

COMMONWEALTH OF PENNSYLVANIA



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October 25, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Office of Consumer Advocate and
Office of Small Business Advocate
v.
Commonwealth Telephone Company,
LLC d/b/a Frontier Communications
Commonwealth Telephone Company
Docket No. C-2023-3037574

Dear Secretary Chiavetta:

Attached for electronic filing please find the Joint Petition for Approval of Settlement in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service. Additionally, pursuant to the October 13th Settlement Order, the Bureau of Investigation and Enforcement is also served.

Respectfully submitted,

/s/ Barrett C. Sheridan
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Assistant Consumer Advocate
PA Attorney I.D. # 61138
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Enclosures:

cc: The Honorable Steven K. Haas (**email only**)
The Honorable John Coogan (**email only**)
Certificate of Service

*4895-3634-6506

CERTIFICATE OF SERVICE

Office of Consumer Advocate and :
Office of Small Business Advocate :
v. : Docket No. C-2023-3037574
Commonwealth Telephone Company, :
LLC d/b/a Frontier Communications :
Commonwealth Telephone Company :

I hereby certify that I have this day served a true copy of the following document, the Joint Petition for Approval of Settlement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 25th day of October 2023.

SERVICE BY E-MAIL ONLY

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Phone: (717) 783-5048
Dated: October 25, 2023
*4882-1330-5738

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate,	:	
Office of Small Business Advocates,	:	
Complainants,	:	
	:	
v.	:	Docket No. C-2023-3037574
	:	
Commonwealth Telephone Company, LLC	:	
d/b/a Frontier Communications Telephone	:	
Company,	:	
Respondent.	:	

JOINT PETITION FOR APPROVAL OF SETTLEMENT

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

Pursuant to 52 Pa. Code §§ 5.41, 5.232, the Office of Consumer advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company (“Frontier Commonwealth”) hereby submit this Joint Petition for Approval of Settlement (“Settlement” or “Settlement Agreement”) to resolve all issues related to the Joint Formal Complaint filed by OCA and OSBA on January 9, 2023 and any alleged failures of Frontier Commonwealth to comply with the Public Utility Code and the Commission’s regulations, with Frontier Commonwealth’s Amended Chapter 30 Plan, and the “Frontier Voluntary Commitments” as a product of the Commission’s approval of Frontier’s post-bankruptcy change in control.

As part of this Settlement Agreement, OCA, OSBA and Frontier Commonwealth (hereinafter referred to collectively as the “Parties”) respectfully request that the Office of Administrative Law Judge issue a Recommended Decision approving the Settlement Agreement,

without modification. Statements in Support of the Settlement expressing the individual views of OCA, OSBA, and Frontier Commonwealth are attached hereto as Appendix A, Appendix B, and Appendix C, respectively.

II. PROCEDURAL HISTORY

1. On January 9, 2023, the OCA and OSBA filed a Joint Complaint at the above referenced docket. The Joint Complaint alleges, inter alia, that Frontier Commonwealth has failed to comply with the Public Utility Code and the Commission's regulations, with Frontier Commonwealth's Amended Chapter 30 Plan, and the "Frontier Voluntary Commitments" as a product of the Commission's approval of Frontier's post-bankruptcy change in control. In particular, the Joint Complaint alleges that Frontier Commonwealth is providing unreasonable service to its customers within the service territory of Frontier Commonwealth, which is adversely affecting customers. In particular, the Joint Complaint alleged that Frontier Commonwealth is providing unreasonable service to its customers within the service territory of Frontier Commonwealth, which is adversely affecting customers in Bradford, Sullivan, Susquehanna, Tioga, and Wyoming Counties.

2. On February 21, 2023, Frontier Commonwealth filed a verified Answer to the Joint Complaint.

3. On April 11, 2023, the Administrative Law Judges Steven K. Haas and John M. Coogan (the "ALJs") held a telephonic prehearing conference where counsel for OCA, OSBA, and Frontier Commonwealth were in attendance. By Order issued April 27, 2023, the ALJs established a litigation schedule and ordered other procedural matters for this proceeding. Specifically, due to the public concern expressed by the OCA and OSBA, in-person public input hearings were scheduled for June 6, 7, and 8, 2023 and evidentiary hearings for October 24 and

25, 2023.

4. By hearing notice issued May 2, 2023, the ALJs scheduled in-person public input hearings in Wellsboro, Towanda, and Tunkhannock on June 6, 7, and 8, 2023 respectively.

5. By request of additional Pennsylvania legislators, an additional public input hearing was convened in Lancaster County, Pennsylvania, which was scheduled for, and occurred on July 19, 2023.

6. On July 19, 2023, the OCA and OSBA submitted OCA & OSBA Statement 1, the Direct Testimony and Exhibits of Susan M. Baldwin.

7. On September 7, 2023, Frontier Commonwealth submitted its written rebuttal testimony and exhibits, including the Rebuttal testimony of Paul Kirchoffer (Frontier Commonwealth St. 1-R), Cassandra Knight (Frontier Commonwealth St. 2-R), Gwendolyn Allen (Frontier Commonwealth St. 3-R), Nathan Barber (Frontier Commonwealth St. 4-R), and Ken Mason (Frontier Commonwealth St. 5-R).

8. On September 14, 2023, Frontier Commonwealth filed an unopposed Motion for Protective Order, which was granted by the ALJs through an Order dated September 18, 2023.

9. On October 5, 2023, the OCA and OSBA submitted OCA & OSBA Statement 1SR, the surrebuttal testimony of Susan M. Baldwin.

10. Throughout the proceeding, the Parties discussed the potential to amicably resolve this matter through a settlement, and many settlement negotiations were held. This settlement is the product of significant efforts to present the Commission with settlement terms that resolve the underlying Complaint, provide relief to residential and small business customers of Frontier Commonwealth, and ultimately advance the public interest.

III. SETTLEMENT TERMS

11. Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest, the Parties held a series of discussions that culminated in this Settlement. OCA, OSBA, and Frontier Commonwealth desire to resolve all allegations and claims that were brought or could have been brought in the Formal Complaint completely without litigation. The Parties recognize that this is a disputed matter, and nothing contained herein should be construed as an admission against either party as to the merits of the other party's claims or defenses.

12. The terms and conditions of the Settlement Agreement, for which the Parties seek Commission approval, are set forth below:

A. Customer Remedies and Credits.

- a. Out of Service: If Frontier fails to reinstate basic primary residential or business telephone service within 24 hours of being reported to Frontier, or a later date for repair if requested by the customer, Frontier will provide the customer a daily pro rata adjustment (i.e., 1/30th) of the monthly local telephone service recurring charge ("Daily Pro Rata Adjustment").
- b. Additional Out of Service: If Frontier fails to reinstate basic primary residential or business telephone service within 48 hours of being reported to Frontier, or a later date for repair if requested by the customer, in addition to the adjustment described in (a) above, Frontier will provide a daily credit of \$6 for a residential customer or \$12 for a small business customer, for the period beginning 48 hours after the report of the outage or a later date for repair if requested by the customer until service is reinstated. For telephone service outages that last longer than 10 days, a credit of \$10 per day for residential customers or \$20 per day for business customers will be provided for the 11th and succeeding days until service is reinstated.
- c. Service Impairment: Static, cross talk, inadequate volume, intermittent transmission, and other noise that impairs telephone service communications will be addressed by Frontier. Trouble reports of static, cross talk, or other noise that are determined to arise within Frontier facilities (not on the customer side of the demarcation point) and that result in an inability to use the telephone service will be eligible for credits equivalent to the credits provided for Out of Service conditions in subparts a & b. above after 72 hours.

- d. Repeat Trouble: For instances of the same trouble for telephone service reported on the same access line within 30 days, Frontier will credit a residential customer \$10 for each like-occurrence and a business customer \$20 for each like-occurrence.
- e. Emergency First Responder Credits: For instances where an Emergency First Responder (including police and fire departments, 911 call centers and ambulance) services telephone service is impacted and eligible for credits pursuant to subparts (a) – (d) above and (f)-(g) below an additional credit of \$50 will be provided. Further to the extent an Emergency First Responder is required to expend additional resources due to Frontier delays of more than 4 hours in responding to emergency repairs involving its facilities, an additional credit of \$100 per incident will be provided to the Emergency First Responder’s account even where the outage does not directly impact the Emergency First Responder’s telephone service.
- f. Repair Appointments: If Frontier misses a repair ticket commitment date for telephone service without 8-hour prior notice to the customer when the customer is required to be at the premises, Frontier will provide a credit of \$50.
- g. Installation: If Frontier is unable to provide primary local exchange telephone service within three business days of being requested, or on a later date for installation if requested by the customer (without any extension of or limitation to the installation date by Frontier), Frontier will provide a credit for the one-time installation charge for primary line connections. If Frontier misses an installation commitment date for telephone service when the customer is required to be at the premises, Frontier will provide a credit of \$50.
- h. Frontier will submit a Quarterly Credit Report showing: numbers of and reasons for credits by wire center, and company-wide total.
- i. All of the credits outlined in the foregoing paragraphs will be applied automatically within two billing cycles without a customer having to make a request for credit.

B. Customer Refunds.

a. Current Customers

Frontier will provide retroactive credits consistent with Paragraph A subparts (a) – (j) above for any customer that has service with Frontier as of the date of the settlement up to a maximum credit of \$200 per customer who met the criteria outlined in the paragraphs at any time from July 1, 2022 to the date the Commission approves the Settlement (“Customer Refund Period”). These credits will be applied within 180 days of approval of the Settlement without a customer having to contact the Company and request a credit. Customers who are entitled, but do not receive credits, shall have the opportunity to contact the Company at the hotline number established pursuant to Paragraph L to ensure they are provided any credits they are eligible for and compliance with this provision.

b. Former Customers

For Frontier customers who left Frontier service during the Customer Refund Period, Frontier will review its records to identify those customers who have filed a complaint with the Commission, testified at the public input hearings in this proceeding or initiated a legislative complaint that has been submitted to the OCA or OSBA and provided to Frontier as of the date the Commission approves the Settlement. Frontier shall provide a credit to each customer in this group consistent with the credits provided to current customers in subpart “a” above. These credits or refunds will be provided by Frontier within 180 days of approval of the Settlement without the former customer having to contact the Company and request a credit. Former customers who are entitled, but do not receive credits, shall have the opportunity to contact the Company at the hotline number established pursuant to Paragraph L to ensure they are provided any credits they are eligible for and compliance with this provision.

C. Chapter 30 Credits

From the date of Commission approval of the Settlement, the Company shall provide the following customer credits:

a. Delayed Installation of Broadband

If the Company does not install broadband service within ten business days of a service order request, and the applicant has not requested and agreed to a different installation period, the Company shall provide a credit equal to the greater amount of: a) the standard installation charge, or b) a \$10 per day credit up to a maximum credit of \$200 for the interval beyond the 10 business days to the actual date of installation of service, excluding any delays attributable to the customer.

b. Broadband Service Outage / Unavailability

Frontier will provide pro-rated credits on a case-by-case basis consistent with its current practices and upon a customer request for broadband service outages, excluding any issues or delays attributable to the customer.

D. Medical Certification Process.

Frontier will publicize its medical certification process (“MCP”), which allows customers to submit information to allow their account to be flagged with “a medical indicator” to help Frontier prioritize a customer’s trouble ticket. Frontier will include a prominent bill insert in the bills for residential telephone customers explaining the MCP program. A bill message explaining the medical certification program and instructing customers on how to enroll will also be prominently printed on each of the bills for three months. Frontier will establish a dedicated webpage at www.frontier.com/ for customers to learn about the medical certification program, including how to enroll.

Upon receipt of the customer's medical provider certification, the customer's telephone account will be flagged in Frontier customer support systems to identify their MCP status to Frontier personnel, including repair personnel.

E. Batteries.

Frontier shall submit to the Commission Staff, OCA and OSBA: (1) a complete list of all batteries in remote terminals with the following information: (a) date battery was installed; (b) date battery was inspected, and result of inspection; (c) and to the extent readily known by Frontier whether the battery is in a remote terminal that serves a police station, PSAP or hospital; and (2) a complete explanation of the criteria used to determine whether to replace batteries in remote terminals.

Frontier will submit an updated list once per year during the term of the agreement. The list will identify the wire centers associated with the remote terminals, and will include a list of wire centers and towns served by the wire center.

Frontier will make a good faith effort to determine whether the battery is in a remote terminal that serves a police station, PSAP or hospital for reporting purposes.

F. Most Troublesome Wire Center review.

For the period of three years (36 months) from the date the Settlement is approved by the Commission (the "Settlement Application Period"), Frontier will work with Commission Staff, OCA, and OSBA to select 18 focus wire centers based on the trouble report rate, the repeat trouble report rate, the average repair interval, the percent of repair commitments met and Frontier's familiarity with "hot spot" areas requiring timely remediation. Frontier shall complete a field survey of the eighteen focus wire centers to identify plant conditions in need of additional maintenance or rehabilitation and submit a report to the Commission, OCA, and OSBA summarizing the results of the survey. Frontier will then undertake steps to address the identified field conditions, including repairing or replacing cable as warranted. The selection of the initial group of 18 focus wire centers will occur within 60 days of the date the Commission approves the Settlement. The field study report and the remediation of the field conditions will begin to occur no later than 90 days from the entry date of the Commission's order approving this Settlement.

