

UT-121155



July 6, 2012

100 CTE Drive  
Dallas, PA 18612

Phone 570-631-5003  
Fax 570-631-8026  
Email: [jessica.matushek@ftr.com](mailto:jessica.matushek@ftr.com)

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

**Subject: 1Q12 Financial Report**

RECEIVED  
RECORDS MANAGEMENT  
2012 JUL -9 AM 8:04  
STATE OF WASH  
UTIL. AND TRANSP  
COMMISSION

Dear Mr. Danner:

Enclosed for filing is Frontier Communications Northwest Inc.'s Quarterly Report covering twelve months ending March 2012.

If you have any questions concerning this report, please call me at 570-631-5003.

Regards,

A handwritten signature in cursive script that reads "Jessica Matushek".

Jessica Matushek  
Director, Accounting

Enclosures

**FRONTIER COMMUNICATIONS NORTHWEST INC.**  
**SEPARATED RESULTS SUMMARY**  
**STATE OF WASHINGTON - COMBINED**  
**QUARTERLY COMPLIANCE REPORT**  
**TWELVE MONTHS ENDED MARCH 2012**  
(Dollars in Thousands)

	BOOKED BASIS			ADJUSTED BASIS			Composite Bkd Factors
	Total Regulated	Interstate	Intrastate	Total Regulated	Interstate	Intrastate	
<b>OPERATING REVENUES</b>							
Local Network Service	125,600	0	125,600	125,600	0	125,600	100.00%
Network Access Revenues	208,609	199,953	8,656	208,609	199,953	8,656	4.15%
Long Dist Netwk Revenues	12,123	0	12,123	12,123	0	12,123	100.00%
Miscellaneous Revenues	17,315	4,325	12,989	54,815	4,325	50,489	75.02%
Uncollectibles	(5,110)	(1,207)	(3,903)	(5,110)	(1,207)	(3,903)	76.38%
Total Operating Revenues	358,538	203,072	155,466	396,037	203,071	192,965	
<b>OPERATING EXPENSES</b>							
Plant Specific Operations	50,778	12,616	38,162	50,034	12,431	37,603	75.15%
Plant Non-Spec Operations	42,614	16,841	25,773	41,598	16,439	25,159	60.48%
Customer Operations	39,749	8,959	30,791	38,655	8,712	29,944	77.46%
Corporate Operations	48,179	11,373	36,806	47,994	11,329	36,665	76.39%
Depreciation & Amort	207,806	54,363	153,443	207,806	54,363	153,443	73.84%
Other Income & Expenses	0	0	0	0	0	0	0.00%
Juris Diff - Depr/IDC	0	0	0	0	0	0	0.00%
Total Operating Expenses	389,127	104,153	284,974	386,087	103,274	282,814	73.23%
Operating Taxes Other than Inc	21,900	7,425	14,475	21,900	7,425	14,475	66.10%
EBIT	(52,489)	91,494	(143,983)	(11,950)	92,372	(104,324)	
<b>INCOME TAXES</b>							
State Income Tax	0	0	0	0	0	0	
Net Federal Income Tax	(17,953)	32,122	(50,075)	(3,764)	32,429	(36,194)	
Total Income Taxes	(17,953)	32,122	(50,075)	(3,764)	32,429	(36,194)	
<b>NET OPERATING INCOME</b>	(34,536)	59,372	(93,908)	(8,186)	59,943	(68,130)	
<b>INVESTMENT (AVG)</b>							
Telecomm Plant in Service	2,959,936	759,486	2,200,450	2,959,295	759,322	2,199,973	74.34%
Other Assets (SFAS 87)	0	0	0	0	0	0	0.00%
Juris Assets-TPIS	0	0	0	0	0	0	0.00%
Depr & Amort Reserve	2,077,239	525,196	1,552,043	2,077,239	525,196	1,552,043	74.72%
Deferred Income Taxes	203,076	49,458	153,617	203,076	49,458	153,617	75.65%
Net - Pension Plan	15,736	3,721	12,015	(7,539)	(1,783)	(5,756)	76.35%
RATE BASE	663,885	181,111	482,775	686,519	186,451	500,069	72.72%
Rate Base ROR	-5.20%	32.78%	-19.45%	-1.19%	32.15%	-13.62%	

FRONTIER COMMUNICATIONS NORTHWEST INC.  
 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
 QUARTERLY COMPLIANCE REPORT  
 TWELVE MONTHS ENDED MARCH 2012  
 (Dollars in Thousands)

