

## EXECUTIVE OVERVIEW (PUBLIC VERSION)

### FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY

#### Supplement No. 127 - PA PUC No. 24

#### SUBSTANCE

Frontier Communications Commonwealth Telephone Company (“Frontier Commonwealth”) is proposing the following tariff change as a result of its Price Stability/Service Price (PSI/SPI) Index filing submitted to the PUC on February 1, 2018.

#### COMMENTS

Based on Frontier Commonwealth’s PA PUC approved PSI/SPI methodology, a rate modification is indicated. Frontier Commonwealth respectfully requests approval of the following proposed tariff change:

Adjustment of Basic Local Service Rates --- This filing proposes an increase in existing local residential rates of \$0.75 to \$0.76 monthly depending on service classification. Business line or PBX rates increase from \$0.25 to \$1.25 monthly depending on rate group or service classification.

Frontier Commonwealth’s approved Chapter 30 Plan requires that the PUC review the PSI/SPI filing, and any accompanying tariff changes. This filing ensures that Frontier Commonwealth’s Chapter 30 plan methodology has been properly followed; \$281,620 in rate changes are proposed in this filing.

It is respectfully requested that the proposed tariff supplement be approved by the PA PUC to become effective April 1, 2018.

**FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY**

**RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

**Supplement No. 127 - PA PUC No. 24**

1. The specific reasons for each change.

Frontier Communications Commonwealth Telephone Company (“Frontier Commonwealth”) is proposing the following tariff changes as a result of its Price Stability/Service Price (PSI/SPI) Index filing submitted to the PA PUC on February 1, 2018.

Frontier Commonwealth respectfully requests approval of the following proposed tariff change:

Adjustment of Basic Local Service Rates --- This filing proposes an increase in existing local residential rates of \$0.75 to \$0.76 monthly depending on service classification. Business line or PBX rates increase from \$0.25 to \$1.25 monthly depending rate group or service classification.

2. The total number of customers served by the utility.

As of December 2017, Frontier Commonwealth served 94,260 customers.

3. A calculation of the total customers, by tariff subdivision, whose bills would be affected by the change.

one-party residential service lines and business or PBX lines are affected by this proposed change.

4. The effect of the change on the utility's customers.

Please refer to response to Question No. 3.

5. The effect, whether direct or indirect, of the proposed change on the utility's revenue and expenses.

Implementation of the proposed changes will keep Frontier Commonwealth’s price indexes consistent with the provisions contained in the Company's Chapter 30 Plan, approved by the PUC at Docket No. P-00961024. In this case, \$281,620 in rate changes are proposed in this filing.

6. The effect of the change on the service rendered by the utility.

Approval of this tariff supplement will have no adverse impact on the service provided by Frontier Commonwealth.

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**FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY**

**RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

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**(Continued)**

7. A list of factors considered by the utility in making this change.

Frontier Commonwealth's approved Chapter 30 Plan governs PUC review of the PSI/SPI filing, and any accompanying tariff changes. The filing of the accompanying tariff supplement ensures that the Company's Chapter 30 Plan, including the price cap formula, is properly followed.

8. Studies undertaken to draft the proposed change.

Frontier Commonwealth's PSI/SPI filing submitted to the Commission on February 1, 2018 supports the proposed tariff change contained in this filing.

9. Customer polls taken which indicate customer acceptance of the proposed change.

No polls were taken or are required to propose these changes.

10. Plans the utility has for introducing or implementing the service.

Communication of the proposed tariff changes is provided to customers via billing notices.

11. FCC, FERC, or Commission orders or rulings applicable to the filing.

Frontier Commonwealth's PA PUC-approved Chapter 30 Plan, (Docket Number P-00961024), defines the methodology involved in this filing.

**FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY**  
**COMMUNICATIONS DIVISION - GUIDELINES FOR TARIFF FILINGS**

**Supplement No. 127 - PA PUC No. 24**

1. What is being proposed?

Frontier Communications Commonwealth Telephone Company (“Frontier Commonwealth”) is proposing the following tariff changes as a result of its Price Stability/Service Price (PSI/SPI) Index filing submitted to the PA PUC on February 1, 2018.

