

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Petition by Frontier  
Communications of Minnesota, Inc. for  
Renewal and Revision of Its Revised  
Alternative Regulation Plan

MPUC Docket No.:

**PETITION FOR APPROVAL OF  
SECOND REVISED PLAN FOR ALTERNATIVE FORM OF REGULATION  
FOR FRONTIER COMMUNICATIONS OF MINNESOTA**

**I. INTRODUCTION**

This Second Revised Plan for Alternative Form of Regulation for Frontier Communications of Minnesota, Inc. (the "Second Revised Plan") is submitted to the Minnesota Public Utilities Commission ("Commission") for approval with a requested effective date of August 1, 2004 concurrent with the expiration of the Frontier Communications of Minnesota, Inc. ("Frontier") Revised Plan that became effective August 1, 2001. The Second Revised Plan is submitted pursuant to Minn. Stat. § 237.766 and Section XIV of the Revised Plan. Frontier's Initial Plan was approved by the Commission by its Order dated August 16, 1996, in Docket No. P-405/AR-95-1048.

Under Minn. Stat. § 237.766, the Commission has the authority to approve or reject a proposal for a renewed plan. In order to approve a renewed plan, the Commission must issue findings concerning the appropriateness of the proposed plan. *See* Minn. Stat. § 237.764, subd. 1(e).

Principles that determine the appropriateness of a proposed plan can be found at Minn. Stat. § 237.764, subd. 1, which requires the renewal proposal to contain an explanation of ratepayer benefit. The Second Revised Plan benefits ratepayers because it assures customers that they will continue to receive quality service, consistent with Commission rules, at affordable

rates. Other principles to determine the appropriateness of a proposed plan can be found at Minn. Stat. § 237.76, which outlines the purposes of AFOR plans:

**The purpose of an alternative regulation plan is to provide a telephone company's customers with service of a quality consistent with commission rules at affordable rates, to facilitate the development of telecommunication alternatives for customers, and to provide, where appropriate, a regulatory environment with greater flexibility than is available under traditional rate-of-return regulation as reflected in other provisions of this chapter.**

This Second Revised Plan fulfills those purposes.

## **II. SUMMARY OF SECOND REVISED PLAN**

The full text of Second Revised Plan is attached to this filing as Exhibit I. A summary of the Plan follows.

### **Effective Date and Term**

The Second Revised Plan Second is proposed to be effective on August 1, 2004 and will continue for a period of three (3) years. Provisions allow for the extension or early termination of the plan, under certain circumstances. Frontier reserves the right to withdraw its Second Revised Plan if the Commission alters the proposed plan.

### **Investment Plan**

Under Minn. Stat. § 237.76 1, subd. 8, an alternative form of regulation plan must include a plan outlining the Company's commitment to invest in telecommunications infrastructure improvements. During the Initial and Revised Plans Frontier made significant commitments to upgrade its network. It not only fulfilled all of its investment commitments but demonstrated a willingness to go far beyond what it had formally committed in its previous plans as opportunities or needs arose. Frontier has actively responded to requests by school districts for interactive facilities. Frontier's extensive fiber deployment program implemented during the term of the Revised Plan will provide infrastructure to further support future requests for these services for the foreseeable future. Frontier actively provides assistance to school districts for the federal "e-rate" program and currently processes discounts for many schools. Current service offerings of Frontier include:

- Single party service is available to all customers.

- Tone-dial service is available to all customers as a part of local exchange service.
- SS7-based CLASS is provided in all Frontier exchanges.
- Local dial-up Internet access is available in all Frontier exchanges.
- Centrex is available in all Frontier exchanges.
- All Frontier exchanges are served by digital switching equipment.
- A fiber ring serves the Burnsville, Apple Valley, Lakeville, Farmington and Rosemount exchanges.
- All customers have access to the following custom calling features: call waiting, including call waiting control, call forwarding, three-way calling and speed-call.
- BRI and PRI ISDN are available in Apple Valley, Lakeville, Farmington and Rosemount exchanges.
- Frontier has deployed DSL services to all of its exchanges.
- Exchanges serving 99 percent of Frontier's access lines are served by inter-office fiber facilities.

Frontier will be exploring deployment of new infrastructure during the term of its Second Revised Plan. There have been many telecommunications, information service, video and data innovations in the past two years. Frontier is assessing its future direction as new, substitute telecommunications technologies and services compete with traditional, regulated services. Nevertheless, during the term of the Second Revised Plan, Frontier commits to sufficiently upgrade its switching, loop and transport facilities for existing services to maintain substantial compliance with: 1) service quality levels prescribed by Commission Rules and the service standards identified in this Second Revised Plan and 2) installation intervals identified in the Second Revised Plan as it evaluates deployment of infrastructure to offer a new generation of service offerings.

Frontier will respond to any request for proposals from schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in its service area, particularly as they relate to the deployment of fiber-optic facilities or broadband capabilities.

### **Classification of Services**

Under Frontier's Initial Plan and Revised Plan, its services were classified as price-regulated, flexibly priced and non-price-regulated. Frontier's services will continue under their current classifications as price-regulated, flexibly priced and non-price-regulated under the

Second Revised Plan. Frontier's tariffs reflect these classifications, along with all of Frontier's rules, definitions, general practices and limitations on liability. As allowed by Minn. Stat. § 237.761, subd. 6, the classification of a service may be changed during the term of the Second Revised Plan upon a showing that the service meets the criteria contained in Minn. Stat. § 237.761, subds. 2, 3, 4, or 5. The Commission may consider a reclassification on its own motion. In addition, Frontier, the Department, the OAG or an interested person may file a petition to reclassify a service.

### **Regulation of Price Regulated Services**

The rates for price-regulated services in effect as of the effective date of the Second Revised Plan are designated as the "Regulated Price". During the term of the Second Revised Plan, prices for price-regulated services may be decreased, but they may not exceed the Regulated Price except as specified in the plan.

Effective January 1, 2000, Frontier lowered its average weighted composite switched intrastate access rate to \$.039850 pursuant to the Initial Plan. For the term of the Second Revised Plan, the maximum average weighted composite switched intrastate access rate will remain at \$.039850, calculated using the same methodology used in the Initial Plan, and that is contained in the Access Settlement in Docket 93-90 for Vista Telephone Company of Minnesota, as amended by Frontier in Docket P-405/EM-95-1302 to reflect the implementation of local transport reform.

If, during the period of this Second Revised Plan, the Commission mandates a reduction to Frontier's switched access rates (including the CCLC rate element) Frontier would be permitted to implement increases in other price regulated service rates to offset the revenue reduction concurrent with implementation of the switched access rate reduction.

### **Impact of Exogenous Changes on Price Regulated Services**

The Second Revised Plan establishes Regulated Prices based on conditions as of the Effective Date of the Plan. However, the Commission, Legislature or other government entities with appropriate jurisdiction may impose new costs on Frontier or changes in Frontier's revenues (collectively referred to as "Exogenous Changes") that have financial impacts after the Effective Date.