	TOTAL STATE BOOKED RESULTS	(A) Docket # UT-061777	(B) FAS 106 OPEB	ADJUSTMENTS				(H)	(I)	ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
				(C)	(D)	(E)	(F)				
Operating Revenues	358,538	37,500							396,038	192,965	
Operating Expenses/Taxes	411,027		(3,039)						407,988	297,289	
EBIT	(52,489)	37,500	3,039						(11,950)	(104,324)	
Income Taxes	(17,953)	13,125	1,064						(3,764)	(36,194)	
Net Operating Income	(34,536)	24,375	1,975						(8,186)	(68,130)	
Rate Base	663,885		22,634						686,519	500,069	
Rate of Return	-5.20%								-1.19%	-13.62%	
Adjustment Footnotes:											
(A)	Order No. 1 in Docket # UT061777									Account(s)	
(B)	FAS 106 OPEB (Adj from accrual to paygo)									5230	
(C)										Various	
(D)											
(E)											
(F)											
(G)											
(H)											
(I)											

FRONTIER COMMUNICATIONS NORTHWEST INC.  
 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
 QUARTERLY COMPLIANCE REPORT  
 TWELVE MONTHS ENDED MARCH 2012  
 (Dollars in Thousands)

**ADJUSTMENTS - TOTAL STATE**

	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>TOTAL STATE</b>									
<b>OPERATING REVENUES</b>									
Local Network Service									
Network Access Revenues									
Long Dist Ntwk Revenues									
Miscellaneous Revenues	37,500	37,500							
Uncollectibles									
Total Operating Revenues	37,500	37,500							
<b>OPERATING EXPENSES</b>									
Plant Specific Operations	(744)	(744)							
Plant Non-Spec Operations	(1,016)	(1,016)							
Customer Operations	(1,094)	(1,094)							
Corporate Operations	(185)	(185)							
Depr & Amort									
Other Income & Expenses									
Juris Diff - Depr/IDC									
Total Operating Expenses	(3,039)	(3,039)							
Operating Taxes Other than Income									
EBIT	40,539	37,500							
<b>INCOME TAXES</b>									
State Income Tax									
Net Federal Income Tax	14,189	13,125							
Total Income Taxes	14,189	13,125							
<b>NET OPERATING INCOME</b>									
	26,350	24,375							
<b>INVESTMENT (AVG)</b>									
Telecom Plant in Service									
Prop Held for Future Use									
Other Assets (SFAS 87)									
Depr & Amort Reserve									
Deferred Income Taxes									
Juris Assets-TPIS									
Other LT Liab - SFAS 106, 112									
RATE BASE									
	22,634	22,634							

**TOTAL STATE**

**OPERATING REVENUES**

Local Network Service  
 Network Access Revenues  
 Long Dist Ntwk Revenues  
 Miscellaneous Revenues  
 Uncollectibles

Total Operating Revenues

**OPERATING EXPENSES**

Plant Specific Operations  
 Plant Non-Spec Operations  
 Customer Operations  
 Corporate Operations  
 Depr & Amort  
 Other Income & Expenses  
 Juris Diff - Depr/IDC

Total Operating Expenses  
 Operating Taxes Other than Income  
 EBIT

**INCOME TAXES**

State Income Tax  
 Net Federal Income Tax  
 Total Income Taxes

**NET OPERATING INCOME**

**INVESTMENT (AVG)**

Telecom Plant in Service  
 Prop Held for Future Use  
 Other Assets (SFAS 87)  
 Depr & Amort Reserve  
 Deferred Income Taxes  
 Juris Assets-TPIS  
 Other LT Liab - SFAS 106, 112

RATE BASE

FRONTIER COMMUNICATIONS NORTHWEST INC.  
 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
 QUARTERLY COMPLIANCE REPORT  
 TWELVE MONTHS ENDED MARCH 2012  
 (Dollars in Thousands)

**ADJUSTMENTS - INTRASTATE**

	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>TOTAL ADJUSTMENTS</b>									
	37,500	37,500							
	37,500	37,500							
	(559)	(559)							
	(614)	(614)							
	(847)	(847)							
	(141)	(141)							
	(2,161)	(2,161)							
	39,661	37,500							
	13,881	13,125							
	13,881	13,125							
	25,780	24,375							
	(477)	(477)							
	(17,771)	(17,771)							
	17,294	17,294							

**INTRASTATE**

**OPERATING REVENUES**

Local Network Service  
 Network Access Revenues  
 Long Dist Ntwk Revenues  
 Miscellaneous Revenues  
 Uncollectibles

Total Operating Revenues

**OPERATING EXPENSES**

Plant Specific Operations  
 Plant Non-Spec Operations  
 Customer Operations  
 Corporate Operations  
 Depr. & Amort  
 Other Income & Expenses  
 Juris Diff - Depr/IDC

Total Operating Expenses

Operating Taxes Other than Income  
 EBIT

**INCOME TAXES**

Slate Income Tax  
 Net Federal Income Tax  
 Total Income Taxes

**NET OPERATING INCOME**

**INVESTMENT (AVG)**

Telecom Plant in Service  
 Prop Held for Future Use  
 Other Assets (SFAS 87)  
 Depr. & Amort Reserve  
 Deferred Income Taxes  
 Juris Assets-TPIS  
 Other LT Liab - SFAS 106, 112

RATE BASE