9	2,023.4	2,093.4
Access service - intrastate	672.8	649.7	586.8
Long distance network service	1,419.7	1,462.7	1,493.2
Miscellaneous	510.0	528.0	529.1
Total operating revenues	8,323.7	8,164.4	8,092.8
OPERATING EXPENSES			
Cost of services and products	2,264.0	2,196.1	2,189.1
Selling, general and administrative	2,502.9	2,430.8	2,370.7
Depreciation and amortization	1,735.4	1,690.6	1,674.8
Restructuring charge	-	240.0	-
Total operating expenses	6,502.3	6,557.5	6,234.6
Income from operations	1,821.4	1,606.9	1,858.2
Interest expense	401.5	433.7	417.6
Other income (expense)	(34.9)	(19.5)	(8.7)
Income before income taxes and cumulative effect of change in accounting principles	1,385.0	1,153.7	1,431.9
Provision for income taxes	435.0	355.2	457.8
Income before cumulative effect of change in accounting principles	950.0	798.5	974.1
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES			
Transition effect of change in accounting for postretirement benefits other than pensions and other postemployment benefits, net of tax	(1,724.4)	-	-
NET INCOME (LOSS)	($774.4)	$798.5	$974.1

The accompanying notes are an integral part of the consolidated financial statements.

U S WEST COMMUNICATIONS, INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	*December 31, 1992*	*December 31, 1991*
ASSETS		
Current assets		
Cash and cash equivalents	$52.9	$49.9
Accounts receivable, net of allowance for credit losses of $26.8 and $32.0 in 1992 and 1991, respectively	1,324.1	1,425.2
Materials and supplies	112.8	158.4
Other	145.1	158.9
Total current assets	1,634.9	1,792.4
Property, plant and equipment, at cost		
In service	25,921.2	24,811.6
Under construction	602.7	593.5
Held for future use	30.0	34.7
	26,553.9	25,439.8
Less accumulated depreciation	9,234.1	8,740.2
Net property, plant and equipment	17,319.8	16,699.6
Other	1,513.5	1,641.2
Total assets	$20,468.2	$20,133.2

The accompanying notes are an integral part of the consolidated financial statements.

U S WEST COMMUNICATIONS, INC.

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)	*December 31, 1992*	*December 31, 1991*
LIABILITIES AND SHAREOWNER'S EQUITY		
Current liabilities		
Short-term debt	$549.6	$295.0
Accounts payable	991.3	739.4
Employee compensation	315.6	327.2
Other accrued liabilities	519.3	692.8
Property taxes payable	184.6	191.3
Advance billings and customer deposits	188.7	179.1
Total current liabilities	2,749.1	2,424.8
Long-term debt	4,449.9	4,875.0
Postretirement benefit obligation	2,569.6	-
Deferred taxes and credits	4,242.7	4,996.2
Shareowner's equity		
Common shares - one share without par value, owned by Parent	6,456.9	6,072.9
Retained earnings	-	1,764.3
Total shareowner's equity	6,456.9	7,837.2
Total liabilities and shareowner's equity	$20,468.2	$20,133.2

The accompanying notes are an integral part of the consolidated financial statements.

U S WEST COMMUNICATIONS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	*Year Ended December 31,* *1992*	*1991*	*1990*
OPERATING ACTIVITIES			
Net Income	($774.4)	$798.5	$974.1
Adjustments to net income:			
Depreciation and amortization	1,735.4	1,690.6	1,674.8
Cumulative effect of change in accounting principles	1,724.4	-	-
Deferred income taxes and amortization of investment tax credit	(31.4)	(112.7)	27.3
Restructuring charge	-	240.0	-
Changes in operating assets and liabilities:			
Accounts receivable	30.4	19.1	(29.9)
Materials and supplies	7.4	(28.1)	(25.2)
Other	12.2	(38.6)	(38.0)
Accounts payable and accrued liabilities	(10.9)	(99.4)	(97.3)
Other	34.3	(89.6)	(158.2)
Cash provided by operating activities	2,727.4	2,379.8	2,327.6
INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(2,025.7)	(2,103.9)	(1,990.2)
Disposals of property, plant and equipment	52.2	36.7	(16.2)
Cash used for investing activities	(1,973.5)	(2,067.2)	(2,006.4)
FINANCING ACTIVITIES			
Net (repayments) proceeds of short-term debt	92.8	(123.6)	145.6
Proceeds from long-term debt	344.1	310.0	291.6
Repayments of long-term debt	(669.9)	-	(148.8)
Dividends paid	(887.6)	(968.0)	(1,002.4)
Equity infusions from parent	369.7	476.6	390.0
Cash used for financing activities	(750.9)	(305.0)	(324.0)
CASH AND CASH EQUIVALENTS			
Increase (decrease)	3.0	7.6	(2.8)
Beginning balance	49.9	42.3	45.1
Ending balance	$52.9	$49.9	$42.3

