

UT-122012-SI



December 24, 2012

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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: **3Q12 Financial Report**

Dear Mr. Danner:

Enclosed for filing is Frontier Communications Northwest Inc.'s Quarterly Report covering twelve months ending September 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 stroke at the end.

Jessica Matushek  
Director, Accounting

Enclosures

RECEIVED  
MANAGEMENT  
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FRONTIER COMMUNICATIONS  
TEL: 570-631-5003

**FRONTIER COMMUNICATIONS NORTHWEST INC.**  
**SEPARATED RESULTS SUMMARY**  
**STATE OF WASHINGTON - COMBINED**  
**QUARTERLY COMPLIANCE REPORT**  
**TWELVE MONTHS ENDED SEPTEMBER 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	118,352	0	118,352	118,352	0	118,352	100.00%
Network Access Revenues	186,763	176,712	10,051	186,763	176,712	10,051	5.38%
Long Dist Netwk Revenues	11,329	0	11,329	11,329	0	11,329	100.00%
Miscellaneous Revenues	12,667	3,014	9,653	50,167	3,014	47,153	76.21%
Uncollectibles	(6,221)	(1,504)	(4,717)	(6,221)	(1,504)	(4,717)	75.82%
Total Operating Revenues	322,891	178,223	144,669	360,390	178,222	182,168	
<b>OPERATING EXPENSES</b>							
Plant Specific Operations	53,867	13,431	40,436	53,130	13,247	39,883	75.07%
Plant Non-Spec Operations	37,308	16,128	21,180	36,285	15,686	20,599	56.77%
Customer Operations	34,825	7,458	27,366	33,720	7,221	26,498	78.58%
Corporate Operations	25,598	6,042	19,556	25,413	5,998	19,415	76.40%
Depreciation & Amort	209,111	54,712	154,399	209,111	54,712	154,399	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	360,710	97,772	262,936	357,659	96,864	260,794	72.89%
Operating Taxes Other than Inc	22,809	7,273	15,536	22,809	7,273	15,536	68.11%
EBIT	(60,628)	73,178	(133,803)	(20,078)	74,085	(94,162)	
<b>INCOME TAXES</b>							
State Income Tax	0	0	0	0	0	0	
Net Federal Income Tax	(20,800)	25,712	(46,512)	(6,608)	26,029	(32,637)	
Total Income Taxes	(20,800)	25,712	(46,512)	(6,608)	26,029	(32,637)	
<b>NET OPERATING INCOME</b>	(39,828)	47,466	(87,291)	(13,471)	48,056	(61,525)	
<b>INVESTMENT (AVG)</b>							
Telecomm Plant in Service	2,977,342	766,476	2,210,865	2,976,691	766,308	2,210,382	74.26%
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	2,172,014	549,170	1,622,844	2,172,014	549,170	1,622,844	74.72%
Deferred Income Taxes	210,157	51,510	158,647	210,157	51,510	158,647	75.49%
Net - Pension Plan	0	0	0	(24,666)	(24,666)	0	0.00%
RATE BASE	595,171	165,796	429,374	619,186	190,294	428,891	72.14%
Rate Base ROR	-6.69%	28.63%	-20.33%	-2.18%	25.25%	-14.35%	

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 STATE OF WASHINGTON - COMBINED  
 QUARTERLY COMPLIANCE REPORT  
 TWELVE MONTHS ENDED SEPTEMBER 2012  
 (Dollars in Thousands)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	ADJUSTED TOTAL STATE INTRASTATE	ADJUSTED TOTAL STATE INTRASTATE
	Docket # UT-061777	FAS 106 OPEB									
TOTAL STATE BOOKED RESULTS											
Operating Revenues	37,500									360,391	182,168
Operating Expenses/Taxes		(3,050)								380,469	276,330
EBIT	37,500	3,050								(20,078)	(94,162)
Income Taxes	13,125	1,068								(6,608)	(32,637)
Net Operating Income	24,375	1,983								(13,471)	(61,525)
Rate Base		595,171								619,186	428,891
Rate of Return		-6.69%								-2.18%	-14.35%

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  
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 TWELVE MONTHS ENDED SEPTEMBER 2012  
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**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	(737)	(737)							
Plant Non-Spec Operations	(1,023)	(1,023)							
Customer Operations	(1,105)	(1,105)							
Corporate Operations	(185)	(185)							
Depr & Amort									
Other Income & Expenses									
Juris Diff - Depr/IDC									
Total Operating Expenses	(3,050)	(3,050)							
Operating Taxes Other than Income									
EBIT	40,550	37,500	3,050						
<b>INCOME TAXES</b>									
State Income Tax									
Net Federal Income Tax	14,193	13,125	1,068						
Total Income Taxes	14,193	13,125	1,068						
<b>NET OPERATING INCOME</b>	26,358	24,375	1,983						
<b>INVESTMENT (AVG)</b>									
Telecom Plant in Service									
Prop Held for Future Use									
Other Assets (SFAS 87)	(651)	(651)							
Depr & Amort Reserve									
Deferred Income Taxes									
Juris Assels-TPLS									
Other LT Liab - SFAS 106, 112	(24,666)	(24,666)							
RATE BASE	24,015	24,015							

**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 Assels-TPLS  
 Other LT Liab - SFAS 106, 112

RATE BASE

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**ADJUSTMENTS - INTRASTATE**

	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(D)	(E)	(F)	(G)	(H)	(I)
<b>TOTAL ADJUSTMENTS</b>								
37,500	37,500							
37,500	37,500							
(553)		(553)						
(581)		(581)						
(868)		(868)						
(141)		(141)						
(2,143)		(2,143)						
39,643	37,500	2,143						
13,875	13,125	750						
13,875	13,125	750						
25,768	24,375	1,393						
(483)		(483)						
0		0						
(483)		(483)						

**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**

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