

UT-141390



June 25, 2014

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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: 1Q14 Financial Report**

Dear Mr. Danner:

Enclosed for filing is Frontier Communications Northwest Inc.'s Quarterly Report covering twelve months ending March 2014.

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

2014 JUN 30 PM 3:20  
FRONTIER COMMUNICATIONS  
DALLAS, PA 18612

2014 JUN 30 PM 3: 21

**FRONTIER COMMUNICATIONS NORTHWEST INC.  
SEPARATED RESULTS SUMMARY  
STATE OF WASHINGTON - COMBINED  
QUARTERLY COMPLIANCE REPORT  
TWELVE MONTHS ENDED MARCH 2014  
(Dollars in Thousands)**

2014 JUN 30 PM 3: 21

**OPERATING REVENUES**

	BOOKED BASIS		
	Total Regulated	Interstate	Intrastate
Local Network Service	102,473	0	102,473
Network Access Revenues	161,161	146,440	14,721
Long Dist Netwk Revenues	6,208	0	6,208
Miscellaneous Revenues	7,892	2,883	5,009
Uncollectibles	(2,587)	(736)	(1,851)
<b>Total Operating Revenues</b>	<b>275,148</b>	<b>148,588</b>	<b>126,561</b>

**OPERATING EXPENSES**

Plant Specific Operations	54,816	13,619	41,197
Plant Non-Spec Operations	30,666	11,085	19,581
Customer Operations	34,559	8,012	26,547
Corporate Operations	22,726	5,364	17,361
Depreciation & Amort	166,867	43,694	123,173
Other Income & Expenses	0	0	0
Juris Diff - Depr/IDC	0	0	0
<b>Total Operating Expenses</b>	<b>309,635</b>	<b>81,775</b>	<b>227,858</b>
<b>Operating Taxes Other than Inc</b>	<b>16,518</b>	<b>5,468</b>	<b>11,050</b>

**EBIT** (51,005) 61,345 (112,347)

**INCOME TAXES**

State Income Tax	0	0	0
Net Federal Income Tax	(17,814)	21,471	(39,285)
<b>Total Income Taxes</b>	<b>(17,814)</b>	<b>21,471</b>	<b>(39,285)</b>

**NET OPERATING INCOME**

(33,191) 39,874 (73,062)

**INVESTMENT (AVG)**

Telecomm Plant in Service	3,040,903	789,286	2,251,617
Other Assets (SFAS 87)	0	0	0
Juris Assets-TPIS	0	0	0
Depr & Amort Reserve	2,426,934	613,630	1,813,304
Deferred Income Taxes	192,794	47,186	145,608
Net - Pension Plan	0	0	0
<b>RATE BASE</b>	<b>421,175</b>	<b>128,470</b>	<b>292,705</b>

Rate Base ROR -7.88% 31.04% -24.96%

**ADJUSTED BASIS**

	Total Regulated	Interstate	Intrastate
Local Network Service	102,473	0	102,473
Network Access Revenues	161,161	146,440	14,721
Long Dist Netwk Revenues	6,208	0	6,208
Miscellaneous Revenues	45,392	2,883	42,509
Uncollectibles	(2,587)	(736)	(1,851)
<b>Total Operating Revenues</b>	<b>312,647</b>	<b>148,587</b>	<b>164,060</b>

Plant Specific Operations	54,079	13,436	40,643
Plant Non-Spec Operations	29,643	10,715	18,928
Customer Operations	33,454	7,756	25,698
Corporate Operations	22,541	5,320	17,220
Depreciation & Amort	166,867	43,694	123,173
Other Income & Expenses	0	0	0
Juris Diff - Depr/IDC	0	0	0
<b>Total Operating Expenses</b>	<b>306,584</b>	<b>80,921</b>	<b>225,662</b>
<b>Operating Taxes Other than Inc</b>	<b>16,518</b>	<b>5,468</b>	<b>11,050</b>

(10,455) 62,198 (72,652)

State Income Tax	0	0	0
Net Federal Income Tax	(3,622)	21,770	(25,391)
<b>Total Income Taxes</b>	<b>(3,622)</b>	<b>21,770</b>	<b>(25,391)</b>

(6,834) 40,428 (47,261)

Telecomm Plant in Service	3,040,252	789,117	2,251,135
Other Assets (SFAS 87)	0	0	0
Juris Assets-TPIS	0	0	0
Depr & Amort Reserve	2,426,934	613,630	1,813,304
Deferred Income Taxes	192,794	47,186	145,608
Net - Pension Plan	(28,823)	(28,823)	0
<b>RATE BASE</b>	<b>449,347</b>	<b>157,124</b>	<b>292,223</b>

-1.52% 25.73% -16.17%

Composite  
Bkd Factors

100.00%  
9.13%  
100.00%  
63.47%  
71.55%  
  
75.16%  
63.85%  
76.82%  
76.39%  
73.82%  
0.00%  
0.00%  
73.59%  
66.90%

FRONTIER COMMUNICATIONS NORTHWEST INC.  
 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
 QUARTERLY COMPLIANCE REPORT  
 TWELVE MONTHS ENDED MARCH 2014  
 (Dollars in Thousands)

	TOTAL STATE BOOKED RESULTS	ADJUSTMENTS									ADJUSTED TOTAL STATE	ADJUSTED INTRASTATE
		(A) Docket # UT-061777	(B) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
Operating Revenues	275,148	37,500									312,648	164,060
Operating Expenses/Taxes	326,153		(3,050)								323,103	236,712
EBIT	(51,005)	37,500	3,050								(10,455)	(72,652)
Income Taxes	(17,814)	13,125	1,068								(3,622)	(25,391)
Net Operating Income	(33,191)	24,375	1,983								(6,834)	(47,261)
Rate Base	421,175		28,172								449,347	292,223
Rate of Return	-7.88%										-1.52%	-16.17%
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)												

FRONTIER COMMUNICATIONS NORTHWEST INC.  
 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
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 TWELVE MONTHS ENDED MARCH 2014  
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**ADJUSTMENTS - TOTAL STATE**

<b>TOTAL STATE</b>	TOTAL	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<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	(651)		(651)							
Other Assets (SFAS 87)										
Depr & Amort Reserve										
Deferred Income Taxes										
Juris Assets-TPIS										
Other LT Liab - SFAS 106, 112	(28,823)		(28,823)							
<b>RATE BASE</b>	28,172		28,172							

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 SEPARATED RESULTS SUMMARY  
 STATE OF WASHINGTON - COMBINED  
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 (Dollars in Thousands)

**ADJUSTMENTS - INTRASTATE**

<b>INTRASTATE</b>	TOTAL	(A) Docket #	(B) & (E) FAS 106	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	ADJUSTMENTS	UT-061777	OPEB							
<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	(554)		(554)							
Plant Non-Spec Operations	(653)		(653)							
Customer Operations	(849)		(849)							
Corporate Operations	(141)		(141)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(2,197)		(2,197)							
Operating Taxes Other than Income EBIT	39,697	37,500	2,197							
<b>INCOME TAXES</b>										
State Income Tax										
Net Federal Income Tax	13,894	13,125	769							
Total Income Taxes	13,894	13,125	769							
<b>NET OPERATING INCOME</b>										
	25,803	24,375	1,428							
<b>INVESTMENT (AVG)</b>										
Telecom Plant in Service	(482)		(482)							
Prop Held for Future Use										
Other Assets (SFAS 87)										
Depr & Amort Reserve										
Deferred Income Taxes										
Juris Assets-TPIS										
Other LT Liab - SFAS 106, 112	0		0							
RATE BASE	(482)		(482)							