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION: The consolidated financial statements include the accounts of U S WEST Communications, Inc. and its wholly-owned subsidiaries (the "Company"). The Company is an indirect, wholly-owned subsidiary of U S WEST, Inc. The Company was formed as a result of the January 1, 1991, merger of The Mountain States Telephone and Telegraph Company, Northwestern Bell Telephone Company and Pacific Northwest Bell Telephone Company. The merger was accounted for as a transfer of assets among entities under common control similar to that of a pooling-of-interests.

The consolidated financial statements have been prepared using generally accepted accounting principles applicable to regulated entities.

Certain reclassifications within the Consolidated Financial Statements have been made to conform to the current year presentation.

CASH AND CASH EQUIVALENTS: Cash and cash equivalents include highly liquid investments with original maturities of three months or less which are readily convertible into cash and which are not subject to significant risk resulting from changes in interest rates.

MATERIALS AND SUPPLIES: New and reusable materials are carried principally at average cost, except for significant individual items which are valued based on specific costs. Non-reusable material is carried at its estimated salvage value.

PROPERTY, PLANT AND EQUIPMENT: The investment in property, plant and equipment is carried at cost less accumulated depreciation. Additions, replacements and substantial betterments are capitalized. Capitalized costs include applicable salaries and employee benefits, materials, taxes and certain other items. The cost of repairs and maintenance for property, plant and equipment is charged to expense as incurred.

The Company capitalizes the cost of debt and equity funds as a component of plant construction. This cost is amortized over the remaining service lives of the plant, resulting in higher depreciation expense. Total amounts capitalized by the Company were $23.4, $30.5 and $26.7 in 1992, 1991 and 1990, respectively, and are included as an element of other income (expense).

The Company's provision for depreciation of property, plant and equipment is based on various straight-line group methods using remaining service lives as authorized by regulatory commissions. When depreciable property, plant and equipment is retired or sold, the original cost less the net salvage value is charged to accumulated depreciation. Any resulting depreciation deficiencies are amortized over the remaining life of the telephone plant or over shortened periods if authorized by regulatory authorities.

REVENUE RECOGNITION: Local telephone service revenues are generally billed monthly in advance. These revenues are recognized when services are provided. Non-recurring and usage sensitive revenues derived from installation, exchange access and long distance services are billed and recognized monthly as services are provided.

(Dollars in millions)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES: The provision for income taxes consists of an amount for taxes currently payable and a provision for tax consequences deferred to future periods, reflected at current income tax rates, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 96. In 1993, the Company will implement SFAS No. 109, "Accounting for Income Taxes." Adoption of the new standard will not have a material effect on the financial position or results of operations, primarily because of the Company's earlier adoption of SFAS No. 96.

The Company is included in the consolidated tax return of U S WEST. Under an agreement with U S WEST, the Company recognizes income taxes on a separate return basis.

For financial statement purposes, deferred investment tax credits are being amortized as a reduction of the provision for income taxes over the service lives of the related property, plant and equipment.

NOTE 2: INCOME TAXES

The components of the provision for income taxes follow:

	Year Ended December 31,		
	1992	*1991*	*1990*
Federal income taxes			
Current	$393.2	$396.0	$366.4
Deferred	31.3	(48.1)	65.4
Investment tax credits - net	(63.2)	(74.9)	(70.5)
	361.3	273.0	361.3
State and local			
Current	58.8	72.0	64.1
Deferred	14.9	10.2	32.4
	73.7	82.2	96.5
Provision for income taxes	$435.0	$355.2	$457.8

Deferred investment tax credits amortized were $65.6 in 1992, $75.5 in 1991, and $69.8 in 1990. The unamortized balance of investment tax credits was $520.8 and $586.0 at December 31, 1992 and 1991, respectively.

Amounts paid for income taxes were $464.7, $454.8, and $424.7 respectively, for 1992, 1991 and 1990.

