

[Service Date September 9, 2010]

September 9, 2010

RE: In the Matter of the Joint Application of Verizon Communications, Inc., and Frontier Communications Corp. for an Order Declining to Assert Jurisdiction Over, or, in the Alternative, Approving the Indirect Transfer of Control of Verizon Northwest, Inc., Docket UT-090842

TO ALL PARTIES:

The Washington Utilities and Transportation (Commission) entered its Order 06, Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction in Docket UT-090842 on April 16, 2010. The Order, among other things, approved and adopted subject to conditions five Settlement Agreements proposed by all parties except Public Counsel and the Broadband Communications Association of Washington and authorized the indirect transfer of Verizon Northwest, Inc. (Verizon NW or Company), from Verizon Communications, Inc., (Verizon) to Frontier Communications Corp. (Frontier).¹ Order 06 required by its terms that the Company augment its Service Performance Guarantee (SPG) program and report, within 30 days of closing, its Net Debt/Earnings Before Interest Taxes Depreciations and Amortization (EBITDA) and price per share used to determine transaction shares and the calculation of the share price.

On July 30, 2010, Frontier reported the Net EBITDA ratio of 2.7 and a calculation of the adjusted stock price of \$7.73 used to determine the number of Frontier equity shares to be issued to Verizon shareholders. A total 678,530,386 shares were issued to Verizon shareholders. On September 3, 2010, Verizon re-filed a Tariff sheet under Advice No. 3301 related to the Company's augmentation of its SPG program.² Specifically, the Company filed revisions to its currently effective Tariff WN-U-17, Section 2, 3rd Revised

¹ These companies are collectively referred to as the Joint Applicants.

² Tariff sheets were initially filed on July 1, 2010, and withdrawn.

Sheet 27, Canceling 2nd Revised Sheet 27. The revised tariff sheet increases the missed commitment/appointment credit from \$25 to \$35 for residential customers, offers customers alternative services for failure to deliver basic service on time, and offers a flat rate credit of \$5.00 for out-of-service conditions greater than two days. Order 06 authorized the Commission's Executive Director and Secretary to approve the required compliance filings, by letter, if they complied with the terms of the Order.

The Commission has examined the filings and it appears that the filings comply with Order 06, Appendix A, Attachment 1, Condition 6 and Order 06, ¶ 56. The Company has fully complied with the terms of the Order regarding these compliance filing requirements. The revised tariff sheet will become effective, as filed, on the date of this letter.

Sincerely,

DAVID W. DANNER
Executive Director and Secretary