



Frontier Communications Northwest Inc.
1800 – 41st Street WA0105RA
PO Box 1003
Everett, WA 98201-1003
Fax: 425-261-5262

April 24, 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

Re: UT-090842 – Petition of Frontier Communications Northwest Inc. For Approval of Release of Funds From Broadband Account Through December 31, 2011

Dear Mr. Danner:

Enclosed are one original, seven copies and one redacted version of Frontier's Fourth Petition For Approval of Release of Funds From Broadband Escrow.

Frontier Communications Northwest has received from escrow approximately \$11 million and requests now \$3,409,906, which leaves approximately \$25 million remaining in escrow.

As of the date of this filing, Frontier has met or exceeded a number of its broadband deployment commitments – serving both previously unserved and underserved wire centers – and will continue to work towards meeting our broadband deployment goals.

If there are questions regarding this filing, please contact me at the number below.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Gipson", with a long horizontal line extending to the right.

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

Attachments

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of:)	Docket No. UT-090842
)	
FRONTIER COMMUNICATIONS)	PETITION OF FRONTIER
NORTHWEST INC.)	COMMUNICATIONS NORTHWEST INC.
)	FOR APPROVAL OF RELEASE OF
For Approval of Release of Funds from)	FUNDS FROM BROADBAND ESCROW
Broadband Escrow Account: October 1		
Through December 31, 2011		

1. This petition is filed by Frontier Communications Northwest Inc. ("Frontier"), 1800 41st Street, Everett, Washington 98201. Frontier is represented in this matter by:

Phyllis A. Whitten
Associate General Counsel-West Region
Frontier Communications Corporation
9260 E. Stockton Blvd.
Elk Grove, CA 95624
Phone: (916) 686-3117
Fax: (916) 714-3117

REQUEST FOR REIMBURSEMENT OF ESCROW FUNDS

2. Frontier petitions the Commission for the release of certain funds held in the \$40 million escrow account Frontier established for broadband, addressed by the Commission in its Order No. 6, Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction in Docket No. UT-090842. Frontier specifically requests that the Commission release \$3,409,906 based upon Frontier's work on broadband projects for the period of October 1 to December 31, 2011. The costs Frontier is requesting reimbursement for are for plant placed in service, as identified for the projects listed in the Highly Confidential Attachment B. Additional costs for some projects are still

outstanding and will be included in future requests for reimbursement to be filed with the Commission. Frontier intends to petition the Commission on a quarterly basis for the release of additional funds as Frontier's broadband build-out in Washington continues to accelerate.

3. Attachment B is the list of Frontier's expenditures for broadband deployment for the period of October 1 to December 31, 2011. Attachments C-P contain Highly Confidential engineering and expenditure specifics for projects Staff requested to review in detail. Frontier's broadband expenditures are identified by wire center. This information is highly proprietary and competitively sensitive. If a broadband competitor gained access to this crucial information, it would be able to use the information to more effectively decide whether to deploy its own investments in response to Frontier's efforts, or determine to spend its resources where Frontier has not yet deployed new equipment. This highly sensitive information could be used to gain competitive advantage over Frontier. Therefore, Frontier submits Attachment B-P marked "Highly Confidential" to be protected under the Protective Order in Docket No. UT-090842.
4. Frontier respectfully requests that the Commission authorize the release of funds from the broadband escrow account in the total amount shown on Attachment B. However, in seeking the release of funds from escrow, Frontier does not concede or imply authority for the Commission or any other party to approve the listed projects for ratemaking or any other purpose other than for release of escrow funds as required in Docket No. UT-090842.
5. Frontier respectfully encourages the Commission to grant this request expeditiously, in order to permit Frontier to continue improvement and deployment of broadband facilities through Frontier's service territory in Washington. In Commitment 13 of the Settlement Agreement with Staff, Frontier agreed to spend \$40 million on broadband deployment, depositing that

amount in the escrow account from which Frontier now seeks a total of \$3,409,906. Under the Settlement Agreement, Staff committed to use best efforts to complete approval within 30 days of a request from Frontier. To date, Frontier has answered several formal and informal data requests to detail each project in the initial and second requests and a sampling from the third petition. Attachment B lists expenditures actually made by Frontier in order to expand broadband in Washington for this period (October 1 through December 31, 2011). These expenditures include significant investment in alleviating network congestion and individual projects that reflect plant placed in service, thereby enabling Frontier to make broadband service available for sale in Washington households as noted in Attachment B.