Frontier may petition the Commission, and the Commission may grant recovery of any Exogenous Change through price-regulated rates. The Department or the OAG may petition the Commission to adjust price-regulated rates to reflect the intra-state financial impacts of Exogenous Changes. Nothing in the Second Revised Plan guarantees or forecloses revenue neutrality with respect to the recovery of any type of Exogenous Change. However, if the Commission denies a request for revenue neutrality for any type of Exogenous Change, Frontier shall have the option to terminate the Second Revised Plan upon 90 days notice to the Commission and shall have the option of proposing an alternate AFOR plan or become subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR.

Frontier may not increase its Regulated Prices to recover the financial impacts of Exogenous Changes at any time in which it is not in Substantial Compliance with Quality of Service requirements contained in the Second Revised Plan.

### **Filing Requirements**

The Second Revised Plan specifies filing and notice requirements, which Frontier must follow in making rate and tariff changes.

### **Regulation of Flexibly Priced and Non-Price Regulated Services**

Frontier may file for rate decreases or promotional offerings, at any time. Decreases and promotional offerings will be effective on the day after the filing, unless a later time period is designated by Frontier. Frontier may file for rate increases at any time. For flexibly priced services, such increases will be effective 20 days after filing, unless a longer time period is designated by Frontier. For non-price regulated services, the increase is effective immediately, unless a longer time period is designated by Frontier. Other changes shall be effective after filing, on the date designated by Frontier. Provision is made to allow for parties to file comments in opposition to changes in flexibly priced and non-price regulated services. The Commission may initiate an investigation or stay changes based on filed comments or its own motion.

Minn. Stat. §§ 237.762, subd. 6, 237.770 and 237.626 require that prices for flexibly priced services and non-price-regulated services exceed TSLRIC and that all promotions be

priced above TSLRIC. A promotional filing shall comply with the requirements of Minn. Stat. § 237.626. Frontier is not aware of any prices for any of its flexibly priced or non-price-regulated services which are below TSLRIC. If it is subsequently determined that the price for such a service is below TSLRIC, Frontier will take action to increase that price so that the total revenues for the service, averaged within the area for which the price is in effect, exceed the TSLRIC of the service, averaged within the area for which the price is in effect.

Frontier is not required to file a TSLRIC cost study in order to propose a new service or to propose an increase or decrease in the price of either a flexibly priced or non-price-regulated service, or to offer a promotion. In the event a complaint is filed with the Commission that a service is priced below TSLRIC, or if comments are filed alleging that a new service offering, price reduction, or promotion would permit service to be offered below TSLRIC, Frontier shall, within ten days, reply to the complaint by: a) agreeing to develop and provide the TSLRIC to the Commission; b) petitioning the Commission to accept a variable cost study; or c) demonstrating that the complaint has provided an insufficient factual basis to believe the service is offered at a price below TSLRIC to justify the expense of preparing a cost study.

### **Interconnection**

Frontier has interconnection agreements in effect, established under the provisions of the 1996 Communications Act, FCC rules and Commission rules. These agreements provide for the offering of unbundled network elements, interconnection, resale discounts, number portability, and collocation. Frontier will continue to comply with applicable federal and state laws and regulations with respect to provision of such services and arrangements.

### **New Service Introduced During the Plan**

The procedures set forth in Minn. Stat. § 237.761, subd. 7, shall be used in classifying new services. Provision is made for interested parties to file comments regarding the filing of the proposed classification. If no opposing comments are received, and the Commission has not initiated its own investigation, the classification is deemed approved and no Commission action is required.

## **Rate Deaveraging**

Frontier may propose the deaveraging of any rates during the term of the Plan as set forth in Minn. Stat. § 237.771 and consistent with the Telecommunications Act of 1996, for good cause shown, including consideration of the ability to respond to competition. Frontier may propose geographic deaveraging by business or residential customer class. To justify a rate decrease to respond to competition, good cause must be shown. Frontier's services currently categorized as non-price regulated services meet the good cause requirement for deaveraging and the prices may be changed to any rate at or above TSLRIC.

Before implementing geographically different rates, Frontier shall file its proposed rates, along with an explanation for seeking geographically different rates. Provision is made for the filings of comments opposing the deaveraging. If comments are filed opposing a filing or Frontier has requested a Commission finding that good cause exists for the TSLRIC standard to be averaged over an area other than an exchange, the Commission shall issue its order within 90 days of the initial filing.

## **Miscellaneous Issues**

As provided by Minn. Stat. Section 237.763, during the term of this Second Revised Plan, Frontier will not be subject to rate-of-return regulation or investigation of its earnings under Minn. Stat. Sections 237.075 or 237.081. Except as provided under Minn. Stat. § 237.763, the Commission, OAG and Department retain all authority under Minnesota law. Disputes concerning the implementation of this Second Revised Plan shall be resolved by the Commission pursuant to the procedures of Minn. Stat. § 237.081. Any reduction in Frontier's price regulated, flexibly priced, or non-price regulated service rates that is required by the Commission shall be consistent with the provisions of this Second Revised Plan or State law.

Frontier will continue to file the annual financial reports required of it by the Department. Neither the Department, OAG, nor the Company waive any of their statutory rights with respect to requests for information. Frontier will continue to maintain its accounts in accordance with the system of accounts prescribed for telephone companies by the Commission during the term of this Second Revised Plan.

No price-regulated or flexibly priced service or basic network function will be discontinued without the express approval of the Commission. Commission approval to discontinue a non-price-regulated service is not required. Frontier will give its customers and the Commission 30 days notice prior to discontinuing a non-price-regulated service.

Frontier may offer bundled service packages consistent with Minn. Stat. §237.626, subd. 2. Frontier may offer bundled service packages which include price-regulated, flexibly-priced, non-price regulated and/or non-tariffed services on a limited geographic basis, subject to certain limitations. Frontier shall provide direct written notice to the affected customers of a rate increase at least 20 days before the customer becomes subject to the increase.

Frontier will continue to offer separate toll blocking for: a) all toll calls; b) all international calls (calls outside the North American Calling Area); and c) calls to the 809 area code. Frontier will modify its toll blocking as necessary to comply, at the minimum, with future Federal Communications Commission orders on toll blocking.

Frontier may price its service on an individual case basis (“ICB”), subject to Minn. Stat. § 237.60, subd. 3. Individually priced services shall be priced above TSLRIC. Frontier’s tariffs will include a statement of the individual pricing provisions. Frontier shall separately identify those price-regulated and flexibly-priced services subject to individual case based pricing.