(Dollars in millions)

NOTE 2: INCOME TAXES (Continued)

The effective tax rate differs from the statutory tax rate as follows:

	Year Ended December 31,		
	1992	*1991*	*1990*
Federal statutory tax rate	34.0 %	34.0 %	34.0 %
Investment tax credits	(4.7)	(6.5)	(5.1)
State income taxes-net	3.5	4.7	4.5
Rate differential on reversing temporary differences	(4.2)	(4.8)	(3.6)
Depreciation on capitalized overheads	2.0	3.1	3.1
Other	0.8	0.3	(0.9)
Effective tax rate	31.4 %	30.8 %	32.0 %

The cumulative balance sheet effects of deferred tax consequences are:

	December 31,	
	1992	*1991*
Depreciation related temporary differences	$2,913.8	$2,871.4
State deferred taxes-net of federal effects	250.1	361.8
Postemployment benefits including pension	(773.2)	141.4
Unamortized investment tax credits	(177.0)	(199.3)
Revenue requirement adjustment to regulatory asset and liability-net	(107.2)	(130.6)
All other temporary differences	(40.2)	(35.4)
Deferred income taxes	$2,066.3	$3,009.3

As a result of implementing SFAS 96, the Company recorded additional deferred taxes and established a corresponding regulatory asset, primarily related to the cumulative amount of deferred tax benefits previously flowed through to ratepayers. These deferred tax amounts are being amortized over the lives of the related depreciable assets concurrent with their recovery through rates. The unamortized balance of the regulatory asset at December 31, 1992 and 1991, is approximately $860 and $900, respectively.

In addition, the Company recorded a regulatory liability coincidental with the reduction of the deferred tax reserves from higher historical to lower current tax rates. The regulatory liability is being amortized over the lives of the related depreciable assets in accordance with the average rate assumption method required by the Tax Reform Act of 1986. The unamortized balance of the regulatory liability at December 31, 1992 and 1991 is approximately $1,140 and $1,240, respectively.

The aforementioned regulatory asset and liability have been grossed up, in accordance with SFAS 96, for the tax effect of future revenue requirements.

(Dollars in millions)

NOTE 3: PENSIONS AND OTHER BENEFITS

Pension Plans

The Company has two defined benefit pension plans which cover substantially all management and non-management employees which, effective January 1, 1993, were merged into a single plan. Benefits for management employees are based upon a final pay formula while benefits under the non-management plan are based upon a flat-benefit formula. The projected unit credit method is used for the determination of pension cost for financial reporting purposes and the aggregate cost method for funding purposes. No funding was required in 1992, 1991 or 1990. Net pension credits for 1992, 1991 and 1990 were $101.8, $100.6 and $99.5, respectively.

Postretirement Benefits Other Than Pensions

The Company provides certain health care and life insurance benefits for retired employees. Effective January 1, 1992, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 106 mandates that employers reflect in their current expenses an accrual for the cost of providing retirement medical and life insurance benefits to current and future retirees. Prior to 1992, the Company recognized these costs as they were paid. Adoption of SFAS No. 106 resulted in a one-time, non-cash charge against 1992 earnings of $1,675.3, net of a deferred tax benefit of $1,022.1, for the prior service of active and retired employees. The Company used the projected unit credit method for the determination of postretirement medical costs.

In conjunction with the adoption of SFAS No. 106, for financial reporting purposes, the Company elected to immediately recognize the accumulated postretirement benefit obligation for current and future retirees, net of the fair value of plan assets. On December 26, 1991, the Federal Communications Commission ("FCC") released an order permitting adoption of SFAS No. 106 on or before January 1, 1993. The FCC order permits amortization of the transition obligation over the average remaining service period of active employees for interstate regulatory accounting purposes. Pursuant to SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," a regulatory asset associated with the recognition of the transition benefit obligation was not recorded because of uncertainties as to the timing and extent of recovery given the Company's assessment of its long-term competitive environment.

The composition of postretirement benefit costs for the year ended December 31, 1992, and actuarial assumptions underlying plan benefits follow:

Details of postretirement benefit costs:	
Service cost - benefits earned during the period	$57.9
Interest cost on accumulated benefit obligation	242.1
Expected return on plan assets	(41.7)
Net postretirement benefit costs	$258.3

(Dollars in millions)

NOTE 3: PENSIONS AND OTHER BENEFITS (Continued)

Actuarial assumptions (in percent):	
Weighted average discount rate	8.0
Expected long-term rate of return on plan assets	9.0
Medical cost trend rate*	11.0

* Medical cost trend rate gradually declines to an ultimate rate of 6.25% in 2006.

