

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 6, 2016

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 171020

Re: Office of Small Business Advocate  
v.  
Frontier Communications of  
Commonwealth Telephone Company  
Docket Nos. C-2016-2534366  
R-2016-2524592  
P-00961024F1000

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum, Notice of Intervention and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Barrett C. Sheridan  
Barrett C. Sheridan  
Assistant Consumer Advocate  
PA Attorney I.D. # 61138  
E-Mail: BSh Sheridan@paoca.org

Attachment

cc: Honorable Elizabeth H. Barnes, ALJ  
Certificate of Service

220710

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office of Small Business Advocate	:	
	:	
v.	:	C-2016-2534366
	:	R-2016-2524592
Frontier Communications Commonwealth	:	P-00961024F1000
Telephone Company	:	

I hereby certify that I have this day served a true copy of the following documents, the Office of Consumer Advocate's Prehearing Memorandum, Notice of Intervention and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 6<sup>th</sup> day of May 2016.

SERVICE BY E-MAIL and FIRST CLASS MAIL

Steven C. Gray, Esquire  
Office of Small Business Advocate  
300 North Second Street, Suite 202,  
Harrisburg, PA 17101

Jim Warta  
Frontier Communications  
37 Diller Avenue  
New Holland, PA 17557

Charles E. Thomas III, Esquire  
Thomas, Niesen & Thomas, LLC  
212 Locust Street, Suite 600  
Harrisburg, PA 17101

/s/ Barrett C. Sheridan  
Barrett C. Sheridan  
Assistant Consumer Advocate  
PA Attorney I.D. # 61138  
E-Mail: BSh Sheridan@paoca.org

220713

Counsel for  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-504  
Fax: (717) 783-7152

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Small Business Advocate	:	
	:	
v.	:	C-2016-2534365
	:	R-2016-2524540
Frontier Communications of Breezewood, LLC, Canton, LLC, Lakewood, LLC, Oswayo River, LLC, and Pennsylvania, LLC	:	P-00951005F1000
	:	
Office of Small Business Advocate	:	
	:	
v.	:	C-2016-2534366
	:	R-2016-2524592
Frontier Communications Commonwealth Telephone Company	:	P-00961024F1000
	:	

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**PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE**

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Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. §333, and the Prehearing Order of Administrative Law Judge Elizabeth H. Barnes dated April 28, 2016, the Pennsylvania Office of Consumer Advocate (“OCA”) hereby submits this Prehearing Memorandum:

**I. PROCEDURAL HISTORY**

On January 29, 2016, Frontier Communications Commonwealth Telephone Company (Frontier Commonwealth) and Frontier Communications of Breezewood, LLC, Frontier Communications of Canton, LLC, Frontier Communications of Lakewood, LLC, Frontier Communications of Oswayo River, LLC, and Frontier Communications of Pennsylvania, LLC (the Frontier Companies), each filed separately with the Commission a 2016 Price Stability Index (PSI) filing pursuant to the respective Price Stability Mechanisms (PSM) in their Chapter

30 Plans. On February 2, 2016, Frontier Commonwealth and the Frontier Companies filed proposed tariffs, effective April 17, 2016. Frontier Commonwealth's proposed tariffs would increase residential rates by up to \$1.00 per month and business rates up to \$2.00 per month. The Frontier Companies proposed varying increases of up to \$1.00 per month for residential and business rates.

After preliminary review of the materials filed by the Companies in support of their 2016 PSI filings, the Office of Small Business Advocate (OSBA) filed Formal Complaints against the respective PSI filings and proposed tariffs and rate changes. In its Formal Complaints, the OSBA averred that the materials filed in support of Frontier Commonwealth's and the Frontier Companies' filings may be insufficient to justify the rate increases requested, and that the proposed rates, rules, and conditions of services may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law.

On May 6, 2016, the OCA filed Notices of Intervention and Public Statements formally entering the proceedings involving OSBA's Formal Complaints. The OCA determined that the OSBA has raised important issues in its Formal Complaints and intervened into the proceeding to protect the interest of the Companies' residential consumers. The OCA has engaged in informal discovery.

On April 27, 2016, the Commission sent Notice of an Initial Pre-hearing Conference for May 11, 2016 before Administrative Law Judge Elizabeth H. Barnes. On April 28, 2016, the ALJ issued a Prehearing Conference Order directing the parties, among other things, to prepare and distribute a prehearing memo. In response to the Prehearing Conference Order, the OCA submits as follows:

## **II. ISSUES**

The OCA has identified the following list of issues:

1. Whether the rates charged by Frontier Commonwealth and the five individual Frontier Companies are just and reasonable and in accordance with all applicable laws, including any banked amounts;
2. Whether the Frontier Commonwealth and the five individual Frontier Companies January 29 PSI filings and February 2 proposed tariff filings are consistent with the Companies' Chapter 30 plans as well as applicable precedent;
3. Whether Frontier Commonwealth's and the five individual Frontier Companies' proposed increases for non-competitive services will result in rates which are just and reasonable and within the Federal Communications Commission's benchmark.

The OCA reserves the right to address or respond to whatever issues may be raised by other parties in this proceeding. The OCA intends to participate in this investigation. If any additional issues arise as a result of this investigation, the OCA will address them at that time.

## **III. WITNESSES**

The OCA does not anticipate that it will require expert testimony to address the issues raised above. If it is determined that a witness is necessary, the OCA is able to present testimony from Dr. Robert Loube. Dr. Loube's contact information is:

Robert Loube  
Vice President  
Rolka Loube  
10601 Cavalier Drive  
Silver Spring, MD 20901  
Tel. 301 681-0338  
Fax 301 681-0339  
bobloube@earthlink.net

Dr. Loube will address the issues articulated above as well as any other issues that may arise throughout this proceeding. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be served directly upon Dr. Loube, both in electronic and hard copy form, in addition to serving a copy of such documents on counsel for the OCA.

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

#### **IV. PROPOSED SCHEDULE**

The OCA will cooperate with the ALJ and other parties in establishing a schedule for this proceeding.

#### **V. MISCELLANEOUS**

The OCA will be represented in this case by Assistant Consumer Advocate Barrett C. Sheridan. The OCA requests one copy of all documents be served on the OCA as follows:

Barrett C. Sheridan, Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street, Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
Telephone: (717) 783-5048  
Fax: (717) 783-7152  
E-mail: BSheridan@paoca.org

## VI. SETTLEMENT

The OCA is amenable to settlement discussions and will participate in such settlement discussions as may be scheduled or convened by the parties.

Respectfully Submitted,

/s/ Barrett C. Sheridan

Barrett C. Sheridan

Assistant Consumer Advocate

PA Attorney I.D. # 61138

E-Mail: BSheridan@paoca.org

Counsel for:

Tanya J. McCloskey

Acting Consumer Advocate

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May 6, 2016  
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