Within 18 months from the date the Settlement is approved by the Commission, Frontier will repeat and complete the same process as outlined above so that during the 3-year period the Company will continue to identify and invest in the most troublesome wire centers. At the end of each year of the Settlement Application Period, the Company will report to the Commission, OCA, and OSBA the effects and remedies taken during the applicable period with the final report providing a comprehensive assessment.

G. Capital Investment and Copper Repair.

For calendar years 2023 through 2026 Frontier shall make capital expenditures in excess of \$100 million in the Frontier Commonwealth service territory. Frontier shall make capital expenditures, at a minimum, of \$26 million in each of calendar years 2024, 2025 and 2026. Such commitment cannot be satisfied by capital expenditures funded by any federal or state universal service fund or other governmentally funded expansion program. However, for purposes of clarity, to the extent Frontier contributes its own funds to a project or otherwise makes a capital expenditure beyond the government funding provided for a project, these expenditures will count toward the capital expenditure commitment. The capital expenditures outlined here are to be used exclusively for Frontier Commonwealth Service territory with consideration in the 18 focus wire centers as identified in response to the assessment required in Paragraph F. Frontier shall provide a written report of its capital expenditures annually to Commission Staff, OCA, and OSBA, and shall include, at a minimum, expenditures in the reporting period along with estimates of expenditures for the following year as appropriate. Frontier shall maintain documentation of all capital expenditures and provide such documentation to Commission Staff, OCA, and OSBA upon request.

The reporting will disaggregate the expenditures by wire center, and by category, in a format to be mutually agreed upon by Commission Staff, OCA, and OSBA. Expenditures made with BEAD, RDOF, or other public sources of money (e.g., government funding) will be shown separately.

If Frontier's year-end reporting reveals the actual amount spent in capital investment is less than the amount committed for that year, Frontier shall increase the next year expenditure commitment in an amount equal to the insufficient capital spend. Insufficient capital spend means the difference between the committed yearly capital expenditure and the actual amount spent by Frontier. If Frontier's year-end reporting reveals the actual amount spent in capital investment is greater than the amount committed for that year, the excess amount will be credited to the subsequent year's capital investment. This obligation shall follow for each year of the three-year term (calendar years 2024-2026) of Frontier's commitment.

As part of the capital investment commitment above, Frontier shall spend a minimum of \$5 million over the three years (2024-2026) dedicated to repairing defective copper plant and battery replacements. As part of the annual reporting, Frontier shall provide a written report identifying the amounts invested in the reporting period along with estimates of expenditures for the following year, as appropriate. Frontier shall maintain documentation of all capital expenditures and provide such documentation to Commission Staff, OCA, and OSBA upon request.

H. Maintenance Plan

Frontier will develop and file with the Commission, OCA, and OSBA a Maintenance Plan to proactively identify, monitor, evaluate, anticipate, and address: instances of temporary

lines, above-ground lines awaiting burial, other exposed lines, broken or damaged pedestals, flooded facilities, broken or damaged poles, damaged or infested remote terminals, or other outside plant concerns such as vegetation management, including those reported by customers or that reasonably can be anticipated. The Maintenance Plan will include information regarding the training of Frontier employees regarding the process for identifying and reporting temporary lines, above-ground lines awaiting burial, other exposed lines, broken or damaged pedestals, broken or damaged poles, remote terminals, vegetation management or other outside plant concerns. The Maintenance Plan will address how Frontier will support Frontier employees in identifying, monitoring, evaluating, and promptly addressing Identified Plant Issues.

As part of the Maintenance Plan, Frontier will establish an address, 800 phone number, and email address for customers and the public to report safety or service-affecting plant concerns to Frontier. Frontier will notify customers in writing of this ability to report plant concerns. Frontier operations and engineering personnel, including the Frontier State Operations Director and senior engineering representative, will review Frontier's operations on an ongoing basis to assure the furnishing of safe and adequate telephone service, and shall meet monthly, to review and evaluate Identified Plant Issues, and determine what actions are necessary to address the reported issues, including remediation, repair, or replacement of equipment, increases of parts and equipment inventory, and increases of permanent and contract staff levels. Issues that involve impacts to service or safety to the public will take priority.

Frontier will file a report quarterly with the Commission, OCA, and OSBA that will list the Identified Plant Issues identified or addressed in that quarter. For instances where an action that has been determined to be necessary has not been completed within 60 days of the initial plant report that identified an issue, the quarterly report will identify why action has not been completed and when action is expected.

I. Quarterly wire center reporting.

Frontier to submit to the Commission, OCA, and OSBA the following, at a wire center level, and at a territory-wide level, on a quarterly basis for calendar year 2023 through the end of the Settlement Application Period:

- Total number of troubles reported (34a);
- Customer trouble report rate per 100 access lines (CTRR) (34b);
- Total number of repeat troubles reported (34c);
- Repeat trouble report rate (34d);
- The number of service outages lasting more than 24 hours (34e);
- Rate of service outages lasting more than 24 hours per 100 access lines (34f);

- Repair commitments met (34g);
- Installation commitments met (34h);
- Mean time to repair all troubles (34i);
- Mean time to repair all out-of-service troubles (34j); and
- Mean time to repair all service-affecting troubles (34k).

The quarterly report will be provided in Excel-compatible format, and each report will be cumulative, that is, will include the performance data for the previous quarters (beginning with the first quarter of the reporting).

J. Metrics/Benchmarks.

Frontier shall meet the following benchmarks for telephone service as measured at company level on a quarterly basis: (a) repeat trouble report rate with a three-month average of below 10.00; (b) trouble report rate below 5.5; (c) average time for repairing out-of-service lines below 48 hours, excluding weekends and holidays; (d) meet 90 percent or more of repair commitments; and (e) repair 90 percent of out-of-service troubles within 48 hours.

If Frontier's quarterly reporting shows the company has not met (a) – (e) above for one quarter, the company shall, within 30 days of the distribution of the report, present a remedial plan to Commission Staff, OCA, and OSBA showing how it will meet each of the missed metrics and then implement the plan. Exemptions shall apply for events outside of Frontier's control for events including, but not limited to, extraordinary weather events, strikes, terrorist attacks, vandalism, pandemics, or other force majeure events. Frontier will notify Commission Staff, OCA, and OSBA of any major event exempted within 30 days of the event, and Commission Staff, OCA, and OSBA may object within 10 days of the notification. If no objection is made within 10 days, the exemption will be deemed approved. OCA, OSBA and Frontier agree to negotiate the matter in good faith. Any party will be free to petition the Commission if negotiations do not lead to an agreement between the parties.

If Frontier's quarterly reporting shows that it has not met all of (a) through (e) above for two consecutive quarters, Frontier shall spend an additional \$250,000 in capital investment or operating expense. Frontier will provide a plan describing how the \$250,000 additional commitment will be spent and the actions Frontier will undertake to achieve each metric (a) through (e) that was missed. The plan will include an explanation of how the capital investment or operating expense projects will improve service quality telephone customers in Pennsylvania. That plan will describe all actions Frontier will undertake to meet the missed metric.

Frontier will submit annual data (end of year) for residential and business customers (1) Numbers of copper lines in service; (2) Numbers of fiber lines in service; (3) Numbers of

installations of copper lines; (4) Numbers of installations of fiber lines; (4) Capital expenditures separately by category and separately for copper vs. fiber; and (5) Number of outside plant technicians with total hours devoted to copper repair vs. fiber installation.

K. Rate Cap for Small Business Customers

Except for surcharges and tax changes implemented by government authorities, Frontier will not seek to increase the tariffed rates for small business customers for existing services before January 1, 2025.

L. Customer Support.

The Company will establish a Consumer Hotline for expedited repair/resolution of customer problems and to update OCA, OSBA, Commission staff and Bureau of Consumer Services (“BCS”), regarding all calls to the hotline on a monthly basis until the Settlement Application Period is completed. Hotline calls should be used by the stakeholders to assist in the selection of the 18 focused wire centers detailed in Paragraph F, above. Customers may also call this number to ensure credits provided above in Paragraph A and customer refunds in Paragraph B are provided.

M. Workforce Development.

Frontier will focus hiring efforts on technicians to include hiring bonuses for those located in the Pennsylvania Northern Tier region (Bradford, Sullivan, Susquehanna, Tioga and Wyoming counties). Hiring and Retention bonuses utilized in this effort, while expenses, can be considered investments contemplated under the capital expenditure figure in Paragraph G, above.

The Company will include updates of its hiring efforts in its reporting, as appropriate, but not less than annually.

N. Meetings

Frontier, the OCA, the OSBA, and Commission staff shall engage in periodic meetings: a) to address and finalize the identification of the initial and second 18 focus wire center group; b) review and discuss the Company’s reports, performance, and remediation progress; and c) concerns related to consumer complaints and customer service.

O. Scope of Settlement and Reopening.

This Settlement is reasonable and in the public interest because it fully resolves the concerns and alleged violations of the Public Utility Code, the Commission’s regulations, the Company’s Amended Chapter 30 Plan, and Commission orders including the Frontier Voluntary Commitments identified in the OCA and OSBA complaint in this proceeding, including the request that the Commission impose civil penalties on Frontier for alleged violations. Further, this Settlement is contingent upon the Commission issuing an Opinion and Order approving this Settlement and finding that the Settlement fully resolves any and

all actions that were brought or could have been brought relating to service requested from or provided by Frontier up through and including the date of approval of this Settlement, including any violations of the Public Utility Code, the Commission's regulations, the Company's Amended Chapter 30 Plan, and Commission orders including the Frontier Voluntary Commitments.

Notwithstanding the foregoing, this Settlement does not preclude any Frontier customer(s) or former customer(s) from taking any action, including but not limited to, filing a separate complaint with the Commission regarding the customer's or former customer's Frontier service before or after Settlement.

Nothing contained herein prevents OCA and/or OSBA from filing a Complaint during the Settlement Remediation Period if, at their sole discretion, OCA and/or OSBA find that the commitments herein are not materially being satisfied. OCA and OSBA commit to reaching out to Frontier in advance of filing any such Complaint to allow the Company an opportunity to discuss why it is not meeting its commitments and to propose a remediation plan. OCA and OSBA retain the sole discretion to determine whether to file a new Complaint based on the information provided by the Company.

P. Community Input on Settlement

The parties recognize that this case has generated significant community input at the 5 public input hearings as well as involvement by various members of the General Assembly. The parties agree to serve a copy of the Settlement on the Commission's Bureau of Investigation and Enforcement ("BI&E") and that the parties will ask the ALJs to allow the Joint Petition for Settlement to be publicly posted on the OCA's website for a period of 45 days after it is submitted for approval and BI&E and members of the public who are Frontier Commonwealth customers may submit comments to the ALJs with their views about whether the settlement is in the public interest within 45 days. Frontier Commonwealth, the OCA and the OSBA will have an opportunity to file a response to any submitted comments within 15 days after the close of the comment period. The parties agree that the ALJs will consider any written submission concerning the settlement solely for the purpose of determining whether the Settlement is in the public interest.

Q. Miscellaneous.

All reporting requirements will be provided over the course of the three-year period following a Commission Order approving this Settlement (the "Settlement Application Period") plus one year.

All reports submitted by Frontier will be presumed public. If the Company reports information that it deems confidential and non-public, Frontier will include a public Executive Summary in addition to the confidential reported information.

VI. CONDITIONS OF SETTLEMENT

13. The Settlement Agreement is conditioned upon the Commission's approval of the terms and conditions in their entirety and without modification. The Parties agree that any party may petition the Commission for reconsideration or take any other action deemed appropriate, including withdrawing from the settlement, if the Recommended Decision or Opinion and Order substantively modifies the terms of this Joint Petition for Approval of Settlement. If any party intends to withdraw from this Settlement Agreement following any modification, any party may give notice to the other party(s) that it is withdrawing from this Settlement Agreement. Such notice must be in writing and must be served within ten (10) days of the issuance of any Recommended Decision or any Commission Opinion and Order which adopts this Settlement Agreement with modifications of its terms. The consequence of any party withdrawing from this Settlement Agreement as set forth above is that any and all issues associated with the requested relief presented in the proceeding may be fully litigated unless otherwise stipulated between the parties, and all obligations of the parties as set forth in this Settlement Agreement are terminated and of no force and effect. In the event that a Party withdraws from this Settlement as set forth in this paragraph, OCA, OSBA and Frontier Commonwealth jointly agree that nothing in this Settlement shall be construed as an admission against or as prejudice to any position which any party might adopt during litigation of this case.