A one percent increase in the assumed health care cost trend rates for each future year would have increased the aggregate of the service and interest cost components of 1992 net postretirement benefit costs by approximately $40.

The cost of health care and life insurance benefits for the Company's retired employees in 1991 was $91.7.

The funded status of the plan at December 31, 1992, follows:

Accumulated postretirement benefit obligation attributable to:	
Retirees	$1,975.7
Fully eligible plan participants	243.1
Other active plan participants	979.2
Total accumulated postretirement benefit obligation	3,198.0
Less: Fair value of plan assets, primarily stocks, bonds and life insurance	550.9
Accrued postretirement benefit obligation	$2,647.1

The annual amount funded will generally follow the expense recognized for regulatory purposes.

The weighted average discount rate for determining the accumulated postretirement benefit obligation was 8.0 percent at December 31, 1992. A one percent increase in the assumed health care cost trend rates would have increased the accumulated postretirement benefit obligation by approximately $360.

Expectations with respect to certain future amendments to the Company's postretirement benefit plans have been reflected in determining the Company's postretirement benefit cost under SFAS No. 106.

Other Postemployment Benefits

The Company also adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits," effective January 1, 1992. SFAS No. 112 requires that employers accrue for the estimated costs of benefits, such as workers' compensation and disability, provided to former or inactive employees who are not eligible for retirement. Adoption of SFAS No. 112 resulted in a one-time, non-cash charge against 1992 earnings of $49.1, net of a deferred tax benefit of $29.9.

(Dollars in millions)

NOTE 4: DEBT

The components of short-term debt follow:

	December 31, 1992	December 31, 1991
Notes payable:		
Commercial paper	$270.1	$267.0
Other	0.5	1.4
Current portion of long-term debt	279.0	26.6
Short-term debt	$549.6	$295.0

Under formal lines of credit with major banks, the Company is permitted to borrow up to $200.0, all of which was available at December 31, 1992.

Interest rates and maturities on long-term debt follow:

	December 31, 1992	December 31, 1991
Maturing within 5 years:		
4 5/8 % to 4 7/10% due 1993	$ -	$60.0
3 7/10% to 6 1/8 % due 1994	256.5	50.0
6 % to 6 3/5 % due 1995	91.5	-
7 1/2 % to 7 5/8 % due 1996	370.0	-
6 1/2 % to 7 1/10% due 1997	17.2	-
Maturing thereafter:		
Up to 6% with various maturities through 2012	436.4	436.4
Above 6% to 9% with various maturities through 2031	3,047.5	3,507.4
Above 9% to 12% with various maturities through 2031	320.0	977.2
	4,539.1	5,031.0
Unamortized discount-net and debt issuance costs	(209.3)	(221.3)
Other	120.1	65.3
Long-term debt	$4,449.9	$4,875.0

Interest payments (net of amounts capitalized) were $406.3, $392.6 and $388.1, respectively, for 1992, 1991 and 1990.

During 1992, the Company called for early redemption of six debt issues aggregating $747 in principal amount. The redemptions were achieved through issuing short-term replacement debt at lower interest rates and through the use of cash resources.

(Dollars in millions)

NOTE 5: COMMON SHAREOWNER'S EQUITY

Transactions affecting shareowner's equity follow:

	Common shares	*Retained earnings*	*Total*
Balance at December 31, 1989	$5,187.1	$1,768.6	$6,955.7
Net income	-	974.1	974.1
Dividends declared	-	(974.1)	(974.1)
Equity infusion from parent	390.0	-	390.0
Other - net	12.4	-	12.4
Balance at December 31, 1990	5,589.5	1,768.6	7,358.1
Net income	-	798.5	798.5
Dividends declared	-	(798.5)	(798.5)
Equity infusion from parent	476.6	-	476.6
Other - net	6.8	(4.3)	2.5
Balance at December 31, 1991	6,072.9	1,764.3	7,837.2
Net income	-	(774.4)	(774.4)
Dividends declared	-	(989.2)	(989.2)
Equity infusion from parent	383.7	-	383.7
Other - net	0.3	(0.7)	(0.4)
Balance at December 31, 1992	$6,456.9	$0.0	$6,456.9

NOTE 6: LEASE COMMITMENTS

Total commitments under non-cancelable operating leases at December 31, 1992, follow:

	Operating Leases
1993	$71.9
1994	72.8
1995	56.7
1996	51.5
1997	51.2
Thereafter	372.6
Total minimum lease payments	$676.7

Rental expense was $184.6 in 1992, $144.5 in 1991 and $137.2 in 1990.

