
May 8, 2023

Sent via WUTC Electronic Filing Portal

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Redacted per WAC 480-07-160

Re: Docket UT-190574 Compliance Filing, Condition 1a Annual Audited Financial Report & Condition 2 Annual Capital Investments in Broadband

Dear Director Maxwell:

Pursuant to Condition 1a in Order 03 in Docket UT-190574, Northwest Fiber provides its annual audited financial statements report including the following information:

- a. Income Statement
- b. Balance Sheet
- c. Cash Flow Statement

ZiPLY Fiber Response: Please see the attached documents including:

- a. **Independent Auditors Report**
- b. **Combined and Consolidated Balance Sheets**
- c. **Combined and Consolidated Statements of Operations**
- d. **Combined and Consolidated Statements of Cash Flow**

Pursuant to Condition 2 in the same Order, Northwest Fiber provides its annual compliance report of its capital and expenses incurred by Frontier Communications, LLC in its buildout activities in connection with the Connect America Fund Phase II (CAF-II) program and all other federal high cost universal service (FUSF) programs during the previous calendar year.

ZiPLY Fiber Response: Please see the attached reports.

This response and attachments are considered confidential pursuant to WAC 480-07-160 and in accordance with Order 02 in Docket UT-190574 as this information would not be accessible absent a protective order. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Jessica Epley
VP - Regulatory & External Affairs