### **Service Quality Standards, Penalties, and Remedies**

Frontier will be subject to quality of services standards, penalties, and customer remedies, consistent with Commission Rules. Quality of service results will be measured and reported to the Commission and Department. Frontier will make compensation for certain service quality failures through penalties and/or individual customer remedies. Specific quality of service standards have been developed for:

- 1) Time Intervals for Installation;
- 2) Exchange Access Line Held Orders;
- 3) Missed Repair Appointments;
- 4) Time Intervals for Restoration or Repair of Service;
- 5) Trouble Rates;

- 6) Repeat Troubles; and
- 7) Customer Service Answer Time.

If the Commission or Legislature adopts additional quality of service standards or modifies existing quality of service standards such that they are more stringent than the quality of service standards in this Second Revised Plan, Frontier will be subject to the more stringent standards. However, such later adopted or amended standards will not be considered for the purpose of determining whether Frontier is in substantial compliance with the Plan.

Frontier is exempted from the otherwise applicable individual customer remedies, penalties, and the disallowance of a rate increase if it is prevented from meeting a quality of service standard because of conditions caused by persons, things, or events outside the control of Frontier, that Frontier should not have reasonably anticipated and prevented, or circumstances that endanger the safety of Frontier employees or members of the public. Events caused by Frontier employees or contractors are not outside Frontier's control for the purpose of the Plan.

Substantial compliance with retail service quality standards is defined as meeting six out of seven of its service quality standards each year. Failure to substantially comply with the service quality standards for two consecutive years will result in a Commission investigation to determine if additional customer remedies and/or penalties are warranted.

Frontier shall submit the monthly reports on Minnesota customers on an annual basis regarding service quality, complaints, and customer contacts.

Frontier will advise customers of their rights as to quality of service and the manner in which they can register complaints regarding service by a bill insert and by a bill message which will be printed annually on all Minnesota customer bills. The two messages will be staggered so that both notices are not provided simultaneously. Frontier will also publish a "Customer Bill of Rights" in its white page directory. The two messages and the "Customer Bill of Rights" will be provided to the Commission in a compliance filing at a later date.

### **Renewal of Second Revised Plan**

No later than six (6) months prior to the expiration of the Second Revised Plan, Frontier shall either: 1) submit a revised plan to the Commission for approval; 2) provide the Commission of notice that it will permit the Second Revised Plan to expire and become subject to such

regulation as is in effect for telephone companies of its size that are not regulated under an AFOR; or 3) provide the Commission with notice that it intends to extend its Second Revised Plan for a period of one (1) additional year.

Six (6) months prior to the expiration of the Second Revised Plan, Frontier will provide a report which compares its service quality record under the Second Revised Plan with the service quality standards contained in Section XIII (Quality Of Service).

### **III. Proposed Customer Notice**

Attached as Exhibit 2 is the proposed Customer Notice of Frontier Regulatory Filing that Frontier will include as a customer bill message.

### **IV. CONCLUSION**

The statutory goals for alternative regulation are to provide a telephone company's customers with service of a quality consistent with Commission rules at affordable rates, to facilitate the development of telecommunication alternatives for customers, and to provide, where appropriate, a regulatory environment with greater flexibility than is available under traditional rate-of-return regulation. The provisions of the Second Revised Plan meet these goals. Price regulated service rates are capped and strict service quality standards are implemented, assuring customers of affordable, quality service. Frontier commits to maintain a high quality infrastructure, allowing for the provision of new and advanced services as they become feasible. Finally, the flexibility allowed Frontier in the Plan would enable the company to more appropriately respond to competition and competitors in the telecommunications marketplace.

Frontier urges the Commission to approve the proposed Second Revised Plan, to be effective August 1, 2004.

Dated: January 29, 2004

Respectfully submitted,

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.

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**SECOND REVISED PLAN FOR ALTERNATIVE FORM OF REGULATION  
FOR FRONTIER COMMUNICATIONS OF MINNESOTA**

**I. EFFECTIVE DATE AND DURATION OF THE SECOND REVISED PLAN**

The Second Revised Plan will be adopted pursuant to the requirements of Minn. Stat. § 237.764, subds. 1(e) and (f), and will continue for a period of three (3) years from the Effective Date of the Second Revised Plan subject to an early termination provision under Section IV(b) or extension provision under Section XI. The Effective Date of the Second Revised Plan is proposed to be August 1, 2004. Frontier reserves the right to withdraw this Second Revised Plan if the Commission alters the proposed plan.

**II. INVESTMENT PLAN**

During the term of the Second Revised Plan, Frontier commits to upgrade its switching, loop and transport facilities to maintain substantial compliance with: 1) service quality levels prescribed by Commission Rules and the service standards identified in this Second Revised Plan and 2) installation intervals identified in the Second Revised Plan.

Frontier will respond to any request for proposals from schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in its service area, particularly with respect to the deployment of fiber-optic facilities or broadband capabilities.

**III. CLASSIFICATION OF SERVICES**

**A. Classification Of Current Services As Price-Regulated, Flexibly-Priced, And Non-Price Regulated**

Under Frontier's Initial Plan and Revised Plan, its services were classified as price-regulated, flexibly priced and non-price-regulated. Subject to the right to reclassify services under the provisions of paragraph B of this Section, Frontier's services will continue under their current classifications as price-regulated, flexibly priced and non-price regulated under this Second Revised Plan. Frontier's tariffs reflect these classifications, along with all of Frontier's rules, definitions, general practices and limitations on liability.

## **B. Reclassification Of Services**

As allowed by Minn. Stat. § 237.761, subd. 6, the classification of a service, including but not limited to, Extension, PBX Tie Line Mileage, and Bridged Line services, may be changed during the term of the Second Revised Plan upon a showing that the service meets the criteria contained in Minn. Stat. § 237.761, subds. 2, 3, 4, or 5. The Commission may consider a reclassification on its own motion. In addition, or Frontier, the Department of Commerce (“Department”), the Office of Attorney General – Residential and Small Business Utilities Division (“OAG”) or an interested person may file a petition to reclassify a service. The requested reclassification shall be effective 30 days after the filing of the petition, unless initial comments opposing the reclassification are filed within 30 days. If a reclassification is contested, reply comments shall be due by the 43<sup>rd</sup> day. Where a reclassification is disputed, the Commission shall review and determine whether an expedited hearing on the matter, pursuant to Minn. Stat. § 237.61, is required and shall issue its decision within 120 days of the initial filing. The Commission or its designee may modify the above time periods as appropriate.

## **IV. REGULATION OF PRICE-REGULATED SERVICES**

The following sections set forth the regulatory process for price-regulated services during the term of the Second Revised Plan.

### **A. Regulated Prices.**

“Regulated Price” as used in this document is defined as the rate for each price regulated service as of the effective date of this Second Revised Plan.

If the then current Regulated Price is adjusted upward or downward under Section IV(B), it shall become the new Regulated Price. Any other rate reductions shall not constitute a new Regulated Price. Frontier shall comply with the effective requirements of Minn. Stat. § 237.762.

