

UF-150678



April 13, 2015

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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: 4Q14 Financial Report

Dear Mr. Danner:

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

Jessica Matushek
Director, Accounting

Enclosures

RECEIVED
RESOURCE MANAGEMENT
2015 APR 24 AM 9:54
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

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RECORDS MANAGEMENT

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

STATE OF WASH
UTIL. AND TRADES
COMMISSION

OPERATING REVENUES

	BOOKED BASIS		
	Total Regulated	Interstate	Intrastate
Local Network Service	96,545	0	96,545
Network Access Revenues	152,261	140,231	12,030
Long Dist Netwk Revenues	4,431	0	4,431
Miscellaneous Revenues	9,148	3,068	6,079
Uncollectibles	(3,720)	(987)	(2,733)
Total Operating Revenues	258,666	142,312	116,352

OPERATING EXPENSES

Plant Specific Operations	53,509	13,271	40,239
Plant Non-Spec Operations	30,099	10,598	19,500
Customer Operations	39,705	9,371	30,335
Corporate Operations	26,060	6,150	19,910
Depreciation & Amort	125,857	32,900	92,957
Other Income & Expenses	0	0	0
Juris Diff - Depr/IDC	0	0	0
Total Operating Expenses	275,231	72,290	202,941
Operating Taxes Other than Inc	16,684	5,338	11,346

EBIT (33,249) 64,684 (97,935)

INCOME TAXES

State Income Tax	0	0	0
Net Federal Income Tax	(11,585)	22,643	(34,228)
Total Income Taxes	(11,585)	22,643	(34,228)

NET OPERATING INCOME

(21,664) 42,041 (63,707)

INVESTMENT (AVG)

Telecomm Plant in Service	3,075,903	799,851	2,276,052
Other Assets (SFAS 87)	0	0	0
Juris Assets-TPIS	0	0	0
Depr & Amort Reserve	2,526,459	638,797	1,887,661
Deferred Income Taxes	127,545	30,924	96,620
Net - Pension Plan	0	0	0
RATE BASE	421,899	130,130	291,771
Rate Base ROR	-5.13%	32.31%	-21.83%

ADJUSTED BASIS

	ADJUSTED BASIS		
	Total Regulated	Interstate	Intrastate
Local Network Service	96,545	0	96,545
Network Access Revenues	152,261	140,231	12,030
Long Dist Netwk Revenues	4,431	0	4,431
Miscellaneous Revenues	46,648	3,068	43,579
Uncollectibles	(3,720)	(987)	(2,733)
Total Operating Revenues	296,165	142,312	153,852

Plant Specific Operations	52,772	13,088	39,685	75.20%
Plant Non-Spec Operations	29,076	10,238	18,837	64.79%
Customer Operations	38,600	9,110	29,491	76.40%
Corporate Operations	25,875	6,106	19,769	76.40%
Depreciation & Amort	125,857	32,900	92,957	73.86%
Other Income & Expenses	0	0	0	0.00%
Juris Diff - Depr/IDC	0	0	0	0.00%
Total Operating Expenses	272,180	71,442	200,739	73.73%
Operating Taxes Other than Inc	16,684	5,338	11,346	68.01%

EBIT 7,301 65,532 (58,233)

State Income Tax	0	0	0
Net Federal Income Tax	2,608	22,940	(20,332)
Total Income Taxes	2,608	22,940	(20,332)

NET OPERATING INCOME 4,694 42,592 (37,901)

Telecomm Plant in Service	3,075,252	799,682	2,275,570	74.00%
Other Assets (SFAS 87)	0	0	0	0.00%
Juris Assets-TPIS	0	0	0	0.00%
Depr & Amort Reserve	2,526,459	638,797	1,887,661	74.72%
Deferred Income Taxes	127,545	30,924	96,620	75.75%
Net - Pension Plan	(30,901)	(30,901)	0	0.00%
RATE BASE	452,149	160,862	291,289	69.16%
Rate Base ROR	1.04%	26.48%	-13.01%	

Composite
Bkd Factors

FRONTIER COMMUNICATIONS NORTHWEST INC.
 SEPARATED RESULTS SUMMARY
 STATE OF WASHINGTON - COMBINED
 QUARTERLY COMPLIANCE REPORT
 TWELVE MONTHS ENDED DECEMBER 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	258,666	37,500									296,166	153,852
Operating Expenses/Taxes	291,915		(3,050)								288,865	212,085
EBIT	(33,249)	37,500	3,050								7,301	(58,233)
Income Taxes	(11,585)	13,125	1,068								2,608	(20,332)
Net Operating Income	(21,664)	24,375	1,983								4,694	(37,901)
Rate Base	421,899		30,250								452,149	291,289
Rate of Return	-5.13%										1.04%	-13.01%
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 DECEMBER 2014
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ADJUSTMENTS - TOTAL STATE

TOTAL STATE	TOTAL	(A) Docket #	(B) & (E) FAS 106	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ADJUSTMENTS		UT-061777	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	(30,901)		(30,901)							
RATE BASE	30,250		30,250							

FRONTIER COMMUNICATIONS NORTHWEST INC.
 SEPARATED RESULTS SUMMARY
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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	(663)		(663)							
Customer Operations	(844)		(844)							
Corporate Operations	(141)		(141)							
Depr & Amort										
Other Income & Expenses										
Juris Diff - Depr/IDC										
Total Operating Expenses	(2,202)		(2,202)							
Operating Taxes Other than Income EBIT	39,702	37,500	2,202							
INCOME TAXES										
State Income Tax										
Net Federal Income Tax	13,896	13,125	771							
Total Income Taxes	13,896	13,125	771							
NET OPERATING INCOME	25,806	24,375	1,431							
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)							

FRONTIER COMMUNICATIONS NORTHWEST INC.
 SEPARATED RESULTS SUMMARY
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 TWELVE MONTHS ENDED DECEMBER 2014
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ADJUSTMENTS - INTERSTATE

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INTERSTATE

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)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ADJUSTMENTS	Docket #	FAS 106							
	UT-061777	OPEB							
OPERATING REVENUES									
OPERATING EXPENSES									
Plant Specific Operations		(183)							
Plant Non-Spec Operations		(360)							
Customer Operations		(261)							
Corporate Operations		(44)							
Depr & Amort									
Other Income & Expenses									
Juris Diff - Depr/IDC									
Total Operating Expenses		(848)							
Operating Taxes Other than Income									
EBIT		848							
INCOME TAXES									
State Income Tax									
Net Federal Income Tax		297							
Total Income Taxes		297							
NET OPERATING INCOME									
		551							
INVESTMENT (AVG)									
Telecom Plant in Service		(169)							
Prop Held for Future Use									
Other Assets (SFAS 87)									
Depr & Amort Reserve									
Deferred Income Taxes									
Juris Assets-TPIS									
Other LT Liab - SFAS 106, 112		(30,901)							
RATE BASE									
		30,732							