14. OCA, OSBA, and Frontier Commonwealth jointly acknowledge that approval of this Settlement Agreement is in the public interest and is fully consistent with the Commission's Policy Statement, *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations – Statement of Policy*, at 52 Pa. Code § 69.1201. The Commission will serve the public interest by adopting this Joint

Petition for Approval of Settlement. Under the Policy Statement, while many of the standards found in *Rosi v. Bell Atlantic Pennsylvania, Inc., et al.*, 94 PA PUC 103, Docket No. C-00992409 (Order entered March 16, 2000) may still be applied, the Commission specifically recognized that in settled cases the parties “will be afforded flexibility in reaching amicable resolutions to complaints and other matters so long as the settlement is in the public interest.” 52 Pa. Code § 69.1201(b). The Policy Statement also indicates that: “[w]hen applied in settled cases, these factors and standards will not be applied in as strict a fashion as in a litigated proceeding.” 52 Pa. Code § 69.1201(b).

15. By entering this settlement, Frontier Commonwealth does not make any concessions expanding the Commission’s jurisdiction over Frontier Commonwealth’s broadband access service beyond the requirements of Chapter 30 of the Public Utility Code related to the Chapter 30 provisions contained in the settlement terms.

16. The Joint Petition for Approval of Settlement provides certainty as to remedies for consumers, avoids the time and expense of litigation in this matter before the Commission, which likely would entail preparation of additional testimony, attendance at hearings and the preparation and filing of briefs, reply briefs, exceptions, reply exceptions, and any further proceedings necessary. The Parties further recognize that their positions and claims are disputed and, given the inherent unpredictability of the outcome of a contested proceeding, the Parties recognize the benefits of amicably resolving the disputed issues through settlement. Attached as Appendices A, B and C are Statements in Support submitted by OCA, OSBA, and Frontier Commonwealth, respectively, setting forth the bases upon which they believe the Settlement Agreement is in the public interest.

17. Since the Parties agree to the terms of the Joint Petition for Approval of Settlement,

adopting it will eliminate the possibility of any appeal from the Opinion and Order, thus avoiding the additional time and expense that they might incur in such an appeal.

18. This Settlement Agreement consists of the entire agreement between OCA, OSBA and Frontier Commonwealth regarding the matters addressed herein.

19. The benefits and obligations of this Settlement Agreement shall be binding upon the successors and assigns of the parties to this Settlement Agreement.

20. This Settlement Agreement may be signed in counterparts and all signatures attached hereto will be considered as originals.

VII. PROPOSED CONCLUSIONS OF LAW

21. The Consumer Advocate is empowered to represent the interests of consumers before the PUC, pursuant to Act 1976-161 of the General Assembly, as amended. 71 P.S. §§309-1 *et seq* (Purdon's Supp. 1990).

22. The Small Business Advocate is authorized and directed to represent the interests of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41-399.50.

23. Frontier Commonwealth is a certificated public utility authorized to provide local exchange telecommunications services to the public in all of Wyoming County and in portions of Berks, Bradford, Bucks, Carbon, Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lehigh, Luzerne, Lycoming, Monroe, Northampton, Schuylkill, Sullivan, Susquehanna, Tioga, and York Counties.

24. Frontier Commonwealth, as a provider of public utility service for compensation as telephone utility or incumbent local exchange telecommunications companies (ILECs), is subject

to the power and authority of the Commission pursuant to Section 1501 of the Code, 66 Pa.C.S. § 1501.

25. Frontier Commonwealth is subject to the terms of the Company's Amended Chapter 30 Plan, as approved by Commission Order. *Petition for Amended Alternative Regulation and Network Modernization Plan of Commonwealth Telephone Co.*, Docket No. P-009610124F1000 (Mar. 3, 2005); 66 Pa.C.S. §§ 3013(a),(d), 3014(b)(1).

26. Pursuant to the provisions of the applicable Commonwealth statutes and regulations, the Commission has jurisdiction over the subject matter and the actions of Frontier Commonwealth related to public utility service being furnished or rendered for compensation.

27. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code. Section 701 of the Code, 66 Pa.C.S. § 701, authorizes the Commission, inter alia, to hear and determine complaints against public utilities for violations of any law or regulation that the Commission has jurisdiction to administer or enforce.

28. "It is the policy of the Commission to encourage settlements." 52 Pa. Code § 5.231(a).

29. A settlement lessens the time and expense that the parties must expend litigating a case and, at the same time, conserves precious administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. 52 Pa. Code § 69.401.

30. In order to accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket

No. R-00049165 (Order entered October 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

31. The Commission's Policy Statement, *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations – Statement of Policy*, lists the factors and standards for determining whether a civil penalty is appropriate. 52 Pa. Code § 69.1201.

32. The Settlement Agreement is consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1201.

33. The Joint Petition for Settlement is in the public interest as its terms provide for an amicable resolution to OCA and OSBA's Complaint without the need for the time and expense incurred through the formal litigation process.

VIII. PROPOSED ORDERING PARAGRAPHS

In order to effectuate the parties' Joint Petition for Approval of Settlement, the undersigned Parties request that the assigned Administrative Law Judges issue a Recommended Decision in substantially the following form. The Commission will serve the public interest by adopting this Settlement Agreement. Adopting this Settlement Agreement will further the Commission's policy of encouraging settlements. 52 Pa. Code § 5.231(a). The Parties hereto therefore request that the Commission adopt the following ordering paragraphs in accordance with the Settlement Agreement of the Parties and in furtherance of the public interest:

1. That the Joint Petition for Approval of Settlement between the Office of Consumer Advocate, the Office of Small Business Advocate, and Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company is approved in its entirety without modification.

2. That comments received by the Parties on whether or not the settlement is in the public interest were collected and provided to the ALJs 60 days from the date of settlement per the terms of settlement discussed below, inclusive of the Parties replies thereto, and have been considered by the ALJs in reaching their determination that the settlement is in the public interest and should be approved.

3. That the terms of the settlement as listed below are approved in their entirety:

A. Customer Remedies and Credits.

- a. Out of Service: If Frontier fails to reinstate basic primary residential or business telephone service within 24 hours of being reported to Frontier, or a later date for repair if requested by the customer, Frontier will provide the customer a daily pro rata adjustment (i.e., 1/30th) of the monthly local telephone service recurring charge (“Daily Pro Rata Adjustment”).
- b. Additional Out of Service: If Frontier fails to reinstate basic primary residential or business telephone service within 48 hours of being reported to Frontier, or a later date for repair if requested by the customer, in addition to the adjustment described in (a) above, Frontier will provide a daily credit of \$6 for a residential customer or \$12 for a small business customer, for the period beginning 48 hours after the report of the outage or a later date for repair if requested by the customer until service is reinstated. For telephone service outages that last longer than 10 days, a credit of \$10 per day for residential customers or \$20 per day for business customers will be provided for the 11th and succeeding days until service is reinstated.
- c. Service Impairment: Static, cross talk, inadequate volume, intermittent transmission, and other noise that impairs telephone service communications will be addressed by Frontier. Trouble reports of static, cross talk, or other noise that are determined to arise within Frontier facilities (not on the customer side of the demarcation point) and that result in an inability to use the telephone service will be eligible for credits equivalent to the credits provided for Out of Service conditions in subparts a & b. above after 72 hours.
- d. Repeat Trouble: For instances of the same trouble for telephone service reported on the same access line within 30 days, Frontier will credit a residential customer \$10 for each like-occurrence and a business customer \$20 for each like-occurrence.
- e. Emergency First Responder Credits: For instances where an Emergency First Responder (including police and fire departments, 911 call centers and ambulance) services telephone service is impacted and eligible for credits pursuant to subparts (a)

- (d) above and (f)-(g) below an additional credit of \$50 will be provided. Further to the extent an Emergency First Responder is required to expend additional resources due to Frontier delays of more than 4 hours in responding to emergency repairs involving its facilities, an additional credit of \$100 per incident will be provided to the Emergency First Responder’s account even where the outage does not directly impact the Emergency First Responder’s telephone service.
- f. Repair Appointments: If Frontier misses a repair ticket commitment date for telephone service without 8-hour prior notice to the customer when the customer is required to be at the premises, Frontier will provide a credit of \$50.
- g. Installation: If Frontier is unable to provide primary local exchange telephone service within three business days of being requested, or on a later date for installation if requested by the customer (without any extension of or limitation to the installation date by Frontier), Frontier will provide a credit for the one-time installation charge for primary line connections. If Frontier misses an installation commitment date for telephone service when the customer is required to be at the premises, Frontier will provide a credit of \$50.
- h. Frontier will submit a Quarterly Credit Report showing: numbers of and reasons for credits by wire center, and company-wide total.
- i. All of the credits outlined in the foregoing paragraphs will be applied automatically within two billing cycles without a customer having to make a request for credit.

B. Customer Refunds.

a. Current Customers

Frontier will provide retroactive credits consistent with Paragraph A subparts (a) – (j) above for any customer that has service with Frontier as of the date of the settlement up to a maximum credit of \$200 per customer who met the criteria outlined in the paragraphs at any time from July 1, 2022 to the date the Commission approves the Settlement (“Customer Refund Period”). These credits will be applied within 180 days of approval of the Settlement without a customer having to contact the Company and request a credit. Customers who are entitled, but do not receive credits, shall have the opportunity to contact the Company at the hotline number established pursuant to Paragraph L to ensure they are provided any credits they are eligible for and compliance with this provision.

b. Former Customers

For Frontier customers who left Frontier service during the Customer Refund Period, Frontier will review its records to identify those customers who have filed a complaint with the Commission, testified at the public input hearings in this proceeding or initiated a legislative complaint that has been submitted to the OCA or OSBA and provided to Frontier as of the date the Commission approves the Settlement. Frontier shall provide a credit to each customer in this group consistent with the credits provided to current customers in subpart “a” above. These credits or refunds will be provided by Frontier

within 180 days of approval of the Settlement without the former customer having to contact the Company and request a credit. Former customers who are entitled, but do not receive credits, shall have the opportunity to contact the Company at the hotline number established pursuant to Paragraph L to ensure they are provided any credits they are eligible for and compliance with this provision.

C. Chapter 30 Credits

From the date of Commission approval of the Settlement, the Company shall provide the following customer credits:

a. Delayed Installation of Broadband

If the Company does not install broadband service within ten business days of a service order request, and the applicant has not requested and agreed to a different installation period, the Company shall provide a credit equal to the greater amount of: a) the standard installation charge, or b) a \$10 per day credit up to a maximum credit of \$200 for the interval beyond the 10 business days to the actual date of installation of service, excluding any delays attributable to the customer.

b. Broadband Service Outage / Unavailability

Frontier will provide pro-rated credits on a case-by-case basis consistent with its current practices and upon a customer request for broadband service outages, excluding any issues or delays attributable to the customer.

D. Medical Certification Process.

Frontier will publicize its medical certification process (“MCP”), which allows customers to submit information to allow their account to be flagged with “a medical indicator” to help Frontier prioritize a customer’s trouble ticket. Frontier will include a prominent bill insert in the bills for residential telephone customers explaining the MCP program. A bill message explaining the medical certification program and instructing customers on how to enroll will also be prominently printed on each of the bills for three months. Frontier will establish a dedicated webpage at www.frontier.com/ for customers to learn about the medical certification program, including how to enroll.

Upon receipt of the customer’s medical provider certification, the customer’s telephone account will be flagged in Frontier customer support systems to identify their MCP status to Frontier personnel, including repair personnel.

E. Batteries.

Frontier shall submit to the Commission Staff, OCA and OSBA: (1) a complete list of all batteries in remote terminals with the following information: (a) date battery was installed; (b) date battery was inspected, and result of inspection; (c) and to the extent readily known by Frontier whether the battery is in a remote terminal that serves a police station, PSAP

or hospital; and (2) a complete explanation of the criteria used to determine whether to replace batteries in remote terminals.

Frontier will submit an updated list once per year during the term of the agreement. The list will identify the wire centers associated with the remote terminals, and will include a list of wire centers and towns served by the wire center.

Frontier will make a good faith effort to determine whether the battery is in a remote terminal that serves a police station, PSAP or hospital for reporting purposes.

F. Most Troublesome Wire Center review.

For the period of three years (36 months) from the date the Settlement is approved by the Commission (the “Settlement Application Period”), Frontier will work with Commission Staff, OCA, and OSBA to select 18 focus wire centers based on the trouble report rate, the repeat trouble report rate, the average repair interval, the percent of repair commitments met and Frontier’s familiarity with “hot spot” areas requiring timely remediation. Frontier shall complete a field survey of the eighteen focus wire centers to identify plant conditions in need of additional maintenance or rehabilitation and submit a report to the Commission, OCA, and OSBA summarizing the results of the survey. Frontier will then undertake steps to address the identified field conditions, including repairing or replacing cable as warranted. The selection of the initial group of 18 focus wire centers will occur within 60 days of the date the Commission approves the Settlement. The field study report and the remediation of the field conditions will begin to occur no later than 90 days from the entry date of the Commission’s order approving this Settlement.

Within 18 months from the date the Settlement is approved by the Commission, Frontier will repeat and complete the same process as outlined above so that during the 3-year period the Company will continue to identify and invest in the most troublesome wire centers. At the end of each year of the Settlement Application Period, the Company will report to the Commission, OCA, and OSBA the effects and remedies taken during the applicable period with the final report providing a comprehensive assessment.

G. Capital Investment and Copper Repair.

For calendar years 2023 through 2026 Frontier shall make capital expenditures in excess of \$100 million in the Frontier Commonwealth service territory. Frontier shall make capital expenditures, at a minimum, of \$26 million in each of calendar years 2024, 2025 and 2026. Such commitment cannot be satisfied by capital expenditures funded by any federal or state universal service fund or other governmentally funded expansion program. However, for purposes of clarity, to the extent Frontier contributes its own funds to a project or otherwise makes a capital expenditure beyond the government funding provided for a project, these expenditures will count toward the capital expenditure commitment. The capital expenditures outlined here are to be used exclusively for Frontier Commonwealth Service territory with consideration in the 18 focus wire centers

as identified in response to the assessment required in Paragraph F. Frontier shall provide a written report of its capital expenditures annually to Commission Staff, OCA, and OSBA, and shall include, at a minimum, expenditures in the reporting period along with estimates of expenditures for the following year as appropriate. Frontier shall maintain documentation of all capital expenditures and provide such documentation to Commission Staff, OCA, and OSBA upon request.

The reporting will disaggregate the expenditures by wire center, and by category, in a format to be mutually agreed upon by Commission Staff, OCA, and OSBA. Expenditures made with BEAD, RDOF, or other public sources of money (e.g., government funding) will be shown separately.

If Frontier's year-end reporting reveals the actual amount spent in capital investment is less than the amount committed for that year, Frontier shall increase the next year expenditure commitment in an amount equal to the insufficient capital spend. Insufficient capital spend means the difference between the committed yearly capital expenditure and the actual amount spent by Frontier. If Frontier's year-end reporting reveals the actual amount spent in capital investment is greater than the amount committed for that year, the excess amount will be credited to the subsequent year's capital investment. This obligation shall follow for each year of the three-year term (calendar years 2024-2026) of Frontier's commitment.

As part of the capital investment commitment above, Frontier shall spend a minimum of \$5 million over the three years (2024-2026) dedicated to repairing defective copper plant and battery replacements. As part of the annual reporting, Frontier shall provide a written report identifying the amounts invested in the reporting period along with estimates of expenditures for the following year, as appropriate. Frontier shall maintain documentation of all capital expenditures and provide such documentation to Commission Staff, OCA, and OSBA upon request.

H. Maintenance Plan

Frontier will develop and file with the Commission, OCA, and OSBA a Maintenance Plan to proactively identify, monitor, evaluate, anticipate, and address: instances of temporary lines, above-ground lines awaiting burial, other exposed lines, broken or damaged pedestals, flooded facilities, broken or damaged poles, damaged or infested remote terminals, or other outside plant concerns such as vegetation management, including those reported by customers or that reasonably can be anticipated. The Maintenance Plan will include information regarding the training of Frontier employees regarding the process for identifying and reporting temporary lines, above-ground lines awaiting burial, other exposed lines, broken or damaged pedestals, broken or damaged poles, remote terminals, vegetation management or other outside plant concerns. The Maintenance Plan will address how Frontier will support Frontier employees in identifying, monitoring, evaluating, and promptly addressing Identified Plant Issues.

As part of the Maintenance Plan, Frontier will establish an address, 800 phone number, and email address for customers and the public to report safety or service-affecting plant concerns to Frontier. Frontier will notify customers in writing of this ability to report plant concerns. Frontier operations and engineering personnel, including the Frontier State Operations Director and senior engineering representative, will review Frontier's operations on an ongoing basis to assure the furnishing of safe and adequate telephone service, and shall meet monthly, to review and evaluate Identified Plant Issues, and determine what actions are necessary to address the reported issues, including remediation, repair, or replacement of equipment, increases of parts and equipment inventory, and increases of permanent and contract staff levels. Issues that involve impacts to service or safety to the public will take priority.

Frontier will file a report quarterly with the Commission, OCA, and OSBA that will list the Identified Plant Issues identified or addressed in that quarter. For instances where an action that has been determined to be necessary has not been completed within 60 days of the initial plant report that identified an issue, the quarterly report will identify why action has not been completed and when action is expected.

I. Quarterly wire center reporting.

Frontier to submit to the Commission, OCA, and OSBA the following, at a wire center level, and at a territory-wide level, on a quarterly basis for calendar year 2023 through the end of the Settlement Application Period:

- Total number of troubles reported (34a);
- Customer trouble report rate per 100 access lines (CTRR) (34b);
- Total number of repeat troubles reported (34c);
- Repeat trouble report rate (34d);
- The number of service outages lasting more than 24 hours (34e);
- Rate of service outages lasting more than 24 hours per 100 access lines (34f);
- Repair commitments met (34g);
- Installation commitments met (34h);
- Mean time to repair all troubles (34i);
- Mean time to repair all out-of-service troubles (34j); and
- Mean time to repair all service-affecting troubles (34k).

The quarterly report will be provided in Excel-compatible format, and each report will be cumulative, that is, will include the performance data for the previous quarters (beginning with the first quarter of the reporting).

J. Metrics/Benchmarks.

Frontier shall meet the following benchmarks for telephone service as measured at company level on a quarterly basis: (a) repeat trouble report rate with a three-month average of below 10.00; (b) trouble report rate below 5.5; (c) average time for repairing out-of-service lines below 48 hours, excluding weekends and holidays; (d) meet 90 percent or more of repair commitments; and (e) repair 90 percent of out-of-service troubles within 48 hours.

If Frontier's quarterly reporting shows the company has not met (a) – (e) above for one quarter, the company shall, within 30 days of the distribution of the report, present a remedial plan to Commission Staff, OCA, and OSBA showing how it will meet each of the missed metrics and then implement the plan. Exemptions shall apply for events outside of Frontier's control for events including, but not limited to, extraordinary weather events, strikes, terrorist attacks, vandalism, pandemics, or other force majeure events. Frontier will notify Commission Staff, OCA, and OSBA of any major event exempted within 30 days of the event, and Commission Staff, OCA, and OSBA may object within 10 days of the notification. If no objection is made within 10 days, the exemption will be deemed approved. OCA, OSBA and Frontier agree to negotiate the matter in good faith. Any party will be free to petition the Commission if negotiations do not lead to an agreement between the parties.

If Frontier's quarterly reporting shows that it has not met all of (a) through (e) above for two consecutive quarters, Frontier shall spend an additional \$250,000 in capital investment or operating expense. Frontier will provide a plan describing how the \$250,000 additional commitment will be spent and the actions Frontier will undertake to achieve each metric (a) through (e) that was missed. The plan will include an explanation of how the capital investment or operating expense projects will improve service quality telephone customers in Pennsylvania. That plan will describe all actions Frontier will undertake to meet the missed metric.

Frontier will submit annual data (end of year) for residential and business customers (1) Numbers of copper lines in service; (2) Numbers of fiber lines in service; (3) Numbers of installations of copper lines; (4) Numbers of installations of fiber lines; (4) Capital expenditures separately by category and separately for copper vs. fiber; and (5) Number of outside plant technicians with total hours devoted to copper repair vs. fiber installation.

K. Rate Cap for Small Business Customers

Except for surcharges and tax changes implemented by government authorities, Frontier will not seek to increase the tariffed rates for small business customers for existing services before January 1, 2025.

L. Customer Support.

The Company will establish a Consumer Hotline for expedited repair/resolution of customer problems and to update OCA, OSBA, Commission staff and Bureau of Consumer Services (“BCS”), regarding all calls to the hotline on a monthly basis until the Settlement Application Period is completed. Hotline calls should be used by the stakeholders to assist in the selection of the 18 focused wire centers detailed in Paragraph F, above. Customers may also call this number to ensure credits provided above in Paragraph A and customer refunds in Paragraph B are provided.

M. Workforce Development.

Frontier will focus hiring efforts on technicians to include hiring bonuses for those located in the Pennsylvania Northern Tier region (Bradford, Sullivan, Susquehanna, Tioga and Wyoming counties). Hiring and Retention bonuses utilized in this effort, while expenses, can be considered investments contemplated under the capital expenditure figure in Paragraph G, above.

The Company will include updates of its hiring efforts in its reporting, as appropriate, but not less than annually.

N. Meetings

Frontier, the OCA, the OSBA, and Commission staff shall engage in periodic meetings: a) to address and finalize the identification of the initial and second 18 focus wire center group; b) review and discuss the Company’s reports, performance, and remediation progress; and c) concerns related to consumer complaints and customer service.

O. Scope of Settlement and Reopening.

This Settlement is reasonable and in the public interest because it fully resolves the concerns and alleged violations of the Public Utility Code, the Commission’s regulations, the Company’s Amended Chapter 30 Plan, and Commission orders including the Frontier Voluntary Commitments identified in the OCA and OSBA complaint in this proceeding, including the request that the Commission impose civil penalties on Frontier for alleged violations. Further, this Settlement is contingent upon the Commission issuing an Opinion and Order approving this Settlement and finding that the Settlement fully resolves any and all actions that were brought or could have been brought relating to service requested from or provided by Frontier up through and including the date of approval of this Settlement, including any violations of the Public Utility Code, the Commission’s regulations, the Company’s Amended Chapter 30 Plan, and Commission orders including the Frontier Voluntary Commitments.

Notwithstanding the foregoing, this Settlement does not preclude any Frontier customer(s) or former customer(s) from taking any action, including but not limited to, filing a separate complaint with the Commission regarding the customer’s or former customer’s Frontier service before or after Settlement.

Nothing contained herein prevents OCA and/or OSBA from filing a Complaint during the Settlement Remediation Period if, at their sole discretion, OCA and/or OSBA find that the commitments herein are not materially being satisfied. OCA and OSBA commit to reaching out to Frontier in advance of filing any such Complaint to allow the Company an opportunity to discuss why it is not meeting its commitments and to propose a remediation plan. OCA and OSBA retain the sole discretion to determine whether to file a new Complaint based on the information provided by the Company.

P. Community Input on Settlement

The parties recognize that this case has generated significant community input at the 5 public input hearings as well as involvement by various members of the General Assembly. The parties agree to serve a copy of the Settlement on the Commission's Bureau of Investigation and Enforcement ("BI&E") and that the parties will ask the ALJs to allow the Joint Petition for Settlement to be publicly posted on the OCA's website for a period of 45 days after it is submitted for approval and BI&E and members of the public who are Frontier Commonwealth customers may submit comments to the ALJs with their views about whether the settlement is in the public interest within 45 days. Frontier Commonwealth, the OCA and the OSBA will have an opportunity to file a response to any submitted comments within 15 days after the close of the comment period. The parties agree that the ALJs will consider any written submission concerning the settlement solely for the purpose of determining whether the Settlement is in the public interest.

Q. Miscellaneous.

All reporting requirements will be provided over the course of the three-year period following a Commission Order approving this Settlement (the "Settlement Application Period") plus one year.

All reports submitted by Frontier will be presumed public. If the Company reports information that it deems confidential and non-public, Frontier will include a public Executive Summary in addition to the confidential reported information.

4. The above-captioned matter shall be marked closed upon completion of the remedial measures outlined above.

[Signature Page to Follow]

Date: October 25, 2023

Barrett C. Sheridan

Aron J. Beatty, Esquire
Barrett C. Sheridan, Esquire
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Counsel for the Office of Consumer Advocate

Date: October 25, 2023

/s/ Sharon E. Webb

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Counsel for the Office of Small Business Advocate

Date: October 25, 2023

/s/ Norman J. Kennard

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Counsel for Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate,	:	
Office of Small Business Advocate,	:	
Complainants,	:	
	:	
v.	:	Docket No. C-2023-3037574
	:	
Commonwealth Telephone Company, LLC	:	
d/b/a Frontier Communications Telephone	:	
Company,	:	
Respondent.	:	

**STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF SETTLEMENT**

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

The OCA and the Office of Small Business Advocate (OSBA) jointly filed a Formal Complaint (Joint Complaint) against Commonwealth Telephone Company, LLC d/b/a Frontier Communications Commonwealth Telephone Company (Frontier or Company) on January 19, 2023. The OCA supports the proposed Joint Petition for Settlement as in the public interest. The Settlement provides relief to Frontier’s customers in three key areas. First, the Settlement establishes a roadmap for the improvement and investment in network facilities that are both failing and under-performing. Second, the agreement provides financial relief for customers who

have not received adequate customer service and provides deterrence to ensure that customer service problems do not persist. Third, the Settlement provides for public reporting to ensure that improvements are being attained as designed under the agreement. As explained more fully below, the Joint Petition for Settlement sets forth terms and conditions which will benefit the Company's customers and the public and represents an appropriate resolution to the Joint Complaint that is in the public interest.

II. BACKGROUND

The Joint Complaint alleged that the Company's telephone service quality was or may be deficient and not in compliance with Pennsylvania law and regulations, and other state and federal legal obligations. Joint Complaint, ¶¶ 4. B, D-F, H-O, R; *see, e.g.* 66 Pa. C.S. § 1501, 52 Pa. Code Ch. 63 (pre-Aug. 13, 2022), Ch. 63 (amended effective Aug. 13, 2022). The Joint Complaint alleged that the Company was or may be non-compliant with its Chapter 30 Plan obligations to make broadband available within its service territory. Joint Complaint, ¶¶ 4.B, G, K-L, R; *see, e.g.* 66 Pa. C.S. § 3014(b)(1). Additionally, the Company and affiliates have been bound since January 19, 2021 by the "Frontier Voluntary Commitments," a set of specific actions and spending commitments made by the collective Frontier entities to improve service quality, broadband access, and customer service. Joint Complaint, ¶¶ 4.A, B, N-O, R. The Joint Complaint alleged that Frontier's provision of telephone service and access to broadband service was deficient, required further investigation, remedies for the customers impacted, and remedies to improve the reliability and quality of Frontier's service. Joint Complaint, ¶¶ 4. A-R, 5.

The Joint Complaint was based upon some 300 informal complaints submitted by residential consumers and small businesses to legislators and forwarded to the OCA and OSBA in the Fall and early Winter 2022. The Joint Complaint summarized examples of poor service

quality related to Frontier's network maintenance, staffing, and response to service outages, as described in the consumers' informal complaints. Joint Complaint, ¶¶ 4.B-G. As the 300 or so informal complaints addressed the Company's provision of telephone and/or broadband service within just a portion of the Company's service territory, the Joint Complaint averred that further investigation was necessary to evaluate the scope and particulars of Company's provision of telephone service pursuant to state law and availability of broadband service. Joint Complaint, ¶¶ 4.C-D, R, 5. The Joint Complaint requested the Commission order Frontier to comply with its legal obligations, to provide relief for affected customers, and other relief as appropriate, including possible civil penalties. Joint Complaint, ¶ 5.

Frontier filed its Answer to the Joint Complaint on February 22, 2023.

To collect information, evidence and further investigate Frontier's service quality and practices, the OCA engaged in discovery. The OCA served four sets of discovery upon the Company, comprised of over 100 detailed interrogatories.

The Company served two sets of discovery to the OCA. In response to Frontier Set I, the OCA provided Frontier with copies of the informal consumer complainants sent by state legislators from their constituents to the OCA and OSBA, as well as those collected by OCA following two February 2023 community meetings hosted by Representative Clint Owlett and Representative Tina Pickett. The consumer-supplied documents totaled over 1,100 pages of information and reflected approximately 400 informal complaints. *See*, OCA/OCA St. 1 at 30, 32. Due to the inclusion of personal consumer information, such as account numbers, the OCA designated the responses to Frontier Set I confidential.

In June and July 2023, the Public Utility Commission held five Public Input Hearings in four communities, in response to the requests of State Representatives Pickett, Owlett, Joe

Hamm, Jonathan A. Fritz, Bryan Cutler and John Lawrence, as well as State Senator Gene Yaw. 35 consumers, business representatives, public officials, and members of the public testified under oath at the evening public input hearing in Wellsboro in Tioga County. Tr. 39-225. During the afternoon and evening public input hearing sessions in Towanda in Bradford County, another 32 Frontier customers and other members of the public presented sworn testimony. Tr. 226-432. The fourth public input hearing was held in Tunkhannock in Wyoming County. Another 16 members of the public presented sworn testimony. Tr. 433-546. The fifth public input hearing was held in Quarryville, where 10 members of the public including Frontier customers testified under oath. Tr. 547-632. Over the course of the public input hearings, exhibits were offered and admitted into evidence, including photographs of telephone facilities, consumer bills, consumer notes of interactions with Frontier customer service, and copies of some informal complaints previously made available to the OCA and OSBA.

On July 19, 2023, the OCA and OSBA submitted the Direct Testimony of Susan M. Baldwin (OCA/OSBA St. 1 (Confidential)), in support of the Joint Complaint. Ms. Baldwin's testimony assessed the Company's service quality based upon performance metrics information on a Company-wide and wire center basis, spanning recent years through early 2023. Ms. Baldwin also reviewed the Company's investment in maintenance and upgrades to its network facilities. Based upon her review of the Company's replies to discovery, the informal complaints, and public input hearing testimony, Ms. Baldwin proposed remedies to improve the quality and reliability of Company's telephone service and availability of broadband service. The OCA/OSBA Direct Testimony recommendations addressed recent consumer harms and the need going-forward for greater investment, accountability, and oversight.

The Company submitted Rebuttal testimony by five Company witnesses on September 7, 2023. In response, the OCA and OSBA submitted the Surrebuttal Testimony of Susan M. Baldwin on October 5, 2023 (OCA/OSBA St. 1S). Ms. Baldwin's surrebuttal addressed the Company's updated information regarding capital expenditures, network improvements, the Frontier Voluntary Commitments, future reporting commitments, broadband service credits, the obligations of Frontier management, and identified public input testimony as a counterpoint to certain general assumptions presented by the Company's rebuttal witnesses. Ms. Baldwin affirmed her original observations that the Company's service quality has been deficient and harmful to Frontier customers and should be subject to remedies and improvement.

The OCA and OSBA engaged in negotiations with Frontier which have resulted in the proposed Settlement. The Settlement provides benefits to Frontier's telephone service customers, broadband service customers, and the public, is in the public interest, and should be approved by the Commission.

III. SETTLEMENT

A. The Settlement Agreement Serves the Public Interest through a Framework to Provide Customer Remedies, Improve Frontier's Network and Service Quality Prospectively, Coupled with Oversight and Reporting.

The framework of the Settlement will provide consumers and the public with specific benefits and protections. The Settlement addresses Frontier's obligations to provide reliable telephone service as well make broadband service available under Chapter 30. The time frame covered by the Settlement dates back to July 1, 2022 as the start of a specific refund period, imposes performance obligations on the Company through the end of 2026, with follow-up reporting in part of 2027. Through the Settlement the Company will be obligated to take steps to improve service quality and network reliability, paired with consideration of consumer trouble

reports, benchmarks, reporting, and the sharing of information with and input from OCA, OSBA, and Commission Staff.

The framework of the Settlement is supported by the testimony of OCA and OSBA witness Baldwin. Ms. Baldwin reviewed the Company's service quality performance measured by a variety of metrics at the wire center and company-wide level, the Company's actual and planned capital spending and network improvement plans, and the experiences of consumers, businesses, and the public as reported through informal complaints and public input hearing testimony. Ms. Baldwin recommended that the Commission impose a variety of obligations upon Frontier for the benefit of customers and the public. The proposed Settlement terms advance many of Ms. Baldwin's recommendations.

B. The Settlement Provides Monetary Remedies for Consumers and the Public

The proposed Settlement Section III terms provide targeted remedies and benefits for current Frontier consumers, recent former customers, and certain emergency first responders. These terms are broken into several buckets: Customer Remedies and Credits (Section III.12.A), Customer Refunds (Section III.12.B), and Chapter 30 Credits (Section III.12.C). These important provisions seek to remedy past and future harm, for Frontier telephone service and/or broadband customers who need timely installation of service and consistently available service. (Sections III.12.A – C). Further, the remedies and credits provisions provide the Company with a financial incentive going forward to provide reliable service and timely response to requests for repairs or installation. (Section III.12.A, C).

As part of the Settlement, Frontier would promote its medical certification process related to priority restoration of service and establish a customer hotline, other provisions that will benefit Frontier consumers. (Section III.12.D, L).

These provisions support a determination that approval of the proposed Settlement is in the public interest. OCA and OSBA witness Baldwin emphasized that the Commission should pay heed to the experiences of consumers who provided informal complaints or testified at the public inputs, in determining appropriate remedies. *See, e.g.* OCA/OSBA St. 1 at 27-33, 55, 96-99.

1. Remedies, Credits and Refunds for Telephone Service (Sections III.12.A, B).

The Customer Refund provision will apply during the window from July 1, 2022 to the date the Commission approves the Settlement (Customer Refund Period). (Section III.12.B.a). Current customers will receive retroactive credits from the Company for telephone service quality troubles or installation delays, at the levels described in the Customer Remedies and Credits provision, up to a maximum credit of \$200 per customer. (Section III.12. A.a–g, B.a). Frontier customers who left Frontier during the Customer Refund Period will also be eligible for credits, driven by the Company’s review of its records. (Section III.12.B.b)

Prospectively, Frontier commits to provide credits to consumers who experience out of service events, additional out of service troubles, service impairments, repeat troubles, missed repair appointments, or untimely installations of new service. (Section III.12.A.a - d). Some of the credit amounts, such as for some repairs that extend past 48 hours, increase if the Company’s efforts to remediate the issue extend past certain time intervals. (Section III.12.b, c). In addition to the detailed terms and dollar amount of potential credits, this settlement term will require Frontier to apply the credits within two billing cycles without the customer having to make a request for credit.

The Customer Remedies and Credits terms also address the interests of Emergency First Responders. To the extent an emergency first responder is a Frontier telephone service customer

and experiences a service quality trouble eligible for a credit under the Customer Remedies and Credits term, Frontier will provide the emergency first responder an additional credit of \$150. (Section III.12.A.e). The settlement term also acknowledges that a delayed response by Frontier to make emergency repairs to Frontier facilities may tax the resources of emergency first responders. The Settlement identifies when a \$100 per incident credit may be provided to emergency first responders. (Section III.12.A.e). The testimony of public safety officials and volunteer emergency responders support this settlement term as in the public interest. *See, e.g.* TR. 118-122, 148-150. Based upon her review of customer comments regarding Frontier’s policy and practice of providing credits or refunds, Ms. Baldwin recommended imposition of a “more meaningful set of customer credits than now exist” in Frontier’s tariff. OCA/OSBA St. 1 at 96-100. These proposed settlement remedies, refunds, and credits are more expansive and compensatory than Frontier’s tariff provision that allows for a modest credit for certain out-of-service events. OCA/OSBA St. 1 at 13, 96-97.¹ These proposed settlement remedies and credits also address the concern of some consumers that they not only receive poor service quality but then ‘had to chase a refund.’ OCA/OSBA St. 1 at 82.

These remedies and credit provisions support a finding that the proposed Settlement is in the public interest.

2. Chapter 30 Broadband Service Credits

The proposed Settlement’s Chapter 30 Credits terms establish that Frontier will provide a credit when installation of broadband service does not occur within ten business days of the consumer’s application or alternate agreed upon installation date. (Section III.12.C. a, b). For

¹ *See*, Frontier Tariff No. 23, Original Sheet 13, Section 1. General Regulations, Subpart AA. Allowances for Telephone Service Interruptions. (available at <https://carrier.frontiercorp.com/crtf/tariffs/u/194/PA/local/PUC23>)

Frontier broadband service customers, the Settlement memorializes that consistent with current practices, Frontier will provide upon customer request pro-rated credits for broadband service outages.

These provisions provide a remedy to correspond with the Company's Chapter 30 Plan obligation to make broadband service available and are in the public interest. OCA and OSBA witness Baldwin found the Company's compliance with its installation obligation was inadequate, based upon evaluation of metrics and consumer testimony. OCA/OSBA St. 1 at 15, 62, 79-81, 83, 95. Ms. Baldwin recommended credits to reflect broadband service as unavailable due to an outage, based upon the Company's Chapter 30 Plan obligations. OCA/OSBA St. 1 at 9-10, 79-81, 83, 100; OCA/OSBA St. 1SR at 10-11. These Chapter 30 Broadband Credits terms provide a negotiated resolution and are in the public interest. (Section III.12.C).

3. Medical Certification Process and Restoration of Service

As part of the settlement, Frontier will publicize its medical certification process. (Section III.12.D). The term corresponds with the recommendation of OCA and OSBA witness Baldwin. OCA/OSBA St. 1 at 101-102. Frontier will provide consumers with information about how they may proactively document their household needs for prompt repair and continuity of service, so their account may be flagged. Based upon public input testimony, the Company's existing medical certification process was not well known to consumers leaving consumers to request priority dispatch during an outage. *See, e.g.* TR 276, 277, 317-321, 326-328, 360. Frontier's commitment to publicize its medical certification process should help consumers and improve Frontier's ability to prioritize restoration of service repairs.

Frontier's medical certification process is in addition to the Commission's Chapter 64 medical certification protections. The Chapter 64 protections relate to prevention of suspension

or termination of service. 52 Pa. Code §§ 64.101, *et seq.* This Settlement term will benefit Frontier consumers and households that have health concerns and worry about continuity of their telephone service.

4. Consumer Hotline for Frontier Customers

The establishment by Frontier of a consumer hotline is an integral part of several settlement term provisions. (Section III.12.H, L). “Frontier will establish an address, 800 phone number and email address for customers and the public to report safety or service-affecting plant concerns to Frontier.” (Section III.12.H) Frontier will publicize this contact opportunity, providing notice to consumers in writing. (Section III.12.L) Further, as part of the settlement, Frontier commits to use the consumer reports “for expedited repair/resolution of customer problems” as well as to discuss available credits or refunds. (Section III.12.L)

OCA and OSBA witness Baldwin recommended establishment of a consumer hotline. OCA/OSBA St. 1 at 85. During the public input hearings, consumers described difficulties in making effective and efficient contact with Frontier customer service. This Company-specific 800 number hotline and related points of mail and email contact should help Frontier consumers report their service and safety concerns more easily and directly.

C. The Settlement Establishes a Framework for the Company to Review and Improve Its Network and Facilities

For the three-year Settlement Application Period, Frontier would be obligated by the proposed Settlement to take steps to improve the reliability of its network, whether through repairs, remediation, or replacement. (Sections III.12.E-H, J, M). The Settlement terms describe processes and funding commitments to better assure that Frontier is prepared to meet its obligations under Section 1501 and relevant Chapter 63 regulations. 66 Pa. C.S. § 1501; *see*, 52 Pa. Code Ch. 63.

These provisions are in the public interest, as based upon OCA and OSBA witness Baldwin's assessment of Frontier's network, service quality, and capital investments and recommendations.

1. Network Facilities Subject to Review and Remediation

Per the proposed Settlement, the scope of network facilities subject to review, evaluation and remediation is broad. Batteries in remote terminals (Subpart E) and defective copper plant (Subpart G) are network facilities expressly identified. (Section III.12.E, G). In addition, the Maintenance Plan and Most Troublesome Wire Center Review provisions (Subparts F, H.) establish processes for the Company to identify what facilities such damaged pedestals, unburied cables, cables in need of replacement, flooded facilities, and broken poles, should be targeted for maintenance or network rehabilitation efforts. (Section III.12.E, F, H).

OCA witness Baldwin evaluated the condition of the Company's network from several perspectives including performance metrics, capital investment, type of network whether copper or fiber, and consumer complaints and testimony. OCA/OSBA St. 1 at 4, 27-79. These settlement provisions correspond with many of Ms. Baldwin's recommendation as to breadth of Frontier network components, such as back-up batteries or defective copper plant, that should be subject to inspection, repair, and remediation to increase the reliability and quality of service.

OCA/OSBA St. 1 at 34-79, 83-86. These terms are in the public interest.

2. Service Improvements Should Occur Throughout, Based Upon Need

The Settlement terms promote service improvements throughout the Company's service territory, as needed. The Company's service territory is comprised of 78 wire centers within all

or part of 20 counties.² As part of the Most Troublesome Wire Center review process, Frontier will identify an initial group of 18 focus wire centers and address or remediate the field conditions. (Section III.12.F) The Company will repeat this process of identifying a second group of 18 focus wire centers, within 18 months following Commission approval of the Settlement. This process will result in improved network reliability in specific geographic areas, as informed by the Company's review of certain metrics, a field survey, consumer contacts with Frontier's Customer Support hotline, and consultation with the OCA, OSBA, and Commission Staff. OCA and OSBA witness Baldwin recommended such a multi-step focus wire center review process as one remedy to lead to improved reliability and service quality in wire centers that measured as low service quality based on several metrics, for the benefit of consumers and the public. OCA/OSBA St. 1 at 64-79, 85-86.

Further, the Maintenance Plan process requires the Company develop a Plan "to proactively identify, monitor, evaluate, anticipate, and *address*" on a prompt basis a variety of outside plant concerns. (Section III.12.H) (emphasis added). Consumer reports of service-affecting plant concerns through the Consumer Hotline will be part of this Frontier network review by operations and engineering personnel. (Section III.12.H, L) This Maintenance Plan process should result in remediation of local, service-affecting outside plant troubles, with issues that impact service or safety to the public given priority. These provisions are supported by OCA and OSBA witness Baldwin's determination that consumer reports of service trouble should inform the Company's plans and efforts to improve its network and facilities.

² The Company provides service in Berks, Bradford, Bucks, Carbon, Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lehigh, Luzerne, Lycoming, Monroe, Northampton, Schuylkill, Sullivan, Susquehanna, Tioga, and Wyoming Counties. Joint Complaint, ¶ 4.A., as corrected by Company's Answer.

OCA/OSBA St. 1 at 55, 63, 84-86. Consumers also reported the need for repair and improved maintenance of local facilities as part of the public input hearings.

The Workforce Development provision includes a commitment by Frontier to focus hiring efforts to engage technicians to provide service in the Pennsylvania Northern Tier region (Bradford, Sullivan, Susquehanna, Tioga, and Wyoming counties). (Section III.12.M). Frontier's staffing and ability to provide prompt repairs was criticized by consumers during the June public input hearings in Wellsboro, Towanda, and Tunkhannock, as well as by OCA and OSBA witness Baldwin. *See*, OCA/OSBA St. 1 at 54-55, 78-79. This Workforce provision is geographically specific and should help facilitate the Company's response to consumer reports through the Customer Hotline that require expedited repair or resolution. (Section III.12.L, M). It should also help the Company's efforts under the Maintenance Plan and Wire Center review processes, to the extent the Company's network in these counties require additional repair and remediation. (Section III.12.F, H, L, M).

Collectively, these provisions are in the public interest, as intended to provide improved service quality throughout the Company's service territory.

D. The Settlement Terms Impose Specific Financial Obligations on Frontier.

The first category of financial obligations is set forth in the Customer Remedies and Credits and Chapter 30 Credits provisions. (Section III.A, C). The financial impact on the Company is directly linked to the Company's provision of reliable, quality telephone service, prompt repair to Frontier facilities to minimize demands on the resources of emergency first responders, timely installation of broadband service, and minimization of broadband outages that may result in a credit under the Company's practice. The potential to pay out credits to Frontier

customers or emergency first responders provides incentive for the Company to improve its service quality, whether through operating expenditures or capital investments.

The second category of financial impacts are the capital expenditure obligations described in the Capital Investment and Copper Repair and Metrics/Benchmark terms. (Section III.12.G, J). These negotiated provisions advance OCA and OSBA witness Baldwin's position that the Company should be bound by specific capital investment obligations, including funds for repair of copper plant. OCA/OSBA St. at 14-17, 57-58, 65-79, 83-92.

Pursuant to the Capital Investment terms, Frontier will have an affirmative obligation to make capital expenditures at a minimum annual level of \$26 million in each of the calendar years 2024, 2025, and 2026. Including 2023, Frontier commits that the four-year capital expenditures will exceed \$100 million. Out of the 2024, 2025, and 2026 committed capital spend, Frontier will spend a minimum of \$5 million over the three years on repairing defective copper plant and battery replacements. An unquantified portion of the three-year capital spend will be guided by the Wire Center Review process. The Settlement terms address potential scenarios in which Frontier obtains public funds for capital improvements, as well as accounting for capital expenditures in 2024, 2025, or 2026 that are under or above the \$26 million commitment. The Company's success in securing federal or state public funds for network or service improvements would be incremental to the Company's obligated capital spending.

The third category of financial impacts is conditional, dependent on the Company's performance as measured at the company-level on a quarterly basis under five specific benchmarks for telephone service. (Section III.12.I, J). As part of the Metrics/Benchmark terms, "[i]f Frontier's quarterly reporting shows the company has not met (a) – (e) above for one quarter,..." the Company shall present a remedial plan to Commission Staff, the OCA, and

OSBA. (Section III.J.) “If Frontier’s quarterly reporting shows that it has not met all of (a) through (e) above for two consecutive quarters, Frontier shall spend an additional \$250,000 in capital investment or operating expense.” *Id.*

These affirmative capital expenditure obligations provide measurable commitments for the benefit of the Company’s customers and the public. The conditional obligation to spend an additional \$250,000 in capital investment or operating expense provides Frontier with incentive to manage all of its resources to provide telephone service quality at or below each of the five identified benchmarks.

E. The Many Reporting Requirements Promote Transparency

The proposed Settlement is comprised of a mix of reporting requirements. (Section III.12.A.h, E-J, L-M). Collectively, these requirements promote transparency allowing the OCA, OSBA, and Commission staff to follow the Company’s progress in providing refunds and credits Subpart A.h; quarterly); annual evaluation of batteries in remote terminals (Subpart E.; annually); written report of capital expenditures, disaggregated by wire center (Subpart G.; annually); a written Maintenance Plan with quarterly reports listing “Identified Plant Issues” and an explanation, if required of why action has not been completed or when action is expected (Subpart H.); and quarterly reports of the Company’s performance under eleven metrics,³ at both the wire-center and territory-wide basis for 2023 through the end of the Settlement Application Period (Subpart I.). This is a partial list of the obligations that would apply to Frontier, to share information with the OCA, OSBA and Commission Staff.

³ The eleven listed performance metrics cross-reference “(34a)” through “(34k).” These subpart labels correspond to a Company response to OCA discovery, OCA-II-34 with confidential exhibits. OCA/OSBA witness Susan M. Baldwin analyzed the Company’s confidential performance metric data. This Settlement term adopts the OCA/OSBA St. 1 recommendation for continued tracking and reporting of these specific metrics. See, OCA/OSBA St. 1 at 93-94.

The reported information is not limited to monitoring and enforcement purposes. The N. Meetings provision acknowledges that the Company's selection of an initial and second group of 18 focus wire centers pursuant to Subpart F. will allow OCA, OSBA, and Commission Staff to provide input through meetings.

Nor will the Company's reports be wholly confidential. The Q. Miscellaneous term states that Frontier's reports are presumed public. If the Company reports information that it deems confidential and non-public, Frontier would need to include a public Executive Summary in addition to the confidential portion of the report.

These settlement terms correspond to many of Ms. Baldwin's recommendations that improvements to Frontier's service quality and investment in its facilities and network should be tracked by a variety of reports and reviewed in a collaborative manner by the OCA, OSBA, Commission, and Company. *See, e.g.* OCA/OSBA St. 1 at 55, 73, 85-86, 93-96.

These provisions are further evidence that the Settlement is in the public interest.

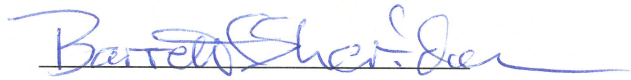
F. Summary

The OCA submits that the Settlement provides benefits to Frontier's customers and the public and provides a reasonable resolution to complex and difficult issues. The Settlement addresses many of the concerns presented by Frontier customers through public input hearing testimony, relative to the scope of Frontier legal obligations identified by the Joint Complaint. Importantly, the Settlement provides a framework for the Company to invest in its network and workforce, to improve the quality of service and safety of the Company's services and networks. The three-year Settlement Application Period and reporting requirements provide time for implementation and assessment of the Company's performance under the Settlement terms.

III. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of the OCA and OSBA Formal Complaint represent a fair and reasonable resolution of the critical service quality concerns raised by consumers that provided the basis for the OCA and OSBA Joint Complaint. The OCA respectfully requests that the Commission approved the Settlement, without modification, as in the public interest.

Respectfully Submitted,



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DATE: October 25, 2023

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate and the :
Office of Small Business Advocate :
 : **Docket No. C-2023-3037574**
v. :
 :
Commonwealth Telephone Company LLC :
d/b/a Frontier Communications Telephone :
Company

**OFFICE OF SMALL BUSINESS ADVOCATE
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50) to represent the interests of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission (“Commission”).

On January 9, 2023, the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) filed a Joint Complaint regarding service outages and quality of service issues against Commonwealth Telephone Company LLC d/b/a Frontier Communications Telephone Company (“Frontier” or “Company”). The Joint Complaint was based upon approximately 300 informal complaints submitted by residential and small business customers to legislators and forwarded to the OCA and the OSBA.

Frontier filed an Answer to the Joint Complaint on February 21, 2023.

In June and July of 2023, the Public Utility Commission held five in person Public Input Hearings in four communities in Frontier's service territory.

On July 19, 2023, the OCA and the OSBA submitted the Direct Testimony of Susan M. Baldwin (OCA/OSBA Statement No. 1 (Confidential)), in support of the Joint Complaint.

On September 7, 2023, Frontier submitted the Rebuttal Testimony of five Company witnesses.

On October 5, 2023, the OCA and OSBA served the Surrebuttal Testimony of Susan M. Baldwin.

The OCA and the OSBA engaged in settlement negotiations with the Company. Prior to the evidentiary hearings, the parties notified the ALJs that they had reached a full settlement and that all parties waived cross-examination on all issues.

At the evidentiary hearing on October 24, 2023, the testimony of all witnesses was entered into the record via stipulation.

II. Summary of the OSBA's Principal Concerns and Overall Reasons for Supporting the Settlement

In the Joint Complaint, Prehearing Memorandum and testimony, the OCA and OSBA identified several issues of concern including the following:

1. The Company's management of its network, staffing resources, and response to consumer outages; (Joint Complaint at 7)
2. Whether the Company may have violated its obligations to provide and maintain adequate, efficient, safe, and reasonable services and facilities in compliance with Section 1501 of the Public Utility Code (66 Pa. C.S. §1501) (Joint Complaint at 8);

3. Whether the Company may have violated Chapter 63 of the Commission's Regulations relating to telephone service quality standards: Section 63.14 Emergency Equipment and Personnel; Section 63.22 Service Records; Section 63.23 Construction and Maintenance Safety Standards for Facilities; Section 63.57 Customer Trouble Reports; and Section 63.59 Call Answering Measurements. 52 Pa. Code §§63.14, 63.22, 63.23, 63.57 and 63.59 (Joint Complaint at 8).

The OSBA has actively participated in the negotiations which led to the filing of the Joint Petition for Settlement ("*Settlement*"). The *Settlement* is a compromise that does not meet all of the OSBA's objectives in this case. However, the OSBA is satisfied that the *Settlement* is a reasonable resolution of the foregoing concerns and produces an overall outcome that is in the public interest of the Company's small business customers. Therefore, the OSBA is a signatory to the *Settlement* and respectfully requests that the Commission approve the *Settlement* without modification.

III. Reasons for Support of Specific Issues in the Settlement

The *Settlement* sets forth a comprehensive list of issues which were resolved through the negotiation process. This statement outlines the OSBA's specific reasons for joining the *Settlement*. The following provisions were of particular significance to the OSBA in concluding that the *Settlement* is in the best interests of Frontier's small business customers.

A. The Settlement Serves the Public Interest by providing specific customer remedies that are measurable and supported by oversight and reporting

The informal complaints from customers which gave rise to the Joint Complaint included common issues related to service quality, customer service and outages. The Joint Petition provides a definitive framework for Frontier to improve its quality of service and its obligations to provide reliable telephone service as well as make Broadband service available pursuant to Chapter 30.

B The Settlement Provides Specific Financial Remedies and Protections for Frontier’s Consumers

Section III of the Settlement provides specific remedies and benefits for Frontier’s customers, both residential and small business customers, former customers, and certain emergency responders. *See* Settlement Section III.12.A Customer Remedies and Credits, Section III.12.B Customer Refunds, Section III.12.C Chapter 30 Credits.

These provisions will provide relief to Frontier’s customers for the period of the Settlement, dating back to July 1, 2022, and into the future, for Frontier’s customers that require timely installation of service that should remain consistently available. (Section III.12.A-C)

The Settlement also sets forth known and measurable financial incentive to continue to improve and provide reliable service and timely requests for installation or repairs. (Section III.12.A and C).

Further, the Settlement provides a Rate Cap for Small Business customers through January 1, 2025. At a time when all types of utility service are becoming more expensive, the Rate Cap will provide some relief to Frontier’s small business customers as the Company works to improve its overall quality of service. (Section III.12.K)

C. The Settlement Provides Known and Measurable Targets for Infrastructure Repair and Reporting

The Settlement requires Frontier to take definitive steps to improve and repair its infrastructure and thereby the reliability of its network and service to customers. *See* Settlement Section III.12.E Batteries, Section III.12.F Most Troublesome Wire Center Review, Section III.12.G Capital Investment and Copper Repair, Section III.12.H Maintenance Plan, Section

III.12.I Quarterly Wire Center Reporting, Section III.12.J Metrics/Benchmarks, Section III.12.L Customer Support, Section III.12.M Workforce Development, and Section III.12.N Meetings.

For the entirety of the Settlement period, dating back to July 1, 2022, Frontier is obligated to take steps to improve its infrastructure, and report on that progress to the Commission, the OCA and the OSBA. The specific provisions of the Settlement are responsive to many of the concerns and recommendations raised in the testimony of Witness Susan Baldwin. OCA/OSBA St. No. 1 at 4, 27-79.

IV. Conclusion

For the reasons set forth in the *Settlement*, as well as the additional factors enumerated in this statement, the OSBA supports the proposed *Settlement* and respectfully requests that the ALJs and the Commission approve the *Settlement* in its entirety.

Respectfully submitted,

/s/ Sharon E. Webb

Sharon E. Webb

Attorney ID No. 73995

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Dated: October 25, 2023

Appendix C

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate, :
Office of Small Business Advocates, :
Complainants, :
 :
v. : Docket No. C-2023-3037574
 :
Commonwealth Telephone Company, LLC :
d/b/a Frontier Communications Telephone :
Company, :
Respondent. :

**COMMONWEALTH TELEPHONE COMPANY, LLC D/B/A
FRONTIER COMMUNICATIONS TELEPHONE COMPANY’S
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT**

Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company (“Frontier Commonwealth”) hereby submits this Statement in Support of the Joint Petition for Settlement (“Joint Petition” or “Settlement Agreement” or “Settlement”) entered into between Frontier Commonwealth and the Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) (collectively, “the Parties”) in the above-captioned proceeding.

I. BACKGROUND OF SERVICE RELATED ISSUES

Frontier Commonwealth (Utility Code: 310800) is a Pennsylvania corporation with its principal offices based in Dallas, Pennsylvania. It is a rural incumbent local exchange carrier authorized to provide local exchange voice and related services on a jurisdictional basis. It operates in all of Wyoming County and in portions of Berks, Bradford, Bucks, Carbon, Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lehigh, Luzerne, Lycoming, Monroe, Northampton, Schuylkill, Sullivan, Susquehanna, Tioga, and York Counties, across an area

covering approximately 5,066.5 square miles. Frontier Commonwealth’s service territory includes predominately rural areas with approximately 60,000 access lines (both copper and fiber) served by 78 wire centers.¹

The service issues reflected in the OCA/OSBA complaint are largely isolated to the Northern Tier portion of Frontier Commonwealth territory (Bradford, Sullivan, Susquehanna, Tioga and Wyoming). These service issues were primarily driven by a personnel shortage in a very rural area, where often many miles exist between households and service calls.² As Frontier Commonwealth explained in its testimony, the Company experienced “more than 20 technicians, an extraordinary number, retire and/or leave in 2022.”³ For example, the Wellsboro office lost 4 of its 7 technicians which supported the Northern Tier segment of the Frontier Commonwealth service territory.⁴ Overall, total Company levels dropped from 97 service technicians at year end 2021 to 77 one year later. This sudden loss of staffing “made it impossible for the Company to keep pace with the number of repair and service requests which created a backlog in which customers’ appointments were delayed or needed to be rescheduled.”⁵

“This condition resulted in a service order backlog that peaked in January of 2023.”⁶ During this period of time, in order to compensate for this loss of employees, the number of overtime hours were increased and Frontier Commonwealth hired outside contractors to address the backlog of customer service issues. Because of the staffing issues and challenges in securing new employee technicians, “Frontier saw incurring the expense as a necessary effort to address

¹ Frontier Commonwealth St. 1-R at 2.

² Frontier Commonwealth St. 1-R at 3.

³ Frontier Commonwealth St. 1-R at 4.

⁴ Frontier Commonwealth St. 1-R at 6.

⁵ Frontier Commonwealth St. 1-R at 7.

⁶ Frontier Commonwealth St. 1-R at 8.

and mitigate the backlog and prevent further customer service interruptions.”⁷ As of July 2023, the excess backlog was “all but eliminated.”⁸

The Company has undertaken an aggressive campaign to hire and train replacements and has since hired 11 new service technician employees.⁹ Frontier Commonwealth is actively seeking to hire an additional 15 technicians this year (2023) to augment its existing work force.¹⁰ The salaries for these union (CWA) positions are competitive (\$50-70,000 annual salary before overtime).¹¹ Frontier Commonwealth has faced challenges to fill these positions, with its Senior Vice President for Operations testifying “[w]hile the Northern Tier counties have some of the lowest overall population density in the Commonwealth, these counties have lower than average unemployment rates and minimal total unemployed persons compared to other areas of the state.”¹²

As noted above, the service issues in this case are based on technician staffing shortages and not network related. Frontier Commonwealth’s “physical telephone network is currently and will remain capable of providing reliable and high-quality telephone service in Pennsylvania.”¹³ Frontier Commonwealth’s trouble report rate has consistently been *below* the Commission’s trouble report rate standard of 5.5 troubles per 100 lines on a total company basis, as well as when applied to the individual exchanges.¹⁴ This demonstrates that Frontier Commonwealth’s network provides consistent and reliable service to its customers. “The customer trouble report

⁷ Frontier Commonwealth St. 1-R at 11.

⁸ Frontier Commonwealth St. 1-R at 11.

⁹ Frontier Commonwealth St. 1-R at 9.

¹⁰ Frontier Commonwealth St. 1-R at 13.

¹¹ Frontier Commonwealth St. 1-R at 9.

¹² Frontier Commonwealth St. 1-R at 10.

¹³ Frontier Commonwealth St. 1-R at 14. Frontier has multiple processes for identifying and addressing damaged cable, utility boxes, poles and other facilities to be reviewed for repair or replacement. Frontier Commonwealth St. 1-R at 16.

¹⁴ Frontier Commonwealth St. 2-R at 6-7 and OCA/OSBA St. 1 at 37-38.

[] metric is an indicator of network health for a telecommunications company... A lower customer trouble rate indicates a more reliable and stable network.”¹⁵ The OCA witness agreed that the trouble report rate is an “indicator of a network’s condition.”¹⁶ In other words, the issues that the Company and its customers have recently faced are not network deficiencies but rather driven by the described personnel shortage which has been addressed.¹⁷

Frontier Commonwealth continues to invest and improve its copper based network in Pennsylvania, despite declining customer counts.¹⁸ Frontier Commonwealth is in full compliance with its Chapter 30 commitments to provide 1.544 Mbps service.¹⁹

Moreover, Frontier Commonwealth has continued to expand its fiber network.²⁰ Frontier Commonwealth considers upgrading its copper infrastructure to fiber based on its evaluation of many factors, including, but not limited to, location, number and concentration of customers and potential customers, potential growth in the area, competition, engineering project assessments, estimated costs and complexity of replacing copper facilities, field inspections, and condition of the copper network and number of service impacting outages as a result of the condition of the entirety of the copper network facilities serving a geographic area.²¹ Importantly, Frontier Commonwealth’s capital investment in fiber-to-the-premises has been increasing substantially since Frontier’s 2021 emergence from Chapter 11 bankruptcy.²²

¹⁵ Frontier Commonwealth St. 2-R at 6.

¹⁶ OCA/OSBA St. 1 at 36.

¹⁷ Frontier Commonwealth St. 1-R at 14.

¹⁸ Frontier Commonwealth St. 1-R at 17 (See Confidential chart).

¹⁹ Frontier Commonwealth St. 1-R at 20.

²⁰ Frontier Commonwealth St. 4-R at 6.

²¹ Frontier Commonwealth St. 4-R at 4.

²² Frontier Commonwealth St. 5-R at 16 (See table marked Confidential).

This has all been accomplished against a backdrop of robust competition from a multitude of competitors in the Frontier Commonwealth’s service territory.²³ Voice line loss has been a reality for all of the “incumbent”²⁴ carriers. When Frontier acquired Commonwealth Telephone in March 2007, the company served 313,336 access lines in 78 exchanges. At year-end 2022, the number of access lines was 67,606 still serving the same 78 exchanges. “This represents a 78% reduction in access lines and unequivocally demonstrates the extensive force of competition in the exchanges Frontier Commonwealth provides service.”²⁵

Frontier Commonwealth’s telephone operating revenues as reported to the Commission have been severely impacted and deteriorating. The following data summarizes the Frontier Commonwealth revenue decline:

2007	\$222,878,452
2013	\$160,522,544
2022	\$64,179,559

During this 15-year period, Frontier’s total jurisdictional revenues have correspondingly declined by more than 70%.²⁶

In contrast, while the “incumbent” market share has consistently been withered away by an average 4.3% annually, FCC statistics show that cell service subscription in the Commonwealth of Pennsylvania has quadrupled.²⁷ These kinds of statistics are typical across

²³ Frontier Commonwealth St. 5-R at 3.

²⁴ The term “incumbent” is a misnomer and, to the extent that it connotes superior market position based upon legacy operations, this is most certainly not true today, nor has it been for quite some time. The federal definition is as follows: “An Incumbent Local Exchange Carrier is an entity that was providing local exchange telephone service in a particular area on February 8, 1996, the date on which the Telecommunications Act of 1996 was enacted into law.” See 47 C.F.R. § 51.5.

²⁵ Frontier Commonwealth St. 5-R at 14.

²⁶ Frontier Commonwealth St. 5-R at 15.

²⁷ Frontier Commonwealth St. 5-R at 4.

the country and observable in everyday life. In the Northern Tier counties at issue in this case, approximately one-half of the households do not subscribe to wireline service from Frontier Commonwealth or any other wireline provider and are completely wireless.²⁸

Frontier Commonwealth's witness compiled data from the FCC's 4G LTE Coverage Map which showed that wireless data and voice coverage is virtually ubiquitous even at significant distances from the rural population centers in the five counties. "Undoubtedly, there are some spots of poor LTE Data Coverage as well as limited areas of poor voice coverage in the Wellsboro, Towanda, and Tunkhannock regions of Frontier Commonwealth's territory..... But my investigation concludes that wireless voice service is largely available and those without any cell service, especially voice service, is a very small minority in Frontier Commonwealth's service territory."²⁹

Some individuals appearing at the Northern Tier public input sessions expressed issues with lack of cellphone signal availability and directed their frustration at Frontier Commonwealth in terms of the importance of landline voice service and broadband services. "It should be obvious that Frontier has no role or involvement in the provision of cellular voice service in these communities and some of these consumers frustration should be directed toward wireless service providers such as Verizon wireless, AT&T wireless, T-Mobile wireless and other regional wireless providers."³⁰ Ultimately, the presence of robust competition drives the marketplace to ensure quality service attuned to customers' needs and desires. "There is no more effective or efficient force to ensure strong service quality than the risk of losing customers."³¹

²⁸ Frontier Commonwealth St. 5-R at 6.

²⁹ Frontier Commonwealth St. 5-R at 12.

³⁰ Frontier Commonwealth St. 3-R at 6.

³¹ Frontier Commonwealth St. 5-R at 16.

In summary, an unanticipated and sudden shortage of technical field personnel created a situation where, admittedly, unacceptable levels of out-of-service periods and missed appointments occurred. The Company has been working diligently to resolve these issues and as additional service technicians are added the Company expects service performance will improve.

The Settlement contains measurable goals and metrics to assure that progress continues.

II. OCA COMPLAINT AND PUBLIC INPUTS SESSIONS

On January 9, 2023, the OCA and the OSBA filed a Joint Complaint alleging, *inter alia*, that Frontier Commonwealth is providing unreasonable telephone service to its customers. On February 21, 2023, Frontier Commonwealth filed a verified Answer to the Joint Complaint. The Parties exchanged testimony and public input sessions were held.

The ALJs conducted 5 public input sessions which Frontier Commonwealth personnel attended. “In general, customers expressed concerns with both phone and broadband reliability, with an emphasis on delayed or missed repairs.”³² However, most of the comments involved broadband reliability related issues such as slower than desired download and upload speeds over intermittent periods of time, broadband outages, and issues with the customer’s in-home wi-fi equipment.³³

Frontier Commonwealth set up a table at the back of the room during each hearing and it was announced that customers should stop at the table and speak with the customer service personnel located. Forty-five (45) customers filled out a form for additional assistance. All customers who filled out these forms were contacted, and their particular issues were investigated by Frontier Commonwealth. “We investigated every complaint made by a current

³² Frontier Commonwealth St. 3-R at 3.

³³ Frontier Commonwealth St. 3-R at 4.

customer of Frontier and resolved their issue reflected in the CONFIDENTIAL Exhibit 3-R-1.”³⁴ Of the 45 customers that asked for additional assistance, Frontier Commonwealth submitted 17 repair tickets to address the customers’ concerns.³⁵ “Frontier took each customer’s comments and issues seriously, and individually engaged each customer to help remedy their issues, get repairs completed, and issue credits where applicable.”³⁶ This measurable action to address customer’s complaints on a timely basis after the public input hearings shows Frontier Commonwealth is in a position to continue to provide reasonable and adequate service and meets its obligations and desire to serve its customers.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST AND SHOULD BE APPROVED WITHOUT MODIFICATION

Frontier Commonwealth submits that the Settlement Agreement: (a) resolves all of the issues raised by the OCA/OSBA Joint Complaint and related to Frontier Commonwealth’s service quality compliance; (b) represents a fair and equitable resolution of this proceeding; (c) is in the public interest; and (d) should be approved by the Commission in its entirety, without modification.

Specifically, the Parties have negotiated a substantial settlement that contains numerous detailed commitments from Frontier Commonwealth that will directly benefit Frontier Commonwealth’s customers, and in particular, the customers most affected by the technical staffing issues during late 2022 – early 2023 in the northern tier counties. The terms include:

- Future customer and emergency first responder credits for telephone out-of-service lasting more than 24 hours or later agreed upon in service date; impaired conditions lasting more than 72 hours; and repeat troubles.
- Future customer credits for missed telephone appointments and delayed installation.

³⁴ Frontier Commonwealth St. 3-R at 8.

³⁵ Frontier Commonwealth St. 3-R at 4.

³⁶ Frontier Commonwealth St. 3-R at 9.

- Retroactive application of these credits back to July 2022 as credits/refunds.
- Monitoring of remote terminal batteries.
- Detailed survey and remediation as needed of the plant conditions at the 18 “most troublesome” wire centers with reports to the Commission and Parties.
- Minimum 4-year expenditure of \$100 million in Company capital with annual reports to the Commission and Parties.
- Development and filing of a detailed Maintenance Plan for outside plant with quarterly reports to the Commission and Parties.
- Detailed service quality reporting by wire center.
- Service quality metrics and presentation of a remediation plan should the metric not be met with penalties for failure to meet the agreed upon metrics, which go beyond the metrics in the Commission’s rules.
- Rate cap for business customers through 2024.
- The establishment of a customer service hot line.

Additionally, while precedent is clear that the Commission’s jurisdiction over broadband is limited to speed and availability under Chapter 30 of the Public Utility Code,³⁷ the settlement confirms that Frontier Commonwealth will provide credits to customers where broadband installation is delayed in excess of 10 business days as well as continuing its practice of providing pro-rated credits on a case-by-case basis. Frontier Commonwealth has not and does not make any concessions expanding the Commission’s jurisdiction beyond the requirements of Chapter 30 of the Public Utility Code.

The voluntary commitments in the settlement impose more stringent standards and requirements than otherwise would be applicable under the Commission’s statutory authority and

³⁷ Regarding broadband internet access service, Chapter 30 of the Code, 66 Pa. C.S. §§ 3011-3019, includes broadband deployment obligations. 66 Pa. C.S. § 3012. In particular, while Chapter 30 requires that ILECs make “available” to customers broadband internet access at bandwidth greater than 1.544 megabits per second (66 Pa. C.S. § 3014), Commission precedent provides that “Chapter 30 of the Code... explicitly provides jurisdiction over speed and availability. Pricing and service quality standards, however, are generally left to jurisdiction of the FCC.” *Courtney Matkovich v. Verizon North LLC*, Docket No. C-2020-3022369, Opinion and Order (Order entered August 25, 2022). In that regard, the Commission has made clear that what constitutes “available” under Chapter 30 is distinguishable from “reliable” under Section 1501 of the Code. *Id.*

rules which will directly benefit Frontier Commonwealth's customers. With these meaningful settlement terms, Frontier Commonwealth supports OCA and OSBA's recognition that no civil penalty is warranted. Rather than sending a civil penalty to the General Fund, the parties have agreed to retroactive customer credits/refunds, proactive customer credits and focused investments that will better serve Frontier Commonwealth's customers.

Frontier Commonwealth submits that completing this proceeding without full litigation is in the interest of the Company and its customers and furthers the public interest because it has conserved OCA, OSBA, and Frontier Commonwealth's resources, as well as other Commission resources, and allowed all parties to move forward in a cooperative manner. This outcome allows the Parties to focus their attention on further assuring safe, adequate and reliable telephone service to customers.

IV. THE COMMISSION SHOULD APPROVE THE SETTLEMENT WITHOUT MODIFICATION AS IN THE PUBLIC INTEREST AND CONSISTENT WITH THE *ROSI* STANDARDS

A. Introduction

It is Commission policy to promote settlements.³⁸ The primary criteria for approval is whether it is in the public interest.³⁹ In determining whether a settlement (or the judgment in a litigated case) is in the public interest, the Commission frequently considers factors and standards set forth at 52 Pa. Code § 69.1201(c). The Commission uses these factors and standards in determining if a fine for violating a regulation or statute is appropriate, as well as if a proposed settlement is reasonable and in the public interest.⁴⁰

³⁸ 52 Pa. Code § 5.231(a).

³⁹ *PUC v. PGW*, Docket No. C-2011-2278312 (Order entered July 26, 2013); 52 Pa. Code § 69.1201 ("The parties in settled cases will be afforded flexibility in reaching amicable resolutions to complaints and other matters so long as the settlement is in the public interest.").

⁴⁰ *Id.*

B. The Settlement Satisfies The Standards And Factors In 52 Pa. Code § 69.1201(c) (“Rosi Standards”).

In addition to considering settlements on the basis of a general public interest standard, the Commission frequently evaluates agreements on the basis of the factors set forth in 52 Pa Code § 69.1201(c). Frontier Commonwealth is confident that this proposed settlement adequately satisfies all of those relevant standards as discussed below:

1. Nature Of The Conduct

Frontier Commonwealth experienced an unanticipated loss of employees in the Northern Tier of its service territory in 2022. This caused longer repair times and missed appointments. This situation has been since self-remedied by the Company. The Frontier Commonwealth network itself is well capitalized and maintained. The trouble report rate is well below the Commission maximum, indicating a healthy network.

2. The Resulting Consequences

The consequences of extended out-of-service and delayed repair and installation times were customer aggravation and frustration. There is no indication that the resulting consequences resulted in a loss of life or property, or that the consequences were otherwise of a severe nature.

3. Unintentional Conduct

There has been no suggestion of intentional wrongdoing by anyone.

4. Internal Practice and Procedures

There is no indication that Frontier Commonwealth’s procedures were defective or not followed. Frontier Commonwealth offered extensive overtime and hired third party contractors to provide coverage after becoming short staffed. Frontier Commonwealth has undertaken an extensive hiring campaign to replace and augment its technician staffing levels.

5. Impact on Customers

The fifth factor relates to the number of customers affected and the duration of the violation. 52 Pa. Code § 69.1201(c)(5). This Complaint was based on the OCA and OSBA's receipt of approximately 300 informal complaints, and approximately 90 people testified during the public input hearings. This represents a small fraction of Frontier Commonwealth's approximately 60,000 access lines.

6. Compliance History of Frontier Commonwealth

Frontier Commonwealth makes every effort to comply with the Public Utility Code and the Commission's regulations and submits that it has a strong compliance record with the Commission. Frontier Commonwealth provides adequate service that meets or exceeds industry regulatory standards.

Frontier previously made service quality commitments to the Commission at the time of its emergence from bankruptcy in 2021 with which it is in full compliance.⁴¹ Specifically, Frontier filed its service improvement plan on July 26, 2021 and reported completion in its June 30, 2023 report. Frontier continues to perform a detailed quarterly review of all customer complaints filed with the Commission's Bureau of Consumer Services ("BCS") concerning the availability of broadband access service at 1.544 Mbps download speed and conduct testing/analysis in compliance with Chapter 30 requirements. Frontier also has exceeded its committed capital spending requirement by over 50% well before the due date of December 31, 2024. Finally, Frontier has deployed fiber based broadband service to over 47,000 locations, 3 times more than its commitment of 15,000 locations.

⁴¹ Frontier Commonwealth St. 2-R at 22-23; *Joint Application of Frontier Communications Corporation, et al. for Approval of a Change in Control*, PA PUC Docket Nos. A-2020-3020004, A-2020-3020005, A-2020-3020006, A-2020-3020007, A-2020-3020009, A-2020-3020010, A-2020-3020011, A-2020-3020012, A-2020-3020013, A-2020-3020014, Secretarial Letter dated January 19, 2021.

7. Cooperation by Frontier Commonwealth

Frontier Commonwealth fully cooperated with the Parties to the case and was able to reach a settlement that satisfies them.

8. Deterrence Of Future Violations by Frontier Commonwealth

Delayed restoration of service and missed appointments were taken seriously by Frontier Commonwealth and well before the filing of the OCA/OSBA complaint, it undertook remedial action. The settlement contains meaningful and detailed procedures to monitor, report and remediate any network or service problems in the future, including direct retroactive relief to customers, and many forward looking actions providing customer relief and requirements for customers and emergency responders for service outages.

9. Consistent With Commission Precedent

To Frontier Commonwealth's knowledge, the Settlement is consistent with past Commission decisions.

10. Other Relevant Factors

Frontier Commonwealth is not aware of any other relevant factors.

V. CONCLUSION

The Settlement provides a reasonable means of resolving all of the issues raised by this proceeding. It also reduces the administrative burden on the Commission and the litigation costs of all of the active parties. Accordingly, for the reasons set forth the above and in the Settlement Agreement, Frontier Commonwealth submits that the Settlement is in the public interest and should be approved without modification by the Commission.

Respectfully submitted,

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