#### **1. Service Territory-Wide Rate Reductions**

The Company may request service territory-wide rate reductions pursuant to the procedures of Section IV(C) below. The rate for a price-regulated service which has been reduced below the Regulated Price may subsequently be increased pursuant to the procedures described in Section IV(C) below, subject to any effective requirement in Minn. Stat. § 237.762

that such a price may not exceed the Regulated Price. Rate reductions may not result in the total revenues for the service, averaged within the area for which the reduction is to apply, being reduced below the TSLRIC for the service, averaged within the area for which the reduction is to apply.

## 2. Switched Access Rates

For the term of the Second Revised Plan, the maximum average weighted composite switched intrastate access rate will remain at \$.039850, calculated using the same methodology used in the Initial Plan, and that is contained in the Access Settlement in Docket 93-90 for Vista Telephone Company of Minnesota, as amended by Frontier in Docket P-405/EM-95-1302 to reflect the implementation of local transport reform.

If, during the period of this Second Revised Plan, the Commission mandates a reduction to any of Frontier's switched access rates (including the CCLC rate element) in Docket P999/CI-98-674 or any other proceeding, Frontier will be permitted to implement increases in price regulated service rates. Increases to price regulated service rates will be determined so as to offset the switched access revenue reduction, and will become effective concurrent with the switched access rate reduction.

### **B. Authorized Changes In Price-Regulated Services To Reflect Exogenous Changes**

The Second Revised Plan establishes Regulated Rates that encompass future costs and revenue changes that were known or foreseeable as of the Effective Date of the Plan. However, the Commission, Legislature or other government entities with appropriate jurisdiction may impose new costs on Frontier or changes in Frontier's revenues (collectively referred to as "Exogenous Changes"). Frontier may petition the Commission to recover Exogenous Changes, including but not limited to changes in the intra-state financial impact of: changes in EAS routes and/or compensation, including changes in intercarrier compensation; comprehensive local service rate restructuring; rate deaveraging; changes in universal service or funding payments; changes in local, state or federal taxes; changes in the Commission's application of jurisdictional separation, the Uniform System of Accounts or other mandatory Financial Accounting Standards Board accounting standards; assessments related to the use of telephone numbers, including mandated number conservation efforts; changes in the provision of service outside of existing certified service territory; substantial financial impacts of government mandates to construct

specific telecommunications infrastructure or develop systems beyond that contemplated by this Second Revised Plan, and for which Frontier would not otherwise be compensated through some other manner under the plan.

The Commission may, upon petition, grant recovery of any Exogenous Change through price-regulated rates. Nothing in the Second Revised Plan guarantees or forecloses revenue neutrality with respect to the recovery of any type of Exogenous Change. However, if the Commission denies a request for revenue neutrality for any type of Exogenous Change, Frontier shall have the option to terminate the Second Revised Plan upon 90 days notice to the Commission and shall have the option of proposing an alternate AFOR plan or become subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR.

Frontier shall have the right to recover federally authorized rates or charges during the term of this Second Revised Plan. All changes related to local service provider long-term number portability (LNP) are treated in this Plan as federally authorized rates or charges.

Frontier may petition the Commission for recovery of any Exogenous Change at any time. However, Frontier shall not increase its Regulated Prices to recover the financial impacts of Exogenous Changes at any time in which it is not in Substantial Compliance with Quality of Service requirements as determined under Section X(C) below. Frontier shall be allowed to implement approved increases to its Regulated Prices to recover the financial impacts of Exogenous Changes as soon as it achieves such Substantial Compliance, with annual requirements to be determined for this purpose on a rolling 12 month basis.

This section governs procedure for a Frontier request for recovery of Exogenous Changes through its price-regulated rates. Recovery of exogenous costs through flexibly priced or non-price regulated rates may be pursued through the procedures of Section V below. Any recovery of Exogenous Changes related to price regulated, flexibly priced, and non-price-regulated services will be apportioned to prevent cross-subsidization, consistent with Minn. Stat. § 237.770.

The Department or the OAG may petition the Commission to adjust price-regulated rates to reflect the intra-state financial impacts of Exogenous Changes.

**C. Procedures And Timelines For Changing Rates Under This Section**

Frontier may request rate reductions or file for a rate change authorized by Sections IV(A)(2) and IV(B) under the following procedures.

Changes in tariffs for price-regulated services shall become effective under the following timelines: a) language changes and promotions, one day after filing the tariff; b) rate reductions, 20 days after filing the tariff, except as provided under Section VIII(C) below; c) significant changes in the condition of service, 20 days after filing the tariff; d) new services, 10 days after filing the tariff; and e) proposals to increase prices, 30 days after filing the tariff. Interested parties shall have 20 days to file comments from the date of the initial filing of any change in the price-regulated service tariffs. Reply comments may be filed within 33 days of the initial filing. When comments have been filed, or the Commission initiates action on its own motion, the Commission shall issue its order within 90 days of the initial filing. The Commission or its designee may alter these timelines as appropriate.

The requirements of the Commission’s procedural rules, Chapters 7810 and 7829, shall not apply to miscellaneous filings made pursuant to the Second Revised Plan to the extent those requirements are inconsistent with the procedures contained in the Second Revised Plan.

The Commission may order that the proposed changes or new service not take effect or, subsequently, amend the rates either through a complaint proceeding or a Commission investigation.

**V. REGULATION OF FLEXIBLY PRICED AND NON-PRICE REGULATED SERVICES**

The following section sets forth the procedures for adjusting the price lists for flexibly priced and non-price-regulated services during the term of the Plan.

**A. Flexibly Priced Services**

**1. Price Decreases**

Frontier may file for rate decreases or promotional offerings, at any time. Decreases and promotional offerings will be effective on the day after the filing, unless a later time period is designated by Frontier.

## **2. Price Increases**

Frontier may file for rate increases at any time. Such increases will be effective 20 days after filing, unless a longer time period is designated by Frontier.

## **3. Other Changes To The Price List**

All other changes to the price list shall be effective after filing, on the date designated by Frontier.

## **4. New Service**

As provided in Section 237.761, subd. 7, Frontier will file a price for a new flexibly priced service with the Department and the Commission at least one (1) day before offering the service. The filing must include an explanation supporting the proposed classification.

## **5. Commission Review**

Changes in the price list, including proposed new flexibly priced services, do not require Commission prior approval to take effect. All proposed changes shall be deemed approved if no comments objecting to the proposed change are filed by an interested party within 20 days after the filing. If comments are filed, reply comments may be filed within 33 days of the initial filing. When comments have been filed, or the Commission initiates action on its own motion, the Commission shall issue its order within 90 days of the initial filing. The Commission or its designee can modify these timelines as appropriate.

The Commission may stay a proposed change in a flexibly priced service pending further investigation upon a determination that it may have grounds to disapprove the proposed change. The Commission may disapprove the proposed change if it is inconsistent with the Second Revised Plan or state law, including a finding that the new price is not fair or reasonable under Minn. Stat. §237.06, will impede the fair development of fair and reasonable competition, or will result in substantial customer harm.

