Verizon West Virginia Inc.

Condensed Financial Statements
Three Months Ended March 31, 2010 and 2009

Verizon West Virginia Inc.

CONDENSED STATEMENTS OF INCOME

(dollars in thousands) (unaudited)	Three Months Ended March 31, 2010	2009
Operating Revenues		
(including $23,341 and $25,561 from affiliates)	**$ 117,139**	$ 136,710
Operating Expenses		
(including $32,519 and $32,348 to affiliates)		
Cost of services and sales (exclusive of items shown below)	**50,566**	45,825
Selling, general and administrative expense	**26,162**	28,645
Depreciation expense	**20,359**	21,471
Total Operating Expenses	**97,087**	95,941
Operating Income	**20,052**	40,769
Other income and (expense), net		
(including $11 and $--- from affiliates)	**11**	(18)
Interest expense		
(including $(347) and $(631) to affiliate)	**(1,191)**	(1,452)
Income Before Provision for Income Taxes	**18,872**	39,299
Provision for income taxes	**(11,169)**	(14,875)
Net Income	**$ 7,703**	$ 24,424

See Notes to Condensed Financial Statements

Verizon West Virginia Inc.

CONDENSED BALANCE SHEETS

(dollars in thousands) (unaudited)	At March 31, 2010	At December 31, 2009
Assets		
Current assets		
Short-term investments	**$ 14**	$ 9
Accounts receivable:		
Trade and other, net of allowances for uncollectibles of $7,065 and $6,495	**67,694**	66,239
Affiliates	**6,412**	9,749
Prepaid expenses	**---**	1,885
Deferred charges and other	**7,952**	11,018
Total current assets	**82,072**	88,900
Plant, property and equipment	**2,370,429**	2,358,103
Less accumulated depreciation	**1,770,288**	1,753,338
	600,141	604,765
Prepaid pension asset	**96,134**	96,326
Other assets	**9,854**	8,115
Total assets	**$ 788,201**	$ 798,106
Liabilities and Shareowner's Investment		
Current liabilities		
Debt maturing within one year:		
Notes payable to affiliate	**$ 165,175**	$ 192,016
Other	**45**	44
Accounts payable and accrued liabilities:		
Affiliates	**17,215**	20,167
Other	**35,706**	27,765
Other current liabilities	**26,471**	26,502
Total current liabilities	**244,612**	266,494
Long-term debt	**49,965**	49,977
Employee benefit obligations	**207,050**	205,562
Deferred credits and other liabilities:		
Deferred income taxes	**66,316**	61,802
Unamortized investment tax credits	**1,297**	1,297
Other	**13,893**	15,609
	81,506	78,708
Shareowner's investment		
Common stock (one share, without par value)	**192,158**	192,158
Reinvested earnings	**12,910**	5,207
Total shareowner's investment	**205,068**	197,365
Total liabilities and shareowner's investment	**$ 788,201**	$ 798,106

See Notes to Condensed Financial Statements

Verizon West Virginia Inc.

CONDENSED STATEMENTS OF CASH FLOWS

(dollars in thousands) (unaudited)	Three Months Ended March 31, 2010	2009
Net Cash Provided by Operating Activities	**$ 42,873**	$ 41,418
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	**(14,018)**	(16,429)
Net change in short-term investments	**(5)**	1,227
Other, net	**(1,925)**	(87)
Net cash used in investing activities	**(15,948)**	(15,289)
Cash Flows from Financing Activities		
Principal repayments of capital lease obligations	**(12)**	(11)
Net change in short-term notes payable to affiliate	**(26,841)**	3,705
Dividends paid	**---**	(20,542)
Return of capital to parent	**---**	(9,457)
Net change in outstanding checks drawn on controlled disbursement accounts	**(72)**	176
Net cash used in financing activities	**(26,925)**	(26,129)
Net change in cash	**---**	---
Cash, beginning of period	**---**	---
Cash, end of period	**$ ---**	$ ---

See Notes to Condensed Financial Statements

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation and Recent Accounting Standard Updates

Verizon West Virginia Inc. (Verizon West Virginia or the Company) is a wholly owned subsidiary of Verizon Communications Inc. (Verizon). The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim periods. These condensed financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial position for the interim periods shown including normal recurring accruals and other items. We have evaluated subsequent events through May 28, 2010, the date these financial statements were issued. The results for the interim periods are not necessarily indicative of results for the full year. The balance sheet at December 31, 2009 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For a more complete discussion of significant accounting policies and certain other information, you should refer to our December 31, 2009 audited financial statements.

Recent Accounting Standards

In September 2009, the accounting standard update regarding revenue recognition for multiple deliverable arrangements was issued. This update requires the use of the relative selling price method when allocating revenue in these types of arrangements. This method allows a vendor to use its best estimate of selling price if neither vendor specific objective evidence nor third party evidence of selling price exists when evaluating multiple deliverable arrangements. This standard update is effective January 1, 2011 and may be adopted prospectively for revenue arrangements entered into or materially modified after the date of adoption or retrospectively for all revenue arrangements for all periods presented. We are currently evaluating the impact that this standard update will have on our financial statements.

In September 2009, the accounting standard update regarding revenue recognition for arrangements that include software elements was issued. This update requires tangible products that contain software and non-software elements that work together to deliver the products' essential functionality to be evaluated under the accounting standard regarding multiple deliverable arrangements. This standard update is effective January 1, 2011 and may be adopted prospectively for revenue arrangements entered into or materially modified after the date of adoption or retrospectively for all revenue arrangements for all periods presented. We are currently evaluating the impact that this standard update will have on our financial statements.

2. Telephone Access Lines Spin-off

On May 13, 2009, Verizon announced a definitive agreement with Frontier Communications Corporation (Frontier) that has resulted in Verizon establishing a separate entity, known as New Communications Holdings Inc. (Spinco), for the purpose of holding defined assets and liabilities of Verizon's local exchange business and related landline activities in 13 states and portions of California. As part of this transaction, Verizon will distribute all of the outstanding shares of Spinco to Verizon's stockholders, and then Spinco will immediately merge with and into Frontier (the Frontier Merger).

Prior to the closing of the Frontier Merger, Verizon West Virginia will become a wholly-owned subsidiary of Spinco, and Verizon West Virginia will become a wholly owned subsidiary of Frontier at the closing of the Frontier Merger.

All outstanding long-term debt of Verizon West Virginia will continue to remain the obligation of Verizon West Virginia and be payable by Verizon West Virginia in accordance with its terms both prior to and following the Frontier Merger. All intercompany debt between Verizon West Virginia and Verizon or any of its subsidiaries will be eliminated prior to the closing of the Frontier Merger.

The Frontier Merger is subject to the continuing effectiveness of regulatory approvals and the satisfaction of certain other closing conditions. We expect that the Frontier Merger will close on July 1, 2010.

During the first three months ended March 31, 2010, Verizon recorded pretax charges of $145 million for costs incurred related to network, non-network software and other activities to enable the markets to be divested to operate on a stand-alone basis subsequent to the closing of the transaction with Frontier. Of this amount, we recorded $2,924 thousand.

3. Shareowner's Investment

(dollars in thousands)	Common Stock	Reinvested Earnings
Balance at December 31, 2009	$ 192,158	$ 5,207
Net income	---	7,703
Balance at March 31, 2010	$ 192,158	$ 12,910

Net income and comprehensive income were the same for the three months ended March 31, 2010 and 2009.

4. Debt

The fair value of our short-term and long-term debt, excluding capital leases, is determined based on market quotes for similar terms and maturities or future cash flows discounted at current rates. The fair value of our long-term and short-term debt, excluding capital leases, was approximately $223,972 thousand and $250,957 thousand at March 31, 2010 and December 31, 2009, respectively, as compared to the carrying value of approximately $215,096 thousand and $241,937 thousand at March 31, 2010 and December 31, 2009, respectively. The decrease in the carrying value of our long-term and short-term debt, excluding capital leases, was due to a decrease in notes payable to affiliates.

5. Commitments and Contingencies

Various legal actions and regulatory proceedings are pending to which we are a party and claims which, if asserted, may lead to other legal actions. We have established reserves for specific liabilities in connection with regulatory and legal matters, including environmental matters that we currently deem to be probable and estimable. We do not expect that the ultimate resolution of pending regulatory and legal matters in future periods will have a material effect on our financial condition, but it could have a material effect on our results of operations.

From time to time, state regulatory decisions require us to assure customers that we will provide a level of service performance that falls within prescribed parameters. There are penalties associated with failing to meet those service parameters and we, from time to time, pay such penalties. We do not expect these penalties to have a material effect on our financial condition, but they could have a material effect on our results of operations.

6. Other Items

Medicare Part D Subsidy

Under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, both of which became law in March 2010 (collectively the Health Care Act), beginning in 2013, Verizon and other companies that receive a subsidy under Medicare Part D to provide retiree prescription drug coverage will no longer receive a federal income tax deduction for the expenses incurred in connection with providing the subsidized coverage to the extent of the subsidy received. Because future anticipated retiree prescription drug plan liabilities and related subsidies are already reflected in our financial statements, this change requires us to reduce the value of the related tax benefits recognized in our financial statements in the period during which the Health Care Act was enacted. As a result, we recorded a one-time, non-cash income tax charge of $4,091 thousand in the first quarter of 2010 to reflect the impact of this change.

Escrow Agreement by Verizon West Virginia

In May 2010, the Public Service Commission of West Virginia issued an order that requires Verizon West Virginia, prior to the earlier of July 6, 2010 or closing of the merger of the parent of Verizon West Virginia with Frontier Communications, to establish an escrow account funded with $72.4 million to be used for service quality initiatives.