Frontier Commonwealth respectfully requests approval of the following proposed tariff change:

Adjustment of Basic Local Service Rates --- This filing proposes an increase in existing local residential rates of \$0.75 to \$0.76 monthly depending on service classification. Business line rates increase from \$0.25 to \$1.25 monthly depending on rate group or service classification.

2. Why is it proposed?

Frontier Commonwealth shall implement the proposed tariff change to remain in compliance with its approved Chapter 30 Plan, approved by the PA PUC at Docket No. P-00961024.

3. Why is it proposed at this time?

Frontier Commonwealth’s approved Chapter 30 Plan requires that the PUC review the PSI/SPI filing, submitted on February 1, 2018, and any accompanying tariff changes. The filing of the accompanying tariff supplement ensures that this methodology is properly followed.

4. Why is it proposed this way?

Please see response to Question Number 1.

5. What are the estimated customer acceptance levels in the first year and following years, revenues, expenses, contributions, and effect on other products and services?

20,129 residential dial tone lines and 11,238 business dial tone or PBX lines are affected by the rate change proposed in this filing, which produces an additional \$281,620 in annual revenue.

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**FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY**

**COMMUNICATIONS DIVISION - GUIDELINES FOR TARIFF FILINGS**

**Supplement No. 127 - PA PUC No. 24**

**(Continued)**

Response to Question 5 (continued)

The following is a breakdown of rate increases by service classification:

<u>Tariff Item</u>	<u>Current Rate</u>	<u>Increase Amount</u>	<u>Proposed Rate</u>	<u>Units</u>	<u>Estimated Annual Revenues</u>
<b><u>FC Commonwealth Telephone</u></b>					
R1 Measured Service	\$16.00	\$0.75	\$16.75		
R1 Metered Service	\$16.00	\$0.75	\$16.75		
Flat Rate R1					
RG 1	\$19.99	\$0.76	\$20.75		
RG 2	\$19.99	\$0.76	\$20.75		
RG 3	\$19.99	\$0.76	\$20.75		
RG 4	\$19.99	\$0.76	\$20.75		
RG 5	\$19.99	\$0.76	\$20.75		
RG 6	\$19.99	\$0.76	\$20.75		
Second Line					
RG 1	\$15.34	\$0.76	\$16.10		
RG 2	\$15.34	\$0.76	\$16.10		
RG 3	\$15.34	\$0.76	\$16.10		
RG 4	\$15.34	\$0.76	\$16.10		
RG 5	\$15.34	\$0.76	\$16.10		
RG 6	\$15.34	\$0.76	\$16.10		
Total Residential					
<b>Business Lines:</b>					
B1 Measured Service	\$17.00	\$0.75	\$17.75		
B1 Metered Service	\$17.00	\$0.75	\$17.75		
Flat Rate B1					
RG 1	\$21.95	\$1.25	\$23.20		
RG 2	\$21.95	\$1.25	\$23.20		
RG 3	\$21.95	\$1.25	\$23.20		
RG 4	\$25.70	\$0.00	\$25.70		
RG 5	\$25.70	\$0.00	\$25.70		
RG 6	\$25.70	\$0.00	\$25.70		
PBX Trunk					
RG 1	\$26.02	\$1.25	\$27.27		
RG 2	\$26.02	\$1.25	\$27.27		
RG 3	\$27.02	\$0.25	\$27.27		
RG 4	\$34.02	\$1.25	\$35.27		
RG 5	\$34.02	\$1.25	\$35.27		
RG 6	\$38.27	\$0.00	\$38.27		
Total Business					
Grand Total				31,367	\$281,620

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**FRONTIER COMMUNICATIONS COMMONWEALTH TELEPHONE COMPANY**

**COMMUNICATIONS DIVISION - GUIDELINES FOR TARIFF FILINGS**

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**(Continued)**

6. What is the cost/benefit support for the changed tariff rates?

Frontier Commonwealth's current PSI/SPI provides the support for the proposed tariff changes contained in this filing

7. How will the change be introduced and the program implemented?

Notice of the proposed tariff change will be provided to customers via billing notice, with the proposed changes becoming effective April 1, 2018.