The Commission may order a refund of any price increase to any of Frontier's flexibly priced services if it finds the increase to be improper under terms of the Second Revised Plan or state law, provided that no refund based upon a violation of Minn. Stat. § 237.06 shall be ordered for any time prior to the date on which Frontier is notified that a complaint has been filed with respect to the price increase.

## **B. Non-Price Regulated Services**

Frontier may increase or decrease the price of any non-price-regulated service effective immediately after the filing. Frontier will file a price for a new non-price regulated service at least one day before offering the service. A filing for a new service must include an explanation supporting the proposed classification. Frontier will file any change in its price list for non-price regulated services, including changes in the terms and conditions of the service, or limits on liability, with the Department and Commission. Changes in the price list for non-price-regulated services do not require prior Commission approval to take effect. Comments opposing a new service or a change in the terms and conditions under which a non-price regulated service is offered are due within 30 days of the initial filing. If comments are filed objecting to a proposed change in a non-price regulated service, or a new non-price regulated service, reply comments may be filed within 43 days of the initial filing. The Commission may stay a proposed change in a non-price regulated service or the offering of a new service pending further investigation upon a determination that it may have grounds to disapprove the proposed change or new service. The Commission may disapprove a proposed change or a new service if it determines that it violates any provision of state law or this Second Revised Plan. When comments have been filed, or the Commission initiates an investigation on its own motion, the Commission shall issue its order within 90 days of the initial filing. The Commission or its designee may alter these timelines as appropriate.

## **C. Rates For Flexibly Priced And Non-Price-Regulated Services To Exceed TSLRIC; Filing Of TSLRIC Cost Studies Not Routinely Required**

Minn. Stat. §§ 237.762, subd. 6, 237.770 and 237.626 require that prices for flexibly priced services and non-price regulated services exceed TSLRIC and that all promotions be priced above TSLRIC. A promotional filing shall comply with the effective requirements of Minn. Stat. § 237.626. Frontier is not aware of any prices for any of its flexibly priced or non-price regulated services which are below TSLRIC. If it is subsequently determined that the price for such a service is below TSLRIC, Frontier will take action to increase that price so that the total revenues for the service, averaged within the area for which the price is in effect, exceed the TSLRIC of the service, averaged within the area for which the price is in effect.

Frontier is not required to file a TSLRIC cost study in order to propose a new service or to propose an increase or decrease in the price of either a flexibly priced or non-price-regulated service, or to offer a promotion. In the event a complaint is filed with the Commission that a service is priced below TSLRIC, or if comments are filed alleging that a new service offering, price reduction, or promotion would permit service to be offered below TSLRIC, Frontier shall, within ten days, reply to the complaint by: a) agreeing to develop and provide the TSLRIC to the Commission; b) petitioning the Commission to accept a variable cost study; or c) demonstrating that the complaint has provided an insufficient factual basis to believe the service is offered at a price below TSLRIC to justify the expense of preparing a cost study.

## **VI. INTERCONNECTION**

Frontier has interconnection agreements established under the provisions of the 1996 Communications Act, FCC rules and Commission rules. These agreements provide for the offering of unbundled network elements, interconnection, resale discounts, number portability, and collocation. Frontier will continue to comply with applicable federal and state laws and regulations with respect to provision of such services and arrangements.

## **VII. NEW SERVICES INTRODUCED DURING THE PLAN**

The timelines for introducing new services are contained in Section IV (Price-Regulated Services) and Section V (Flexibly Priced And Non-Price-Regulated Services). This Section will discuss the process for determining the service classification for new services, and the right of customers to block new services.

### **A. New Service Classification**

Frontier shall comply with the effective requirements set forth in Minn. Stat. § 237.761, subd. 7, in classifying new services. Interested parties may file comments on the filing of the proposed classification within 30 days. If no opposing comments are received, and the Commission has not initiated its own investigation, the classification is deemed approved and no Commission action is required.

If opposition to the proposed classification occurs, reply comments shall be due within 43 days of the initial filing. When comments have been filed, or the Commission initiates action on

its own motion, the Commission shall determine the appropriate classification within 90 days of the initial filing. The Commission or its designee may alter these timelines as appropriate.

**B. Ability To Decline New Service Charges**

Frontier will provide its customers reasonable notice of the ability to decline, at no extra charge, any new service which it offers or provides at an additional cost. This requirement shall not apply to services that require affirmative subscription by the customer.

**VIII. DEAVERAGING OF RATES**

**A. Geographically Deaveraged Rates**

The provisions of this Section apply to Frontier requests to deaverage rates, and do not apply to comprehensive rate restructuring under Section IV.

**1. Frontier Initiated Proposal**

Frontier may propose the deaveraging of any rates during the term of the Plan as set forth in Minn. Stat. § 237.771 and consistent with the Telecommunications Act of 1996, for good cause shown, including consideration of the ability to respond to competition. Any proposal to deaverage prices under this section must result in reductions below the Regulated Price of the service. Frontier may propose geographic deaveraging by business or residential customer class.

**2. Good Cause Criteria Based Upon Competition For Price Regulated And Flexibly Priced Services**

To justify a rate decrease to respond to competition, good cause will have been shown when the following criteria are met:

**a.** a competitor is actually offering service to customers at a price lower than that offered by Frontier for the applicable service in the exchange. For purposes of this Plan, a service provider is “actually offering” a service when: (1) the service provider has facilities in place that it has constructed that are capable of delivering the service and/or has begun leasing unbundled network elements in the exchange; (2) no regulatory, technical, or other impediments to customers taking service exist; and (3) customers are reasonably aware that they may purchase the service from the provider. Frontier in such a case may decrease its rate to any rate above TSLRIC, provided that the total revenues for the service, averaged within the exchange, are not below the TSLRIC of providing the service, averaged within the exchange; or

**b.** a competitor is not actually offering service to customers at a price lower than that offered by Frontier for the applicable service in the exchange, but the competitor either: (1) has facilities (that it has constructed and/or has begun leasing as unbundled network elements in the exchange) that are capable of serving customers for the applicable service in the exchange; or (2) at least some portion of the customers have signed up to switch service to the competitor, prior to the competitor being capable of serving the entire customer base. In such a case, Frontier may decrease its rate to any rate at or above the rate offered by the competitor, provided that the total revenues of the service, averaged within the exchange are not reduced below the TSLRIC of providing the service, averaged within the exchange.

Frontier may petition the Commission for a finding that good cause exists for the TSLRIC standard to be averaged over an area other than the exchange, under the filing procedures set out in Subsection C below.

A wireless provider will be counted as having competitive facilities in place if the provider has been designated by the Commission as an eligible telecommunications carrier (“ETC”) or if the wireless provider is providing all of the service elements required under 47 C.F.R. § 54.101(a)(1) through (8) and is offering such elements in a usage package as an alternative to wireline service.

### **3. Non-price Regulated Services**

Frontier’s services currently categorized as non-price regulated services meet the good cause requirement for deaveraging and the prices may be changed to any rate at or above TSLRIC.

### **4. Burden of proof**

If a competitor refuses to disclose the extent of its competitive facilities to the Commission, the regulatory agencies, and Frontier, thus preventing Frontier from providing evidence regarding the above criteria, the burden of proof regarding Frontier’s allegations of competitive good cause shifts to the competitor to show the criteria have not been met. If the competitor discloses the competitive facility information to the Commission or to the regulatory agencies and not to Frontier, Frontier will be able to review such material necessary to meet its burden of proof, subject to a protective agreement or order.

## **5. Reservation of Rights**

Frontier reserves its right to request Commission approval of a rate-deaveraging proposal based upon other proof of good cause for deaveraging based upon competition or for good cause other than competition. The Department and the OAG reserve their rights to support or oppose any such request.

## **6. TSLRIC Study**

Frontier must submit a TSLRIC study or petition the Commission to accept a variable cost study under Minn. Stat. §237.772, subd. 2 to support any geographic deaveraging proposal. The fact that a competitive local exchange provider offers a lower price may be submitted as evidence to support the incremental cost study. Frontier's TSLRIC study will be averaged on an exchange basis unless Frontier obtains a Commission finding that good cause exists for the TSLRIC standard to be averaged over an area other than the exchange.

## **7. Rate Decreases Or Increases Subsequent To A Geographic Rate Reduction**

To effect a further rate reduction in an exchange in which Frontier has previously geographically deaveraged rates, Frontier must obtain Commission approval of a geographically deaveraged rate reduction under this section. Frontier may increase geographically deaveraged rates, pursuant to the procedures described in Section IV(C), subject to the limit that such a price may not exceed the Regulated Price.

### **B. Local Taxes, Permit Fees, Franchise Fees, Other Special Local Charges**

Any local taxes, permit fees, franchise fees, or other special charges imposed on Frontier by a local or regional governmental unit may be recovered through a separate line item on Frontier's customer bill and recovered only from customers living within the jurisdiction which imposed the fee, tax or other charge and subscribing to a service associated with the fee, tax or charge. Frontier's tariffs shall contain a list of all such fees, taxes or other charges along with a designation of which customers are subject to their recovery.

### **C. Filing Procedures**

Before implementing geographically different rates, Frontier shall file its proposed rates, along with an explanation for seeking geographically different rates. Comments opposing a filing for deaveraged rates shall be made within 20 days of the initial filing. Reply comments

may be filed within 30 days of the initial filing. If no comments are filed opposing a filing and Frontier has not requested a Commission finding that good cause exists for the TSLRIC standard to be averaged over an area other than an exchange, the request will be deemed approved and will take effect on the date specified by Frontier. If comments are filed opposing a filing or Frontier has requested a Commission finding that good cause exists for the TSLRIC standard to be averaged over an area other than an exchange, the Commission shall issue its order within 60 days of the initial filing. The Commission or its designee may alter these timelines as appropriate.

## **IX. MISCELLANEOUS REGULATION ISSUES UNDER THE PLAN**

### **A. Rate-Of-Return Regulation Not Applicable**

As provided by Minn. Stat. § 237.763, during the term of this Second Revised Plan, Frontier will not be subject to rate-of-return regulation or investigation of its earnings under Minn. Stat. §§ 237.075 or 237.081.

### **B. Commission, OAG And Department Powers**

Except as provided in Section IX(A) or under Minn. Stat. §237.763, the Commission, OAG and Department retain all authority under Minnesota law. Disputes concerning the implementation of this Second Revised Plan shall be resolved by the Commission pursuant to the procedures of Minn. Stat. § 237.081. Any reduction in Frontier's price regulated, flexibly priced, or non-price regulated service rates that is required by the Commission shall be consistent with the provisions of this Second Revised Plan or State law.

### **C. Annual Reports**

Frontier, on or before May 1st of each year, will file the annual financial reports required of it by the Department. Neither the Department, OAG, nor the Company waive any of their statutory rights with respect to requests for information. If telephone companies with AFOR Plans are subsequently relieved of this obligation by the Legislature, this provision will cease to be effective.

#### **D. Uniform System Of Accounts**

Frontier will continue to maintain its accounts in accordance with the system of accounts prescribed for telephone companies by the Commission during the term of this Second Revised Plan.

#### **E. Service Discontinuance**

No price-regulated or flexibly priced service or basic network function will be discontinued without the express approval of the Commission. Comments concerning a proposed discontinuance may be filed within 30 days of the initial filing of the proposal to discontinue. Reply comments may be filed by the 43<sup>rd</sup> day from the initial filing. When comments have been filed, or the Commission initiates action on its own motion, the Commission shall issue its order within 90 days of the initial filing. The Commission or its designee may alter these timelines as appropriate.

Commission approval to discontinue a non-price-regulated service is not required. Frontier will give its customers and the Commission 30 days notice prior to discontinuing a non-price-regulated service.

#### **F. Bundling of Services**

##### **1. Bundling In All Areas Where Services Are Available**

Frontier may offer bundled service packages consistent with Minn. Stat. §237.626, subd. 2.

##### **2. Bundling On A Limited Geographic Basis**

Frontier may offer bundled service packages which include price-regulated, flexibly-priced, non-price regulated and/or non-tariffed services on a limited geographic basis. Frontier must demonstrate that a competitor is actually offering a bundled package which includes the price-regulated services contained in Frontier's proposed bundled package. In such case, Frontier may bundle services on a limited geographic basis if the total revenues for the package of services, averaged within the exchange, are not reduced below the TSLRIC of providing the package of services, averaged within the exchange. Frontier may petition the Commission for a finding that good cause exists for the TSLRIC standard to be averaged over an area other than an

exchange. The complaint process described in V(C) above, applies to any bundling under this Subsection.

**G. Customer Notice of Rate Increase**

Frontier shall provide direct written notice to the affected customers of a rate increase at least 20 days before the customer becomes subject to the increase.

**H. Toll Blocking**

Frontier will continue to offer separate toll blocking for: a) all toll calls; b) all international calls (calls outside the North American Calling Area); and c) calls to the 809 area code. Frontier will modify its toll blocking as necessary to comply, at the minimum, with future Federal Communications Commission orders on toll blocking.

**I. Individual Case Based Pricing**

Frontier may individually case base (“ICB”) price its services subject to Minn. Stat. § 237.60, subd. 3.

**J. Terms And Conditions To Stay In Effect Upon Transfer Of Interest**

The parties agree that the terms and conditions of this Second Revised Plan will continue in effect if Frontier’s service territory is sold to another entity. Any successor owner will be obligated to cause Frontier to meet its obligations under the Second Revised Plan.

