

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of	)	DOCKET UT-090842
	)	
VERIZON COMMUNICATIONS INC.	)	
AND FRONTIER	)	ORDER 07
COMMUNICATIONS	)	
CORPORATION	)	
	)	ORDER DELEGATING
For an Order Declining to Assert	)	AUTHORITY TO EXECUTIVE
Jurisdiction Over, or, in the Alternative,	)	SECRETARY TO REVIEW AND
Approving the Indirect Transfer of	)	APPROVE PETITIONS FOR
Control of Verizon Northwest Inc.	)	REIMBURSEMENT OF ESCROW
	)	FUNDS
.....	)	

1 By Order 06, Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction, entered April 16, 2010, the Washington Utilities and Transportation Commission (Commission) approved the multiparty settlement agreement (Agreement) entered into between Verizon Communications, Inc., Frontier Communications Corporation (Frontier), and the Commission Staff.<sup>1</sup> In Commitment 13 of that Agreement, the parties agreed that Frontier would expend at least \$40 million on broadband deployment in Washington by December 2014. Commitment 13 further provides that the \$40 million pledged to broadband expansion would be set aside in an escrow account and that, thereafter, Frontier would petition the Commission for reimbursement, on a quarterly basis, of expenditures made on Washington broadband projects that are consistent with the specific broadband commitments set forth in the Agreement and approved by the Commission. The parties did not propose a process for handling the quarterly petitions for reimbursement. On May 2, 2011, Frontier filed its first petition seeking reimbursement from the escrow account for expenditures made through January 2011.

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of the proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

- 2 Having reviewed the petition for reimbursement filed by Frontier, we conclude that it is more akin to the compliance filings utilities submit in order to comply with the terms and conditions of our orders. We would be assessing the quarterly petitions to ensure compliance with the requirements of Order 06 and the Initial Broadband Expansion Plan filed by the Company on March 22, 2011. Accordingly, and pursuant to RCW 80.01.030, we conclude that it would be reasonable to delegate review and approval of these filings to the Commission's Executive Secretary. The Executive Secretary is authorized to accept by letter, with copies to all parties in this proceeding, the petitions for reimbursement of escrow funds filed by Frontier.

**ORDER**

- 3 THE COMMISSION ORDERS, That the Commission Secretary is authorized to review and approve by order, with copies to all parties to this proceeding, petitions for reimbursements from the broadband escrow account filed by Frontier pursuant to Order 06.

Dated at Olympia, Washington, and effective May 6, 2011.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner