

UT-144166



December 22, 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: 3Q14 Financial Report

Dear Mr. Danner:

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

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

Regards,

A handwritten signature in black ink, appearing to read "J. Matushek", with a long horizontal line extending to the right.

Jessica Matushek
Director, Accounting

Enclosures

RECEIVED
GENERAL MANAGER
2014 DEC 30 AM 8:07
STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

RECEIVED
 RECORDS MANAGEMENT

2014 DEC 30 AM 8:07

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

STATE OF WASH
 UTIL. AND TRANS
 COMBINED

OPERATING REVENUES

Local Network Service	98,826	0	98,826
Network Access Revenues	155,966	143,239	12,727
Long Dist Netwk Revenues	4,984	0	4,984
Miscellaneous Revenues	8,458	2,951	5,507
Uncollectibles	(940)	(298)	(642)
Total Operating Revenues	267,295	145,892	121,402

OPERATING EXPENSES

Plant Specific Operations	52,843	13,122	39,721
Plant Non-Spec Operations	29,855	10,674	19,181
Customer Operations	36,557	8,636	27,921
Corporate Operations	24,430	5,766	18,664
Depreciation & Amort	139,682	36,545	103,137
Other Income & Expenses	0	0	0
Juris Diff - Depr/IDC	0	0	0
Total Operating Expenses	283,368	74,743	208,624
Operating Taxes Other than Inc	16,380	5,280	11,100

EBIT

(32,453) 65,869 (98,322)

INCOME TAXES

State Income Tax	0	0	0
Net Federal Income Tax	(11,311)	23,057	(34,368)
Total Income Taxes	(11,311)	23,057	(34,368)

NET OPERATING INCOME

(21,142) 42,812 (63,954)

INVESTMENT (AVG)

Telecomm Plant in Service	3,063,567	796,010	2,267,558
Other Assets (SFAS 87)	0	0	0
Juris Assets-TPIS	0	0	0
Depr & Amort Reserve	2,497,058	631,366	1,865,692
Deferred Income Taxes	150,890	36,743	114,147
Net - Pension Plan	0	0	0
RATE BASE	415,619	127,901	287,719

Rate Base ROR

-5.09% 33.47% -22.23%

ADJUSTED BASIS

Total Regulated	Interstate	Intrastate
98,826	0	98,826
155,966	143,239	12,727
4,984	0	4,984
45,958	2,951	43,007
(940)	(298)	(642)
304,794	145,892	158,902

52,106	12,939	39,167
28,832	10,308	18,524
35,452	8,375	27,077
24,245	5,722	18,523
139,682	36,545	103,137
0	0	0
0	0	0
280,317	73,889	206,428
16,380	5,280	11,100

8,097 66,723 (58,626)

0	0	0
2,882	23,356	(20,474)
2,882	23,356	(20,474)

5,216 43,367 (38,152)

3,062,916	795,841	2,267,076
0	0	0
0	0	0
2,497,058	631,366	1,865,692
150,890	36,743	114,147
(30,208)	(30,208)	0
445,176	157,940	287,237

1.17% 27.46% -13.28%

Composite
 Bkd Factors

100.00%
 8.16%
 100.00%
 65.11%
 68.30%

 75.17%
 64.25%
 76.38%
 76.40%
 73.84%
 0.00%
 0.00%
 73.62%
 67.77%

74.02%
 0.00%
 0.00%
 74.72%
 75.65%
 0.00%
 69.23%

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SEPARATED RESULTS SUMMARY
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TWELVE MONTHS ENDED SEPTEMBER 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	267,295	37,500									304,795	158,902
Operating Expenses/Taxes	299,748		(3,050)								296,698	217,528
EBIT	(32,453)	37,500	3,050								8,097	(58,626)
Income Taxes	(11,311)	13,125	1,068								2,882	(20,474)
Net Operating Income	(21,142)	24,375	1,983								5,216	(38,152)
Rate Base	415,619		29,557								445,176	287,237
Rate of Return	-5.09%										1.17%	-13.28%
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 SEPTEMBER 2014
(Dollars in Thousands)

ADJUSTMENTS - TOTAL STATE

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

TOTAL	(A)	(B) & (E)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ADJUSTMENTS	Docket # UT-061777	FAS 106 OPEB	-						
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	(651)	(651)							
Prop Held for Future Use									
Other Assets (SFAS 87)									
Depr & Amort Reserve									
Deferred Income Taxes									
Juris Assets-TPIS									
Other LT Liab - SFAS 106, 112	(30,208)	(30,208)							
RATE BASE	29,557	29,557							

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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	(657)		(657)							
Customer Operations	(844)		(844)							
Corporate Operations	(141)		(141)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(2,196)		(2,196)							
Operating Taxes Other than Income										
EBIT	39,696	37,500	2,196							
INCOME TAXES										
State Income Tax										
Net Federal Income Tax	13,894	13,125	769							
Total Income Taxes	13,894	13,125	769							
NET OPERATING INCOME	25,802	24,375	1,427							
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)							