



Frontier Communications Northwest Inc.
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Fax: 425-261-5262

June 22, 2012

Mr. David Danner
Secretary and Executive Director
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P. O. Box 47250
Olympia, WA 98504-7250

*(Via E-Mail
and Overnight Mail)*

**Re: Docket No. UT-(new) – Transfer and Sale of 1800 41st Street, Everett
Application Regarding Transfer and Sale of Building**

Dear Mr. Danner:

Enclosed are the original, twelve copies and one redacted versions of Frontier Communications Northwest Inc.'s ("Frontier") Application Regarding Transfer and Sale of the Building Located At 1800 41st Street, Everett, Washington including Confidential and Redacted Attachments.

The electronic copy is being provided by email.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Gipson".

Carl Gipson
Manager, Government and External Affairs
Frontier Communications NW
1800 41st Street
Everett, WA 98201
425-261-6380
Carl.Gipson@ftr.com

Attachments

ATTACHMENT A

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of
FRONTIER COMMUNICATIONS
NORTHWEST INC. Regarding the Sale
and Transfer of Property

Docket No. _____

APPLICATION OF FRONTIER
COMMUNICATIONS NORTHWEST INC.
REGARDING TRANSFER AND SALE OF THE
BUILDING LOCATED AT 1800 – 41ST
STREET, EVERETT, WASHINGTON

1 Frontier Communications Northwest Inc. (“Frontier”), by and through its undersigned counsel, hereby submits this application pursuant to Chapters 80.12 RCW and 480-143 Washington Administrative Code (“WAC”). This application seeks an order approving the transfer and sale of the land and building located at 1800 41st Street, Everett, Washington (the “Building”), to 1800 41st Street LLC, a Delaware Limited Liability Company located at 5505 South Upland Road, Seattle, Washington, 98118.

I. RELIEF REQUESTED

2 Frontier respectfully requests the Commission enter an order approving the sale pursuant to Chapters 80.12 RCW and 480-143 WAC.

II. DESCRIPTION OF THE TRANSACTION

3 The sale is comprised of a Purchase and Sale Agreement and related lease-back arrangement (“Agreement”). The buyer, 1800 41st STREET, LLC, is a Delaware limited liability company,

formed and controlled by a group of investors based out of the East Coast of the United States, with extensive experience in owning and operating commercial office buildings throughout the United States. The transaction proposed is an arms-length transaction, negotiated between unaffiliated parties, neither one being under a compulsion to buy or sell. Pursuant to WAC 480-143-120, a copy of the Agreement is attached hereto as Confidential Attachment A. A brief description of the transaction follows:

- Assets. This transaction involves the sale of the land and building located at 1800 41st Street, Everett, Washington, and a lease-back of approximately half of the office space within the building – Frontier no longer has any use for the remaining space in the building. A complete legal description of the property is included in Schedule B to the Agreement included as Confidential Attachment A.
- Purchase Price. The purchase price for the sale of the building has been redacted from Confidential Attachment A and is included as Confidential Attachment B.
- Closing Date. Section 18 of the Agreement provides that closing will take place within 30 days after Due Diligence Expiration Date. The Due Diligence Expiration Date is the later of August 4, 2012 (45 days after execution of the Agreement) or the Commission approval of the proposed transaction (see Section 4(f)).

III. DISCUSSION

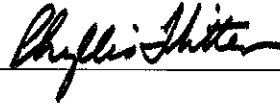
4 RCW 80.12.020 requires pre-approval of any sale, lease, assignment or other disposal by a public service company of any of its franchises, properties or facilities which are necessary or useful in the performance of its duties to the public. The assets that are being transferred in this case have been included in Frontier's Washington rate base, and have been used by Frontier for offices for its employees performing functions related to the provision of telecommunications services in Washington and in other states. The Building includes offices for employees performing engineering, operations, residential and business sales and support, customer care, finance and accounting, government relations/regulatory, human resources, operations, and information technologies. The sale will involve a long term lease wherein Frontier will lease back sufficient space in the building to maintain the presence of these employees. Frontier respectfully requests the Commission to promptly approve the sale as being consistent with the public interest for a number of reasons.

- 5 First, it is no longer necessary for Frontier to own a property the size of the Building for its provision of telecommunications services to the public. Only about one-half of the Building currently is currently occupied and necessary for Frontier's operations.
- 6 Second, property management is not Frontier's primary business focus, and this transaction will allow Frontier to continue to have quality office space without the responsibility for ongoing management and capital expenditures associated with the ownership of the Building.
- 7 Third, the sale will improve Frontier's financial position, eliminating costs associated with owning and operating a large office building, and allowing greater focus on its primary business of providing telecommunications services.
- 8 Frontier employed an experienced national broker to market the property and given the current market conditions and the unique configuration of the building Frontier believes that the sale price reflects fair market value for the property.
- 9 The sales price for the building is less than the net book value for the Building included in Frontier's Washington rate base. To maintain the confidentiality of the purchase price until the transaction closes, the proposed journal entries to reflect the proposed sale of the Building and the regulatory accounting treatment are included in Confidential Attachment B.
- 10 Both Frontier and the buyer are anxious to proceed with the closing of the sale and purchase of the Building. Accordingly, Frontier respectfully requests that the Commission give this matter expedited consideration and approve it without delay.

IV. CONCLUSION

- 11 For the foregoing reasons, Frontier respectfully requests that the Commission expeditiously consider this application and approve the transfer of property as described herein.
- 12 DATED this 22 day of June, 2012.

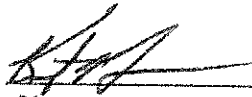
FRONTIER COMMUNICATIONS NORTHWEST INC.



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CERTIFICATION PURSUANT TO WAC 480-143-140

I, Kenneth Mason, Vice President Government & Regulatory Affairs , hereby certify, that the factual information contained in this Application is true and correct to the best of my knowledge and belief under penalty of perjury under the laws of the State of Washington. Signed at Rochester, New York this 20th day of June , 2012.



Signature