(Dollars in millions)

NOTE 7: MAJOR CUSTOMER

The Company provides network access services to interexchange carriers, the largest volume of which is provided to AT&T. During 1992, 1991 and 1990 billings for all services to AT&T approximated $1,191, $1,243 and $1,417, respectively. The decreases are primarily due to reductions in rates prescribed by the Federal Communications Commission. Related accounts receivable at December 31, 1992 and 1991, totaled $106.3 and $101.2, respectively.

TO Page 4 (2)

NOTE 8: RELATED PARTY TRANSACTIONS

The Company purchases various services from affiliated companies including leased office space, procurement and telecommunications services.

The Company's operations include the following charges for these services:

	Year Ended December 31, 1992	1991	1990
Research and development (1)	$198.5	$196.7	$206.4
Procurement	96.0	107.5	114.2
Corporate services	89.0	99.9	99.7
Marketing services	48.7	37.3	39.7
Telecommunications	18.3	27.2	89.0
Leased office space	10.2	30.8	27.1
Other	36.2	33.0	10.4
Total	$496.9	$532.4	$586.5

(8)

(1) Includes charges related to research, development and maintenance of existing technologies performed by Bellcore, a telecommunications research entity in which the Company has 1/7 ownership interest.

NOTE 9: RESTRUCTURING CHARGE

The Company's 1991 operating results reflect a pre-tax restructuring charge of $240.0 due to planned work force reductions. Approximately $160.0 of the reserve is unused at December 31, 1992. Total work force reductions attributable to both restructuring and attrition approximated 2,300 employees.

(9)

NOTE 10: FAIR VALUE OF FINANCIAL INSTRUMENTS

In 1992, the Company implemented SFAS No. 107, "Disclosures About Fair Value of Financial Instruments." SFAS No. 107 requires disclosure of the fair value of the Company's financial instruments. The carrying value of cash, short-term investments and other current amounts receivable and payable approximate fair value because of their short maturity. The fair value of the Company's long-term debt is estimated based on quoted market prices where available. If not available, fair value is based on discounting future cash flows using current interest rates. As of December 31, 1992, the carrying amount of the Company's debt was $4,449.9 and the fair value was $4,503.6.

U S WEST COMMUNICATIONS, INC.
SUPPLEMENTARY FINANCIAL DATA
(Dollars in millions)

QUARTERLY FINANCIAL DATA (Unaudited)

Quarter	*1st*	*2nd*	*3rd*	*4th*
1992				
Operating revenues	$2,067.8	$2,078.2	$2,072.1	$2,105.6
Operating income	481.8	487.0	393.9	458.7
Income before cumulative effect of change in accounting principles	264.7	244.1	196.7	244.5
Net income (loss)	(1,459.7)	244.1	196.7	244.5
1991				
Operating revenues	$2,012.6	$2,029.4	$2,061.8	$2,060.6
Operating income	459.8	462.6	437.3	247.2
Net income	230.2	237.6	213.4	117.3

Quarterly data for 1992 was restated to reflect the adoption of SFAS Nos. 106 and 112, effective January 1, 1992. Operating income decreased $23.2, $23.3 and $23.3, income before cumulative effect of change in accounting principles decreased $15.7, $15.6 and $15.6, and net income decreased $1,740.1, $15.6 and $15.6 for the first, second and third quarters, respectively.

Fourth quarter 1991 operating income was reduced by a restructuring charge described in Note 9 on Page 25 of the Notes to Consolidated Financial Statements.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Documents filed as a part of this report: Page

Financial statement schedules other than those listed above have been omitted because the required information is contained in the consolidated financial statements and notes thereto, or because such schedules are not required or applicable.

U S WEST COMMUNICATIONS, INC.
FORM 10-K

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(b) Reports on Form 8-K:

No filings of Form 8-K were made in 1992.

(c) Exhibits

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

Exhibit
Number

(2a) Articles of Merger including the Plan of Merger between The Mountain States Telephone and Telegraph Company (renamed U S WEST Communications, Inc.) and Northwestern Bell Telephone Company. (Incorporated herein by this reference to Exhibit 2a to Form SE filed on January 8, 1991, File No. 1- 3040).

