

UT-131796-SI



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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: 2Q13 Financial Report**

Dear Mr. Danner:

Enclosed for filing is Frontier Communications Northwest Inc.'s Quarterly Report covering twelve months ending June 2013.

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 flourish extending to the right.

Jessica Matushek  
Director, Accounting

Enclosures

**FRONTIER COMMUNICATIONS NORTHWEST INC.**  
**SEPARATED RESULTS SUMMARY**  
**STATE OF WASHINGTON - COMBINED**  
**QUARTERLY COMPLIANCE REPORT**  
**TWELVE MONTHS ENDED JUNE 2013**  
(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	109,974	0	109,974	109,974	0	109,974	100.00%
Network Access Revenues	161,891	146,799	15,092	161,891	146,799	15,092	9.32%
Long Dist Netwk Revenues	8,925	0	8,925	8,925	0	8,925	100.00%
Miscellaneous Revenues	8,214	3,050	5,164	45,714	3,050	42,664	62.87%
Uncollectibles	(1,781)	(494)	(1,287)	(1,781)	(494)	(1,287)	72.26%
Total Operating Revenues	287,224	149,356	137,869	324,723	149,355	175,368	
<b>OPERATING EXPENSES</b>							
Plant Specific Operations	54,584	13,560	41,024	53,847	13,377	40,470	75.16%
Plant Non-Spec Operations	29,812	11,287	18,525	28,789	10,900	17,889	62.14%
Customer Operations	33,303	7,534	25,769	32,198	7,284	24,914	77.38%
Corporate Operations	20,739	4,895	15,844	20,554	4,851	15,703	76.40%
Depreciation & Amort	205,831	53,891	151,940	205,831	53,891	151,940	73.82%
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	344,270	91,168	253,101	341,219	90,303	250,916	73.52%
Operating Taxes Other than Inc	18,168	5,994	12,174	18,168	5,994	12,174	67.01%
EBIT	(75,214)	52,194	(127,406)	(34,664)	53,058	(87,722)	
<b>INCOME TAXES</b>							
State Income Tax	0	0	0	0	0	0	
Net Federal Income Tax	(26,155)	18,302	(44,457)	(11,963)	18,604	(30,567)	
Total Income Taxes	(26,155)	18,302	(44,457)	(11,963)	18,604	(30,567)	
<b>NET OPERATING INCOME</b>	(49,059)	33,892	(82,949)	(22,702)	34,454	(57,155)	
<b>INVESTMENT (AVG)</b>							
Telecomm Plant in Service	3,013,317	779,802	2,233,516	3,012,666	779,634	2,233,033	74.12%
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	2,304,511	582,671	1,721,840	2,304,511	582,671	1,721,840	74.72%
Deferred Income Taxes	210,836	51,683	159,154	210,836	51,683	159,154	75.49%
Net - Pension Plan	0	0	0	(26,745)	(26,745)	0	0.00%
RATE BASE	497,970	145,448	352,522	524,064	172,025	352,039	70.79%
Rate Base ROR	-9.85%	23.30%	-23.53%	-4.33%	20.03%	-16.24%	

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 TWELVE MONTHS ENDED JUNE 2013  
 (Dollars in Thousands)

	TOTAL STATE BOOKED RESULTS	(A) Docket # UT-061777	(B) FAS 106 OPEB	ADJUSTMENTS				ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
				(C)	(D)	(E)	(F)		
Operating Revenues	287,224	37,500						324,724	175,368
Operating Expenses/Taxes	362,438		(3,050)					359,388	263,090
EBIT	(75,214)	37,500	3,050					(34,664)	(87,722)
Income Taxes	(26,155)	13,125	1,068					(11,963)	(30,567)
Net Operating Income	(49,059)	24,375	1,983					(22,702)	(57,155)
Rate Base	497,970		26,094					524,064	352,039
Rate of Return	-9.85%							-4.33%	-16.24%

  

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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 SEPARATED RESULTS SUMMARY  
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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 ADJUSTMENTS</b>									
Local Network Service									
Network Access Revenues									
Long Dist Ntwk Revenues	37,500								
Miscellaneous Revenues									
Uncollectibles									
<b>Total Operating Revenues</b>	<b>37,500</b>								
<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									
<b>Total Operating Expenses</b>	<b>(3,050)</b>	<b>(3,050)</b>							
<b>Operating Taxes Other than Income</b>									
EBIT	40,550	37,500							
<b>INCOME TAXES</b>									
State Income Tax	14,193	13,125							
Net Federal Income Tax	14,193	13,125							
Total Income Taxes	28,386	26,250							
<b>NET OPERATING INCOME</b>	<b>12,164</b>	<b>11,250</b>							
<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									
<b>RATE BASE</b>	<b>26,094</b>	<b>26,094</b>							

**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  
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 Juris Assets-TPIS  
 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)
TOTAL ADJUSTMENTS								
	37,500	37,500						
	37,500	37,500						
(554)		(554)						
(636)		(636)						
(855)		(855)						
(141)		(141)						
(2,186)		(2,186)						
39,686	37,500	2,186						
13,890	13,125	765						
13,890	13,125	765						
25,796	24,375	1,421						
(483)		(483)						
0		0						
(483)		(483)						

**INTRASTATE**

**OPERATING REVENUES**

Local Network Service  
 Network Access Revenues  
 Long Dist Niwk 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  
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 Juris Assets-TPIS  
 Other LT Liab - SFAS 106, 112  
 RATE BASE