6. In further support of this Petition Frontier states as follows: Frontier has committed to the deployment of broadband in Washington. When the Commission approved the transaction in Docket No. UT-090842, allowing Frontier to acquire the former Verizon Northwest Inc., the Commission specifically required Frontier to expend \$40 million on broadband deployment by December 31, 2014. *See* Commission Order 06, Final Order Approving and Adopting, Subject to Conditions, Multiparty Settlement Agreements and Authorizing Transaction in Docket No. UT-090842, Page 22, Paragraph 51. The Settlement Agreement contained in Appendix A to Order 06 referenced above, further provides under Condition 13, page 3 that “Frontier may petition the Commission quarterly for reimbursement of expenditures incurred for broadband projects that have been completed and placed into service. To the extent that Frontier NW files the appropriate data confirming the broadband deployment expenditures with its petition for reimbursement, the Commission will use its best efforts to approve the release of funds from the Account to Frontier NW within thirty (30) days from the date of the filing seeking reimbursement. All administrative

costs associated with the account must be borne by Frontier NW.” On August 24, 2010, Frontier filed an escrow agreement with the Commission establishing a \$40 million escrow account under which funds could be released upon Commission approval. Throughout 2011 Frontier engineered and performed work necessary for the broadband build-out in Washington, both to meet its commitments to this Commission and to expand broadband offerings to Washington customers.

7. The \$3,409,906 of expenditures listed in Attachment B includes costs related to DSLAM placement, Outside Plant and InterOffice builds, local and regional transport resulting in more household availability to high-speed Internet and extensive congestion relief for existing customers. Frontier’s National Data Backbone was augmented in support of the acquired property from 10GE to 20GE. In addition, existing Core and Peering routers were replaced with higher capacity routers to support the necessary bandwidth required for the acquisition. The bandwidth from the acquired property brought onto Frontier backbone more than doubled existing levels. Frontier will increase saturation of markets in underserved and unserved areas with an aggressive broadband deployment schedule which will further increase the needs of additional bandwidth on Frontier’s existing backbone. With this investment, Frontier has created a state-of-the-art network that significantly increases capacity to deliver broadband service today and into the future. To promote broadband adoption and retention Frontier technicians perform full installations and offer interested customers basic instructions about how to access and navigate the web. Frontier’s proven track record and depth of experience in delivering broadband service will benefit Frontier communities in Washington with increased broadband availability and quality customer

service. To date, expenditures have been distributed in over 50 wire centers throughout Washington.

8. Frontier respectfully requests the Commission to complete its review expeditiously. As noted above, in the Commission's Order establishing the escrow, Appendix A of the Settlement Agreement, Condition 13, page 3 explains that the Commission would endeavor to review and approve the escrow reimbursement requests within 30 days. Frontier's broadband expansion makes HSI available in rural and very rural communities that were previously unserved or underserved, providing a positive public benefit to Washington customers. In addition, Frontier upgraded its backbone facilities thereby enhancing the customer experience and ensuring capacity will be available to handle growing traffic volumes. This broadband expansion provides a high speed connection to the world. This broadband expansion also supports economic development, entrepreneurship (including work-at-home as well as home-based businesses), local government, education and health and human services (including telemedicine and enhanced rural health care).
9. Accordingly, Frontier respectfully requests that the \$3,409,906 documented in Attachment B be immediately released from the escrow account established by the agreement filed in Docket UT-090842 to reimburse Frontier for the funds expended on broadband for the period of October 1 through December 31, 2011. By taking such action, the Commission will promote the more rapid deployment and improvement of Frontier's broadband network in Washington by enabling Frontier to utilize the released funds on future capital expenditures, and such action will provide public benefit to Washington customers. Attachment B lists expenditures actually made by Frontier to expand broadband in Washington, and justifies the

release of the funds that Frontier seeks in this Petition. Attachments C-P contain engineering and expenditure specifics for projects Staff requested to review in detail.