(2b) Articles of Merger including the Plan of Merger between The Mountain States Telephone and Telegraph Company (renamed U S WEST Communications, Inc.) and Pacific Northwest Bell Telephone Company. (Incorporated herein by this reference to Exhibit 2b to Form SE filed on January 8, 1991, File No. 1-3040).

(3a.1) Articles of Incorporation of the Registrant as amended December 22, 1980 (Exhibit 3a to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(3a.2) Articles of Amendment to the Articles of Incorporation of The Mountain States Telephone and Telegraph Company (renamed U S WEST Communications, Inc.) as filed with the Colorado Secretary of State. (Incorporated herein by this reference to Exhibit 3 to Form SE filed on January 8, 1991, File No. 1-3040).

3b Bylaws of the Registrant as amended February 16, 1993.

(4) No instrument which defines the rights of holders of long and intermediate term debt of the Registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the Registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.

(10a) Reorganization and Divestiture Agreement dated as of November 1, 1983, between American Telephone and Telegraph Company, U S WEST, Inc., and certain of their affiliated companies, including The Mountain States Telephone and Telegraph Company, Northwestern Bell Telephone Company, Pacific Northwest Bell Telephone Company and NewVector Communications, Inc. (Exhibit 10a to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(10b) Shared Network Facilities Agreement dated as of January 1, 1984, between American Telephone and Telegraph Company, AT&T Communications of the Midwest, Inc. and The Mountain States Telephone and Telegraph Company (Exhibit 10b to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(10c) Agreement Concerning Termination of the Standard Supply Contract effective December 31, 1983, between American Telephone and Telegraph Company, Western Electric Company, Incorporated, The Mountain States Telephone and Telegraph Company and Central Services Organization (Exhibit 10d to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(c) Exhibits - continued

(10d) Agreement Concerning Certain Centrally Developed Computer Systems effective December 31, 1983, between American Telephone and Telegraph Company, Western Electric Company, Incorporated, The Mountain States Telephone and Telegraph and Central Services Organization (Exhibit 10e to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(10e) Agreement Concerning Patents, Technical Information and Copyrights effective December 31, 1983, between American Telephone and Telegraph Company and U S WEST, Inc. (Exhibit 10f to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(10f) Agreement Concerning Contingent Liabilities, Tax Matters and Termination of Certain Agreements dated as of November 1, 1983, between American Telephone and Telegraph Company, U S WEST, Inc., The Mountain States Telephone and Telegraph Company and certain of their affiliates (Exhibit 10g to Form 10-K for the period ended December 31, 1983, File No. 1-3040).

(10g) Agreement Concerning Trademarks, Trade Names and Service Marks effective December 31, 1983, between American Telephone and Telegraph Company, American Information Technologies Corporation, Bell Atlantic Corporation, BellSouth Corporation, Cincinnati Bell, Inc., NYNEX Corporation, Pacific Telesis Group, The Southern New England Telephone Company, Southwestern Bell Corporation and U S WEST, Inc. (Exhibit 10i to Form 10-K for the period ended December 31, 1984, File No. 1-3040).

(10h) Shareholders' Agreement dated as of January 1, 1988, between Ameritech Services, Inc., Bell Atlantic Management Services, Inc., BellSouth Services, Incorporated, NYNEX Service Company, Pacific Bell, Southwestern Bell Telephone Company, The Mountain States Telephone and Telegraph Company, Northwestern Bell Telephone Company and Pacific Northwest Bell Telephone Company (Exhibit 10h to Form SE dated March 5, 1992, File No. 1-3040).

12 Computation of Ratio of Earnings to Fixed Charges.

23 Consent of Independent Accountants.

24 Powers of Attorney.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on March 19, 1993.

U S WEST COMMUNICATIONS, INC.

/s/ David R. Laube

By ______________________________

David R. Laube
Vice President, Controller
and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Principal Executive Officer:
A. Gary Ames, President and Chief Executive Officer

Principal Financial Officer:
James T. Helwig, Vice President and Chief Financial Officer

Principal Accounting Officer:
David R. Laube Vice President, Controller and Treasurer

Directors:

/s/ A. Gary Ames
/s/ James T. Helwig
/s/ James M. Osterhoff

/s/ David R. Laube

By______________________________

David R. Laube
(for himself and as Attorney-in-Fact)

Dated: March 19, 1993