



June 15, 2010

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

RE: Docket No. UT-090842; Financing Terms

Dear Mr. Danner:


On April 16, 2010 the Washington Utilities and Transportation Commission (“WUTC”) issued a Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction (“Approval Order”). At paragraphs 133 and 213 of the Approval Order, the WUTC identified additional conditions which directed Frontier to file with the WUTC, prior to closing, a notice that contains all relevant and final details of the financing necessary to complete the transaction which is expected to close on July 1, 2010.

Frontier has announced that New Communications Holdings Inc. (“Spinco”), a subsidiary of Verizon Communications Inc. (“Verizon”) formed for the purposes of holding defined assets and liabilities of the local exchange business and related landline activities of Verizon in 14 states, had completed its previously announced private placement of \$3.2 billion aggregate principal amount of Senior Notes. Specifically, the Senior Notes are comprised of four different issues with maturity dates of 2015, 2017, 2020 and 2022, with an average coupon rate for the four series of Senior Notes of 8.355% (which is below the 9.5% threshold described in the merger agreement). The gross proceeds of the private placement were deposited into an escrow account. Spinco intends to use the net proceeds from the private placement to fund the special cash payment by Spinco to Verizon, in connection with the spin-off of Spinco to Verizon’s shareholders and the subsequent merger of Spinco with and into Frontier. The net proceeds from the private placement are sufficient to fund the entire special cash payment which is one of the conditions to closing the merger.

In accordance with paragraph 133 and 213 of the Approval Order, please find the Compliance Report Regarding Financing which provides more details regarding the financing described above. Because the Senior Notes were sold in a private placement that is exempt from the registration requirements of the Securities Act of 1933, as amended, Frontier is also providing the Confidential Offering Memorandum associated with the financing in a sealed envelope marked “CONFIDENTIAL.” This document is Confidential, and shall be treated as such pursuant to the Protective Order issued in this docket.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Kevin Saville". The signature is written in a cursive, flowing style.

Kevin Saville
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Enclosure