



May 2, 2013

Filing Center
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

RE: UM 1431 Frontier Communications Northwest Inc. Petition for Reimbursement and Close Escrow Account

Dear Filing Center,

Enclosed is an original and five copies of Frontier Communication Northwest Inc. Petition for Reimbursement and request to close the escrow account established in UM 1431. Please contact me at (503) 645-7909 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Renee M. Willer".

Renee M. Willer
Regulatory Manager
Frontier Communications
503/645-7909

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1431

In the Matter of)
VERIZON COMMUNICATIONS INC.,)
AND FRONTIER COMMUNICATIONS) Petition for Approval of Release of Remaining
CORPORATION) Funds and Closing of Broadband Escrow
) Account
)
Joint Application for an Order Declining to)
Assert Jurisdiction, or, in the alternative, to)
Approve the Indirect Transfer of Control of)
Verizon Northwest Inc.)

Frontier Communications Northwest Inc. (“Frontier”) petitions the Commission for the release of the remaining funds held in the escrow Frontier established for broadband deployment as required by Commission Order 10-067 in Docket UM 1431. Frontier specifically asks the Commission to release \$400,000 plus the remaining interest based upon Frontier’s evidence in this petition that it has met the remaining broadband conditions through its partnership with HughesNet Satellite to provide Frontier Broadband, a satellite-based Internet service, at speeds greater than 3Mbps to at least 60- percent of households in the remaining wire centers of Clatskanie, Detroit, Imnaha and Provolt and that Frontier has also met this condition in Grand Island and Langlois through additional completed projects since the last petition for reimbursement was filed on May 31, 2012.

In July 2012, Frontier announced a partnership with HughesNet to provide broadband services at speeds ranging from 5MB-15MB. Frontier began offering the service in Oregon in November of 2012 and the service is available to residential and commercial customers in unserved and underserved areas of the state. Frontier owns the end-to-end relationship with the customer. Orders are taken and processed in the Frontier call centers and installation and maintenance is performed by trained Frontier technicians. Technical support is also provided by Frontier.

In further support of this Petition, Frontier states as follows:

1. In Commission Order 10-067, Appendix A, Condition No. 14 required Frontier to prudently expend \$10 Million in broadband deployment by July 1, 2011 and an additional \$15 Million by July 1, 2013. Frontier placed \$15 Million in escrow as required by the above condition, and under which funds could be released upon Commission approval.
2. Frontier requested and was granted release of \$4,372,761 from the escrow account to reimburse Frontier for the funds expended on broadband through September of 2011. Funds were released on December 30, 2011.
3. Frontier requested and was granted release of \$1,916,466 from the escrow account to reimburse Frontier for the funds expended on broadband through December of 2011. Funds were released on March 27, 2012.
4. Frontier requested and received partial approval of the last petition for reimbursement with the release of \$8,310,773 on July 31 2012. The Commission withheld the remaining \$400,000 plus interest in the escrow account because Staff determined that Frontier had not yet fully met Condition No 14 that required the Company to make speeds of at least 3Mbps available to at least 60% of households in 24 wire centers within three years. At the time of the last petition, there were six wire centers that did not have 60% household availability at 3Mbps: Clatskanie, Detroit, Grand Island, Imnaha, Langlois and Provolt. Since that time, Frontier completed additional HSI projects have resulted in 60% HH availability at 3 Mbps in Grand Island and Langlois. The remaining wire centers; Clatskanie, Detroit, Imnaha and Provolt now have at least 60% HH capability at 3Mbps through the availability of Frontier Broadband. Please see Attachment A that shows HH availability for the six wire centers with facilities based and satellite coverage.

5. Frontier started offering Frontier Broadband to Oregon customers in November of 2012. This allows Frontier to provide a high speed broadband solution for customers in areas where it may not make economic sense to deploy facilities based broadband service (HSI). Customers in underserved areas of Oregon, including Clatskanie, Detroit, Grand Island, Langlois and Provolt and the previously unserved community of Imnaha can now choose Frontier Broadband starting at 5Mbps. Installation is completed by a trained Frontier employee and includes installation of the dish/antenna, the modem and the radio assembly and verification of Internet connectivity. Technical support and maintenance is also provided by a trained Frontier employee. Please see Attachment B that shows Frontier Broadband Satellite Equipment and Attachment C that shows the Hughes Jupiter and Spaceway coverage for the Frontier footprint.

Condition No. 14 states that the Escrow Account shall remain in place until such time that Frontier has met and completed, to the reasonable satisfaction of the Commission, the broadband commitment in this condition. Previously submitted quarterly broadband reports show that Frontier has spent over \$38 million on broadband deployment in Oregon, fulfilling the \$25 million commitment. In addition, Frontier has met all other requirements relating to broadband speed and household availability. Frontier Broadband provides speeds starting at 5Mbps and offers a viable and reliable solution for customers in low density, high cost areas. In the case of Clatskanie, Detroit, Provolt and Imnaha, the cost to deploy facilities to meet the minimum 3 Mbps requirement exceeds \$3.5 million just to serve an additional 928 customers in four wire centers with no guaranteed take rate or return on investment.