CONCLUSION

For the foregoing reasons, the Commission should approve this petition for the release of escrow funds established for the purpose of broadband deployment in Washington.

DATED this 24 of April, 2012.

FRONTIER COMMUNICATIONS NORTHWEST INC.

Respectfully submitted,

By: _____



Phyllis A. Whitten
Associate General Counsel – West Region
9260 E. Stockton Blvd.
Elk Grove, CA 95624
Tel: 916-686-3117
Fax: 916-714-3117

(CA Bar # 96676)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached Notice of Filing upon all parties of record in this proceeding by e-mail, over-night mail and/or U.S. mail, postage prepaid.

Jennifer Cameron-Rulkowski
Office of the Attorney General
Utilities and Transportation Division
1400 S. Evergreen Park Dr SW
P.O. Box 40128
Olympia, WA 98504-0128
JCameron@utc.wa.gov

Simon ffitich & Lisa Gafken (HC)
Assistant Attorneys General
800 Fifth Ave, #2000
Seattle, WA 98104-3188

Mark Trincherro (HC)
Davis Wright Tremaine
1300 SW Fifth Ave, Ste 2300
Portland, OR 97201-5630
marktrincherro@dwt.com

Scott Rubin (HC)
Attorney at Law
333 Oaklane
Bloomsburg, PA 17815
scott.i.rubin@gmail.com

Davis Wright Tremaine (HC)
1201 Third Ave., Ste. 2200
Seattle, WA 98101-1688

Gregory M. Romano (HC)
Verizon NW, Inc.
1800 41st St
MC WA0105GC
Everett, WA 98201
Gregory.m.romano@verizon.com

Lisa Rackner (HC)
McDowell & Rackner & Gibson
419 SW 11th Ave, Suite 400
Portland, OR 97205-2605
lisa@mcd-law.com

Stephen S. Melnikoff (HC)
Regulatory Law Office
U.S. Army Litigation Center
901 N. Stuart St, Ste 700
Arlington, VA 22203-1837
Stephen.melnikoff@hdqa.army.mil

Brooks Harlow (C)
Attorney at Law
4400 Two Union Square
601 Union St.
Seattle, WA 98101-2352
brooks.harlow@millernash.com

Phyllis Whitten (HC)
Frontier Communications NW Inc.
9260 E. Stockton Blvd.
Elk Grove, CA 95624
phyllis.whitten@FTR.com

Dated this 24 of April 2012

By:

A handwritten signature in black ink, appearing to read 'CG', is written over a horizontal line.

Carl Gipson
Manager Government Relations
Frontier Communications Northwest Inc.

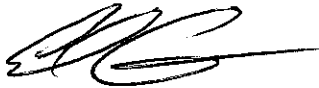
NOTICE OF FILING

On April 24, 2012 Frontier Communications Northwest Inc. filed in Docket UT-090842 a Petition for Approval of Release of Funds from Broadband Escrow In the Matter of the Joint Application of Verizon Communications Inc. and Frontier Communications Corporation For An Order Declining to Assert Jurisdiction Over, or, in the Alternative, Approving the Indirect Transfer of Control of Verizon Northwest Inc.

I hereby certify that I have this day served this Notice of Filing upon all parties of record in this proceeding by e-mail, over-night mail and/or U.S. mail, postage prepaid. Please contact Carl Gipson at 425.261.6380 or carl.gipson@ftr.com if you would like a hard copy or electronic copy of this filing.

Dated this 24 of April 2012.

By:



Carl Gipson
Manager – Government and External Affairs
Frontier Communications Northwest Inc.