

UT-1435009



September 24, 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: **2Q14 Financial Report**

Dear Mr. Danner:

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

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

Regards,

Jessica Matushek
Director, Accounting

Enclosures

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STATE OF WASH
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COMMISSION

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

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	BOOKED BASIS			ADJUSTED BASIS			Composite Bkd Factors
	Total Regulated	Interstate	Intrastate	Total Regulated	Interstate	Intrastate	
OPERATING REVENUES							
Local Network Service	100,062	0	100,062	100,062	0	100,062	100.00%
Network Access Revenues	160,983	146,554	14,429	160,983	146,554	14,429	8.96%
Long Dist Netwk Revenues	5,594	0	5,594	5,594	0	5,594	100.00%
Miscellaneous Revenues	8,485	3,005	5,481	45,985	3,005	42,981	64.60%
Uncollectibles	(2,104)	(588)	(1,516)	(2,104)	(588)	(1,516)	72.05%
Total Operating Revenues	273,021	148,971	124,050	310,520	148,971	161,550	
OPERATING EXPENSES							
Plant Specific Operations	54,481	13,529	40,952	53,744	13,346	40,398	75.17%
Plant Non-Spec Operations	30,666	11,102	19,564	29,643	10,732	18,911	63.80%
Customer Operations	35,419	8,287	27,132	34,314	8,028	26,286	76.60%
Corporate Operations	23,466	5,539	17,927	23,281	5,495	17,786	76.40%
Depreciation & Amort	153,395	40,160	113,236	153,395	40,160	113,236	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	297,428	78,617	218,811	294,377	77,761	216,617	73.57%
Operating Taxes Other than Inc	16,986	5,577	11,409	16,986	5,577	11,409	67.17%
EBIT	(41,393)	64,777	(106,170)	(843)	65,633	(66,476)	
INCOME TAXES							
State Income Tax	0	0	0	0	0	0	
Net Federal Income Tax	(14,445)	22,673	(37,119)	(253)	22,973	(23,226)	
Total Income Taxes	(14,445)	22,673	(37,119)	(253)	22,973	(23,226)	
NET OPERATING INCOME	(26,948)	42,104	(69,051)	(591)	42,660	(43,250)	
INVESTMENT (AVG)							
Telecomm Plant in Service	3,051,343	792,374	2,258,969	3,050,692	792,205	2,258,487	74.03%
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	2,463,658	622,919	1,840,739	2,463,658	622,919	1,840,739	74.72%
Deferred Income Taxes	173,588	42,400	131,189	173,588	42,400	131,189	75.57%
Net - Pension Plan	0	0	0	(29,516)	(29,516)	0	0.00%
RATE BASE	414,097	127,055	287,041	442,962	156,402	286,559	69.32%
Rate Base ROR	-6.51%	33.14%	-24.06%	-0.13%	27.28%	-15.09%	

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	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	273,021	37,500									310,521	161,550
Operating Expenses/Taxes	314,414		(3,050)								311,364	228,026
EBIT	(41,393)	37,500	3,050								(843)	(66,476)
Income Taxes	(14,445)	13,125	1,068								(253)	(23,226)
Net Operating Income	(26,948)	24,375	1,983								(591)	(43,250)
Rate Base	414,097		28,865								442,962	286,559
Rate of Return	-6.51%										-0.13%	-15.09%
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

TOTAL STATE	TOTAL	(A) Docket #	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ADJUSTMENTS		UT-061777								
OPERATING REVENUES										
Local Network Service										
Network Access Revenues										
Long Dist Ntwk Revenues										
Miscellaneous Revenues	37,500		37,500							
Uncollectibles										
Total Operating Revenues	37,500		37,500							
OPERATING EXPENSES										
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						
INCOME TAXES										
State Income Tax										
Net Federal Income Tax	14,193		13,125	1,068						
Total Income Taxes	14,193		13,125	1,068						
NET OPERATING INCOME	26,358		24,375	1,983						
INVESTMENT (AVG)										
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	(29,516)		(29,516)							
RATE BASE	28,865		28,865							

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ADJUSTMENTS - INTRASTATE

INTRASTATE	TOTAL ADJUSTMENTS	(A) Docket # UT-061777	(B) & (E) FAS 106 OPEB	(C)	(D)	(E)	(F)	(G)	(H)	(I)
OPERATING REVENUES										
Local Network Service										
Network Access Revenues										
Long Dist Ntwk Revenues										
Miscellaneous Revenues	37,500	37,500								
Uncollectibles										
Total Operating Revenues	37,500	37,500								
OPERATING EXPENSES										
Plant Specific Operations	(554)		(554)							
Plant Non-Spec Operations	(653)		(653)							
Customer Operations	(846)		(846)							
Corporate Operations	(141)		(141)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(2,194)		(2,194)							
Operating Taxes Other than Income EBIT	39,694	37,500	2,194							
INCOME TAXES										
State Income Tax										
Net Federal Income Tax	13,893	13,125	768							
Total Income Taxes	13,893	13,125	768							
NET OPERATING INCOME	25,801	24,375	1,426							
INVESTMENT (AVG)										
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)							