**X. QUALITY OF SERVICE**

During the term of the Second Revised Plan, Frontier will comply with specific quality of service standards, penalties, and customer remedies as shown in Appendix I.

**A. Subsequently Adopted Quality Of Service Standards**

If the Commission or Legislature adopts additional quality of service standards or modifies existing quality of service standards such that they are more stringent than the quality of service standards in this Second Revised Plan, Frontier will be subject to the more stringent standards. However, such later adopted or amended standards will not be considered for the purpose of determining whether Frontier is in substantial compliance with the Plan.

**B. No Customer Remedies, Penalties Or Revenue Reductions Where Circumstances Are Beyond Frontier's Control**

Frontier is exempted from the otherwise applicable individual customer remedies, penalties, and the disallowance of a rate increase if it is prevented from meeting a quality of service standard because of conditions caused by persons, things, or events outside the control of Frontier, that Frontier should not have reasonably anticipated and prevented, or circumstances that endanger the safety of Frontier employees or members of the public. Events caused by Frontier employees or contractors are not outside Frontier's control for the purpose of the Plan. If 10 or more customers are affected, Frontier shall not be entitled to an exemption without filing a report with the Department and Commission setting forth the basis for the exemption. Any challenge to the requested exemption shall be filed with the Commission within 30 days. Reply comments may be filed by the 43<sup>rd</sup> day from the initial filing. If the exemption is disputed, the Commission shall issue its Order within 90 days of the initial filing. The Commission or its designee may modify the timelines as appropriate.

**C. Substantial Compliance**

Substantial compliance with retail service quality standards is defined as meeting six out of seven of its service quality standards each year. Failure to substantially comply with the service quality standards for two consecutive years will result in a Commission investigation to determine if additional customer remedies and/or penalties are warranted. Compliance occurs when the standard is met on an annual basis. Frontier shall not be deemed to be out of substantial compliance if failure to meet a standard is the result of circumstances as set forth in Section X (B) above.

**D. Annual Reports**

Frontier shall submit the following monthly reports on Minnesota customers on an annual basis.

**1. Service Quality Reports**

Frontier shall report to the Commission, the Department, and the OAG, its performance in meeting the quality of service standards for the previous year.

## **2. Complaints**

Frontier shall report to the Commission, the Department, and the OAG all complaints it receives regarding regulated services referred to Frontier by outside agencies (such as the Commission, the Department, the OAG).

## **3. Customer Contacts**

Frontier shall report to the Commission the number of calls from customers that it receives in the following categories:

- (1) Repair/Trouble calls, including the total number of calls, calls for service outage and calls for troubles not resulting in service outage.
- (2) Installation/Move Orders, including the total number of orders, orders for new connections and orders for transfer of service.
- (3) Slamming, based on criteria and standards determined pursuant to reporting required by the Federal Communications Commission.

## **E. Customer Notices Of Service Quality Rights**

Frontier will advise customers of their rights as to quality of service and the manner in which they can register complaints regarding service by a bill insert and by a bill message which will be printed annually on all Minnesota customer bills. The two messages will be staggered so that both notices are not provided simultaneously. Frontier will also publish a “Customer Bill of Rights” in its white page directory. The two messages and the “Customer Bill of Rights” will be provided to the Commission in a compliance filing at a later date.

## **XI. SECOND REVISED PLAN RENEWAL**

No later than six (6) months prior to expiration of the Second Revised Plan, Frontier shall either: 1) submit a revised plan to the Commission for approval; 2) provide the Commission of notice that it will permit the Second Revised Plan to expire and become subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR; or 3) provide the Commission with notice that it intends to extend its Second Revised Plan for a period of one (1) additional year.

If Frontier elects to submit a revised plan to the Commission for approval, it must comply with all applicable legislative requirements. The term of the Second Revised Plan may be extended by Commission order to accommodate further necessary negotiations. If at the end of the term of the Second Revised Plan and any extensions, Frontier has not agreed to a plan approved by the Commission, Frontier shall be subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR.

If Frontier elects to permit the Second Revised Plan to expire and become subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR, the Second Revised Plan will be terminated three (3) years from the effective date of the Second Revised Plan.

If Frontier elects to extend its Second Revised Plan for an additional one (1) year, the Second Revised Plan's expiration date will be extended by one (1) year from the otherwise scheduled expiration date. For as long as the Second Revised Plan remains effective, Frontier will be required to notify the Commission, six months prior to the scheduled expiration date of its election to either: 1) submit a revised plan to the Commission for approval; 2) provide the Commission of notice that it will permit the Second Revised Plan to expire and become subject to such regulation as is in effect for telephone companies of its size that are not regulated under an AFOR; or 3) provide the Commission with notice that it intends to extend its Second Revised Plan for a period of one (1) additional year.

Six (6) months prior to the expiration date of the Second Revised Plan, Frontier will provide a report which compares its service quality record under the Second Revised Plan with the service quality standards contained in Section X (Quality Of Service). It will also file a report detailing the infrastructure improvements made during the term of the Second Revised Plan.

Frontier shall retain records in sufficient detail to facilitate review of the Second Revised Plan.

## **APPENDIX I**

### **I. Service Quality Standards**

#### **1. Time Intervals For Installation**

Frontier will meet the installation standards in paragraphs a and b, below, for 95% of installations. Satisfaction of this standard shall be determined annually on an exchange basis in each of Frontier's five Metro exchanges (the "Metro Exchanges"), and on a regional basis in each of the three rural regions set forth in Attachment D (the "Rural Regions").

##### **a. Where Facilities To Provide The Service Exist**

New analog access service will be installed upon two (2) business days' notice for the primary line, upon three (3) business days' notice for a non-primary line(s), or on a later business date if requested by the customer. A business day is Monday through Friday and excludes all state holidays. This standard only applies to orders for R-1 and B-1 service (business and residential customers may take more than one line and still qualify if the service is limited to R-1 or B-1 service).

For other analog installations of 25 or fewer lines, Frontier shall install service within 10 days, unless a later date is requested by the customer. For installations of more than 25 analog lines, Frontier will install service on the date(s) agreed upon with the customer. Frontier shall not set the installation date beyond 30 days unless expressly requested by the customer.

Agreed upon date(s) may be renegotiated if the customer changes the service order prior to installation.

##### **b. Where New Facilities Are Needed To Provide Service**

Where new facilities are needed to provide service, Frontier shall install the service within 30 days.

For purposes of this provision of the Second Revised Plan, facilities are considered not to exist if Frontier is required to make a capital investment of outside plant to provide service. If

service was previously provided to a customer's premises or if it is a previously served location, facilities will be regarded as being available.