NORTHWEST FIBER, LLC

Annual Report

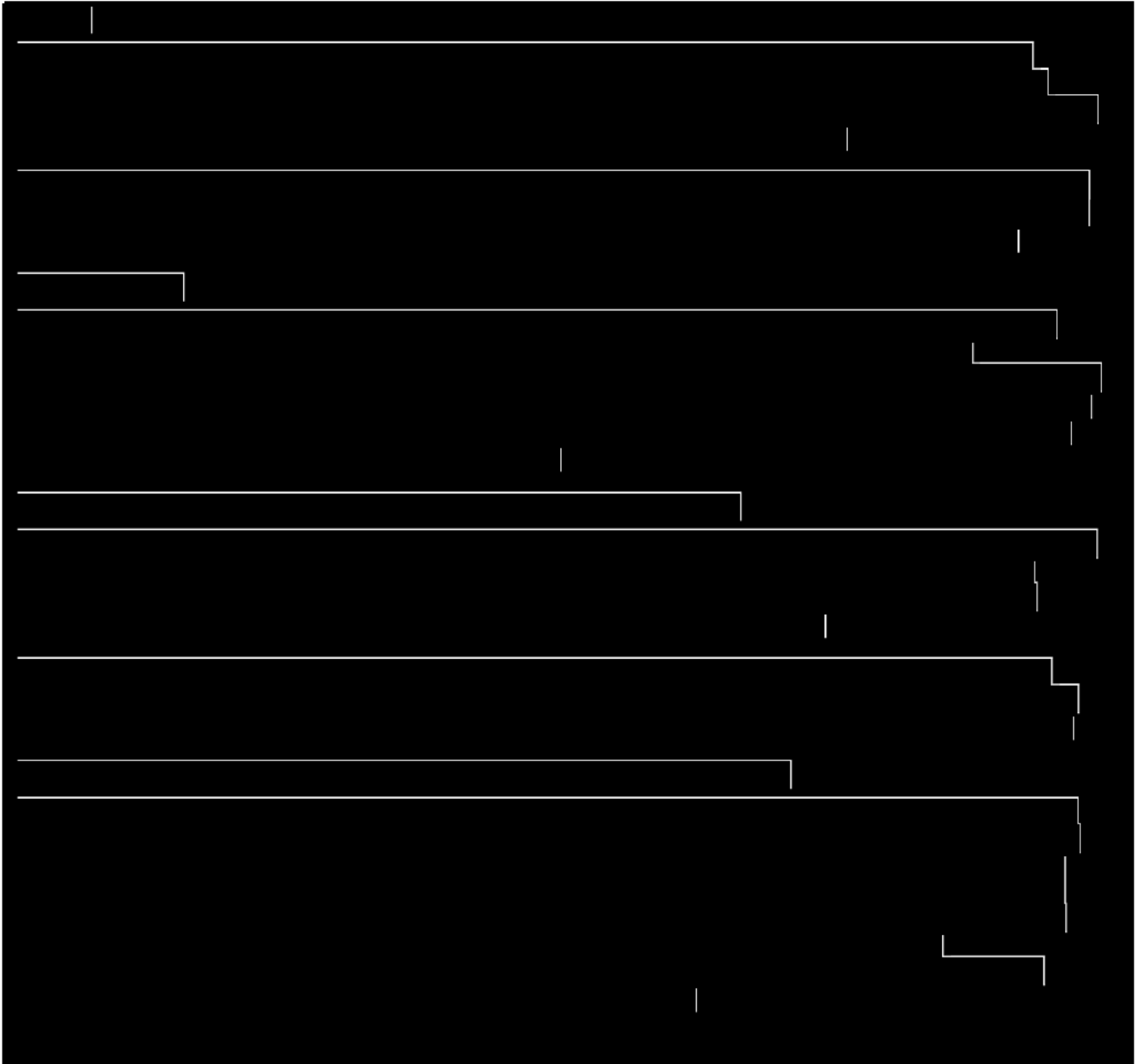
December 31, 2022 and 2021

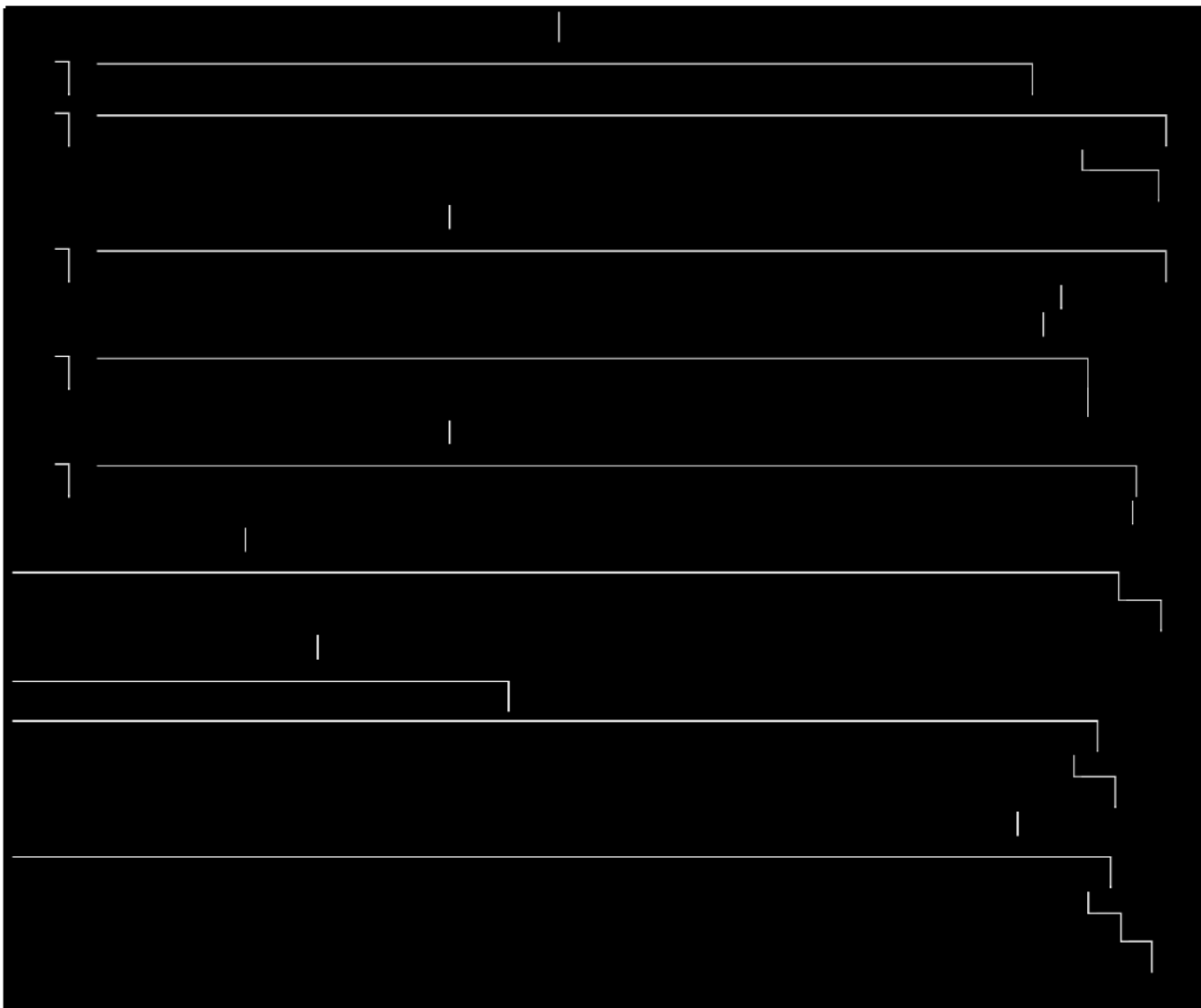
(With Independent Auditors' Report on the Consolidated Financial Statements and Notes to the Financial Statements Included Herein)

KPMG LLP
Suite 2800
401 Union Street
Seattle, WA 98101

Independent Auditors' Report

The Board of Directors
Northwest Fiber, LLC:





KPMG LLP

Seattle, Washington
April 14, 2023

NORTHWEST FIBER, LLC

Consolidated Balance Sheets



	December 31	
	2022	2021
Assets		
Cash and cash equivalents		
Accounts receivable, less allowances of \$12 and \$9, respectively		
Prepaid expenses		
Contract acquisition costs		
Income taxes and other current assets		
Total current assets		
Property, plant and equipment, net		
Goodwill, net		
Other intangibles, net		
Other assets		
Total assets		
Liabilities and Member's Equity		
Accounts payable		
Advanced billings		
Accrued content costs		
Accrued other taxes		
Accrued pole attachments		
Accrued payroll related		
Accrued interest		
Current portion of long term debt		
Other current liabilities		
Total current liabilities		
Other liabilities		
Long term debt, net		
Pension and OPEB liability, net		
Total liabilities		
Member's equity:		
Contributed capital		
Accumulated deficit		
Accumulated other comprehensive loss		
Total member's equity		
Total liabilities and member's equity		

See accompanying notes to consolidated financial statements.

NORTHWEST FIBER, LLC

Consolidated Statements of Operations



Revenue

Operating expenses:

Network access expenses

Network related expenses

Selling, general, and administrative expenses

Depreciation and amortization

Transaction costs

Total operating expenses

Operating income

Loss on asset retirement

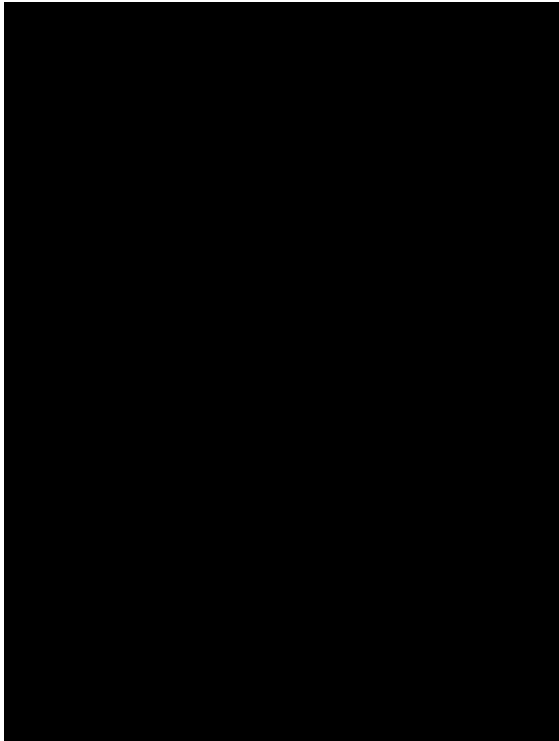
Loss on debt extinguishment

Interest expense, net

Loss before income taxes

Income tax expense

Net loss



See accompanying notes to consolidated financial statements.

NORTHWEST FIBER, LLC

Consolidated Statements of Cash Flow



Year ended December 31

2022

2021

Cash flows provided by (used in) operating activities:
Net loss
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:
 Depreciation and amortization
 Loss on debt extinguishment
 Loss on asset retirement
 Amortization of deferred financing costs
 Pension contribution
 Change in accounts receivable
 Change in accounts payable and other liabilities
 Change in prepaid expenses, income taxes and other assets
 Other, net
 Net cash provided by operating activities

Cash flows provided by (used in) investing activities:
 Capital expenditures
 Redemption and sale of short-term investments
 Purchase of short-term investments
 Acquisitions
 Net cash used in investing activities

Cash flows provided by (used in) financing activities:
 Issuance of new debt
 Debt issuance costs and debt prepayment penalty
 Debt principal repayment
 Transaction costs associated with equity raise
 Equity financing (member's contributions)
 Finance lease obligation payments
 Net cash provided by financing activities
 (Decrease)/increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period,
Cash and cash equivalents, ending balance,
Cash paid during the period for:
 Interest, net of capitalized interest of \$22 and \$0, respectively
 Income tax payments, net



See accompanying notes to consolidated financial statements.

UT-190574 Stipulation Exhibit 1
 Due May 15 (expires 2025)
 Ref: Condition 1b Financial Reporting

Major Category	FY Actual
Plant Expansion	[REDACTED]
Head-End/Central Office	[REDACTED]
CPE	[REDACTED]
Installation	[REDACTED]
Maintenance	[REDACTED]
Total CapEx	[REDACTED]

CapEx to Improve and Expand Broadband	[REDACTED]
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	Locations Passed				Year E
	Year A*	Year B**	Year C	Year D	
Fiber	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
Copper	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

*Year A is the year value for the year before the "reporting" year.

**Year B is the year end data for the "reporting" year.