

VT-121590



September 26, 2012

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Dallas, PA 18612

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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: **2Q12 Financial Report**

Dear Mr. Danner:

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

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

Regards,

A handwritten signature in black ink that reads "Jessica Matushek". The signature is fluid and cursive, with a long horizontal line extending to the right.

Jessica Matushek
Director, Accounting

Enclosures

RECEIVED
REGIONS MANAGEMENT
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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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

	BOOKED BASIS			ADJUSTED BASIS			Composite Bkd Factors
	Total Regulated	Interstate	Intrastate	Total Regulated	Interstate	Intrastate	
OPERATING REVENUES							
Local Network Service	121,700	0	121,700	121,700	0	121,700	100.00%
Network Access Revenues	195,860	187,125	8,735	195,860	187,125	8,735	4.46%
Long Dist Netwk Revenues	12,256	0	12,256	12,256	0	12,256	100.00%
Miscellaneous Revenues	15,495	3,808	11,687	52,995	3,808	49,187	75.42%
Uncollectibles	(6,287)	(1,513)	(4,774)	(6,287)	(1,513)	(4,774)	75.93%
Total Operating Revenues	339,025	189,421	149,605	376,524	189,420	187,104	
OPERATING EXPENSES							
Plant Specific Operations	52,813	13,152	39,661	52,083	12,970	39,113	75.10%
Plant Non-Spec Operations	43,636	18,398	25,238	42,612	17,966	24,646	57.84%
Customer Operations	38,049	8,406	29,643	36,936	8,160	28,776	77.91%
Corporate Operations	36,691	8,661	28,030	36,513	8,619	27,894	76.39%
Depreciation & Amort	208,314	54,500	153,814	208,314	54,500	153,814	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	379,504	103,118	276,385	376,458	102,215	274,243	72.83%
Operating Taxes Other than Inc	22,803	7,534	15,269	22,803	7,534	15,269	66.96%
EBIT	(63,282)	78,769	(142,049)	(22,737)	79,671	(102,408)	
INCOME TAXES							
State Income Tax	0	0	0	0	0	0	
Net Federal Income Tax	(21,731)	27,668	(49,398)	(7,540)	27,984	(35,523)	
Total Income Taxes	(21,731)	27,668	(49,398)	(7,540)	27,984	(35,523)	
NET OPERATING INCOME	(41,551)	51,101	(92,651)	(15,197)	51,687	(66,885)	
INVESTMENT (AVG)							
Telecomm Plant in Service	2,968,649	762,871	2,205,778	2,968,008	762,706	2,205,302	74.30%
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	2,123,773	536,967	1,586,805	2,123,773	536,967	1,586,805	74.72%
Deferred Income Taxes	205,609	50,347	155,262	205,609	50,347	155,262	75.51%
Net - Pension Plan	7,878	1,863	6,015	(16,094)	(3,806)	(12,288)	76.35%
RATE BASE	631,389	173,694	457,696	654,720	179,198	475,523	72.49%
Rate Base ROR	-6.58%	29.42%	-20.24%	-2.32%	28.84%	-14.07%	

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 SEPARATED RESULTS SUMMARY
 STATE OF WASHINGTON - COMBINED
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	TOTAL STATE BOOKED RESULTS	(A) Docket # UT-061777	ADJUSTMENTS				(H)	(I)	ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
			(B) FAS 106 OPEB	(C)	(D)	(E)				
Operating Revenues	339,025	37,500						376,525	187,104	
Operating Expenses/Taxes	402,307		(3,045)					399,262	289,512	
EBIT	(63,282)	37,500	3,045					(22,737)	(102,408)	
Income Taxes	(21,731)	13,125	1,066					(7,540)	(35,523)	
Net Operating Income	(41,551)	24,375	1,979					(15,197)	(66,885)	
Rate Base	631,389		23,331					654,720	475,523	
Rate of Return	-6.58%							-2.32%	-14.07%	

Adjustment Footnotes:	Account(s)
(A) Order No. 1 in Docket # UT061777	5230
(B) FAS 106 OPEB (Adj from accrual to paygo)	Various
(C)	
(D)	
(E)	
(F)	
(G)	
(H)	
(I)	

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ADJUSTMENTS - TOTAL STATE

	(A) Docket # UT-061777	(B) & (E) FAS 106	(D)	(E)	(F)	(G)	(H)	(I)
TOTAL ADJUSTMENTS								
	37,500	37,500						
	37,500	37,500						
	(730)	(730)						
	(1,024)	(1,024)						
	(1,113)	(1,113)						
	(178)	(178)						
	(3,045)	(3,045)						
	40,545	37,500						
	14,191	13,125						
	14,191	13,125						
	26,354	24,375						
	(641)	(641)						
	(23,972)	(23,972)						
	23,331	23,331						

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.
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ADJUSTMENTS - INTRASTATE

	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
TOTAL ADJUSTMENTS									
	37,500	37,500							
	37,500	37,500							
	(548)	(548)							
	(592)	(592)							
	(867)	(867)							
	(136)	(136)							
	(2,143)	(2,143)							
	39,643	37,500							
	13,875	13,125							
	13,875	13,125							
	25,768	24,375							
	(476)	(476)							
	(18,303)	(18,303)							
	17,827	17,827							

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

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

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		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
INTERSTATE	TOTAL ADJUSTMENTS	Docket # UT-061777	FAS 106 OPEB							
OPERATING REVENUES										
Local Network Service										
Network Access Revenues										
Long Dist Ntwk Revenues										
Miscellaneous Revenues										
Uncollectibles										
Total Operating Revenues										
OPERATING EXPENSES										
Plant Specific Operations	(182)		(182)							
Plant Non-Spec Operations	(432)		(432)							
Customer Operations	(246)		(246)							
Corporate Operations	(42)		(42)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/DC										
Total Operating Expenses	(902)		(902)							
Operating Taxes Other than Income										
EBIT	902		902							
INCOME TAXES										
State Income Tax	316		316							
Net Federal Income Tax	316		316							
Total Income Taxes	632		632							
NET OPERATING INCOME	586		586							
INVESTMENT (AVG)										
Telecom Plant in Service										
Prop Held for Future Use										
Other Assets (SFAS 87)										
Depr & Amort Reserve	(165)		(165)							
Deferred Income Taxes										
Juris Assets-TPIS										
Other LT Liab - SFAS 106, 112	(5,669)		(5,669)							
RATE BASE	5,504		5,504							

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