## **2. Time Intervals For Service Outages**

Frontier will meet the following standard for out-of-service reports at least 95 percent of the time. A service is deemed to be out-of-service if the customer is unable to receive or place calls on the access line available at the customer's premises. This definition includes service affecting troubles such as static severe enough to prevent communication. Satisfaction of this standard shall be determined annually for each of the Metro Exchanges and Rural Regions.

### **a. Where No Appointment Is Requested**

Out-of-service troubles will be cleared within 24 hours, assuming that access to customer controlled facilities is provided at the request of the Frontier.

### **b. Where Customer Requests An Appointment**

Repairs will be made on the scheduled repair date, assuming that access to customer premises is provided as scheduled. Frontier will offer a repair appointment to occur within 24 hours of when the customer calls.

## **3. Missed Repair Appointments**

Frontier will meet at least 80 percent of repair appointments in the first year of the plan, 85 percent in the second year, and 90 percent in the third year of the plan.

## **4. Access Line Held Orders**

Frontier shall not exceed a daily average of more than 8 held orders for primary line service, measured quarterly on a statewide basis. A held order is defined as a primary line service not provided: a) in 30 days when the customer requested service within 30 days; or b) on the date requested when requested for more than 30 days in the future.

## **5. Trouble Rates**

Frontier will not exceed 2.5 Troubles per 100 access lines, measured annually on an exchange basis for each of Frontier's Metro Exchanges and within each of Frontier's Rural Regions during the term of the Second Revised Plan.

A “Trouble” is defined as a reported problem with a Frontier regulated telecommunications service. “Trouble” shall not include the results of conditions that are caused by persons, things, or events outside the control of Frontier; that Frontier should not have reasonably anticipated and prevented; or circumstances that present endangerment to the safety of Frontier employees. Events caused by employees or contractors are not outside Frontier’s control for the purpose of the Plan. Trouble reports shall include reports where no Trouble is found and shall exclude reports where the Trouble is customer premise equipment or inside wire on the customer side of the demarcation point.

## **6. Repeat Troubles**

Frontier shall not exceed Nine (9.0) percent, on a statewide basis, in any annual period of the Second Revised Plan, measured from the Effective Date. A Repeat Trouble is defined as a bona fide report of the same trouble when there was a closed trouble report within the prior 30 days on the same customer access line. The burden is on the Company to prove that a Repeat Trouble report is not bona fide. A Repeat Trouble shall not include any reported problem made by a customer where the report is related to a cause that is different from the cause of the first report.

## **7. Customer Service Answer Time**

Frontier is using a combination of mechanical and live operators to respond to customer service calls. The customer call center is available to address all customer needs and inquiries, including: requests for new service; requests for change in service; bill inquiries; trouble reporting; emergency services; and call tracing. Ninety (90) percent of all customer service calls, measured on an annual basis, will be answered by a live operator or automated attendant within 20 seconds.

## **II. Individual Customer Remedies For Failure To Meet Standards**

If Frontier fails to meet the above standards, the following individual customer remedies shall be provided by Frontier.

### **1. Installations**

A customer that does not receive installation of a primary line within the above time frames shall be offered the following remedies:

1) Remote call forwarding, provided without charge, to a voice mail box (the mail box shall be provided by Frontier without charge) or to a cellular or other number designated by the customer; and

2) A directory assistance listing to the new telephone number, provided without charge; and

3) Credit for the installation charges for the primary line service, plus a month of basic access, including EAS, for that line; and

4) An additional \$10 of credit shall be given for the primary line for each additional day of delay beyond the above standard until the 8th day. Thereafter, the customer has a choice whether to continue accumulating a \$10 per day credit or receive use of a cellular phone (when the 8th day falls on a Saturday, Sunday or state holiday, the cellular phone need not be delivered until the next business day).

Customers who request installation of a primary line and identify a medical need and the need for local communication services (not otherwise met) will, after the second business day, be offered, in place of the remedies set forth in item 4, use of a cellular telephone beginning on the next business day after the cellular telephone is requested.

Frontier may limit the cellular usage to local service and block all toll and roaming service. The customer shall not be considered to be receiving local service and shall not be subject to Frontier's monthly charges for local service until it begins receiving wireline service.

If Frontier fails to install a non-primary line(s) within the above timeliness the customer shall be offered the following remedies:

1) A credit for the installation charges for the non-primary line(s);

2) Remote call forwarding, provided without charge, to a voice mail box (the mail box shall be provided by Frontier without charge) or to a cellular or other number designated by the customer; and

3) A directory assistance listing to the new telephone number, provided without charge.

These remedies shall be available to all residential and business customers.

## **2. Service Outages**

If Frontier fails to reinstate residential access service within 48 hours and business access service within 24 hours of the outage or the date requested by the customer for the repair to be made, the customer shall be offered the following remedies:

1) Remote call forwarding, provided without charge, to a voice mail box (provided by Frontier without charge) or to a cellular or other number designated by the customer; and

2) Frontier will provide a customer with a pro rata adjustment for the first two days (residential) and one day (business) that there is a service outage. Thereafter, Frontier shall provide the customer with the greater of a pro rata adjustment or a \$10 credit for each day of additional outage. After the 8th day, a customer, whose primary line is out of service, will have a choice whether to continue accumulating the pro rata adjustment or credit or receive use of a cellular phone (when the 8th day falls on a Saturday, Sunday or state holiday, the cellular phone may be delivered on the next business day).

Customers that identify a medical need and the need for local communication services (not otherwise met) will be offered, in addition to the remedies set forth in this Section XIII(C)(2), use of a cellular telephone beginning on the next business day after the request for the cellular telephone.

Frontier may limit the cellular usage to local service and block all toll and roaming service.

These remedies shall be available to all residential and business customers.

## **3. Repeat Troubles**

If a residential customer has a Repeat Trouble (as defined above) within three months, the customer will receive a one-month credit for basic access service, including EAS. A business customer which has a repeat of the same trouble within three months on the same access line will receive a one-month credit for basic service, including EAS, for that access line.

### **III. Penalties For Failure To Comply With Service Quality Standards**

The consequences of failing to meet the standards are as follows:

Failure to meet a statewide standard, determined annually from the Effective Date of the Plan, for Repeat Troubles, or Held Orders will result in a penalty of \$0.25 per access line per month for 12 months for each standard which Frontier fails to meet, provided as a credit to each customer.

If a Metro Area Exchange or Rural Region fails to meet the Trouble Rates standard or the Missed Repair Appointments standard in three months out of twelve months, determined in 12 month increments after the Effective Date of the Plan, each customer located within that Metro Exchange or Rural Region shall receive a \$0.25 credit per access line per month for 12 months for each standard (Trouble Rates/Missed Repair Appointments) which Frontier fails to meet.

If a Metro Exchange or Rural Region fails to meet the installation or repair standard in three months out of twelve months, determined in 12 month increments after the Effective Date of the Plan, each customer located within the affected Metro Exchange or Rural Region shall receive a \$0.25 credit per access line per month for 12 months for each standard Frontier fails to meet.