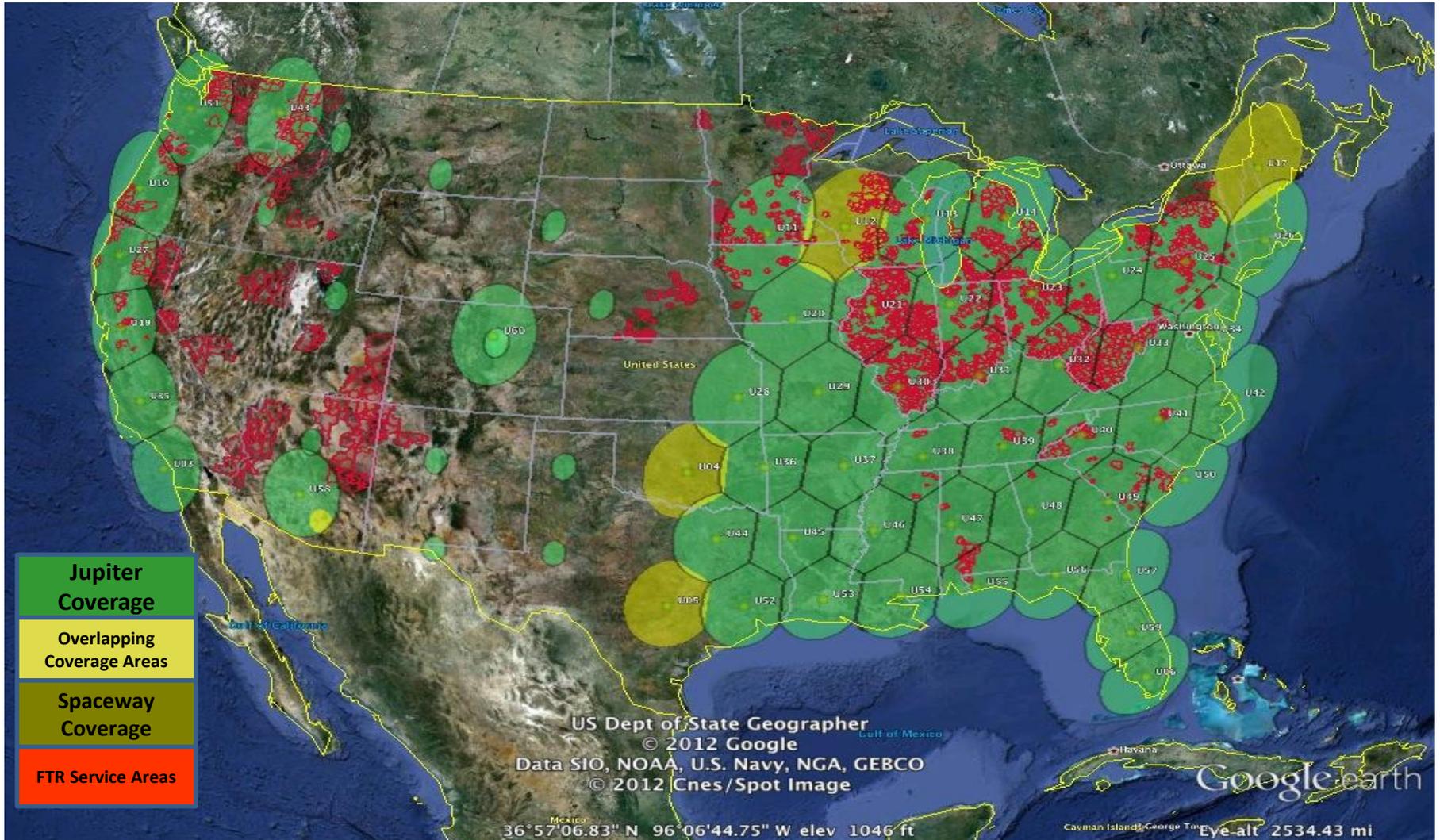
For the reasons set forth above, Frontier respectfully requests that the Commission find that the remaining broadband conditions established in Order 10-067 have now been met and approve an Order authorizing the release of the remaining funds plus interest and close the escrow account.

Respectfully submitted May 2, 2013,

A handwritten signature in black ink that reads "Renee M. Willer". The signature is written in a cursive, flowing style.

Renee M. Willer
Authorized Representative
FRONTIER COMMUNICATIONS NORTHWEST INC.

Hughes/Frontier Footprint Satellite Map



Hughes/Frontier Satellite Equipment

Jupiter Antenna



Jupiter Indoor Unit



Spaceway Indoor Unit

HN9000 (with Hughes Ic)



Radio Assembly

