BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office of Consumer Advocate, :
Office of Small Business Advocate :

:

v. : C-2023-3037574

Commonwealth Telephone Company, LLC : d/b/a Frontier Communications Telephone : Company :

INITIAL DECISION

Before Steven K. Haas Administrative Law Judge

John Coogan Administrative Law Judge

INTRODUCTION

This Initial Decision approves, in its entirety and without modification, the Joint Petition for Approval of Settlement (Joint Petition) submitted by the Parties as a complete resolution of the Joint Complaint filed by the Pennsylvania Office of Consumer Advocate (OCA) and the Pennsylvania Office of Small Business Advocate (OSBA) against Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company (Frontier or Company).

PROCEDURAL HISTORY

On January 9, 2023, the OCA and OSBA filed a Joint Formal Complaint (Joint Complaint) at the above referenced docket. The Joint Complaint alleges, inter alia, that Frontier

has failed to comply with the Public Utility Code and the Commission's regulations, with Frontier's Amended Chapter 30 Plan, and the "Frontier Voluntary Commitments" established as a product of the Commission's approval of Frontier's post-bankruptcy change in control. In particular, the Joint Complaint alleges that Frontier is providing unreasonable service to its customers within its service territory, which is adversely affecting those customers.

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

On April 11, 2023, Administrative Law Judges Steven K. Haas and John M. Coogan (the "ALJs") held a telephonic prehearing conference at which counsel for OCA, OSBA, and Frontier were in attendance. By Order issued April 27, 2023, the ALJs established a litigation schedule and ordered other procedural matters for this proceeding. Due to significant public concern expressed by the OCA and OSBA, as well as requests from several state legislators, in-person public input hearings were scheduled for June 6-8 and July 19, 2023 and evidentiary hearings for October 24 and 25, 2023.

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. At the request of additional Pennsylvania legislators, an additional public input hearing was convened in Lancaster County, Pennsylvania, on July 19, 2023.

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

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

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

On October 5, 2023, the OCA and OSBA submitted OCA & OSBA Statement 1SR, the Surrebuttal Testimony of Susan M. Baldwin.

An evidentiary hearing was held on October 24, 2023.

Throughout the proceeding, the Parties held a number of settlement discussions during which potential terms were addressed with the goal of amicably resolving this matter through a negotiated settlement. These efforts ultimately culminated in the filing by the Parties of Joint Petition on October 25, 2023.

By orders issued on October 13, 2023, and October 25, 2023, the ALJs outlined the process by which the public could provide comments regarding the proposed settlement. Specifically, the Joint Petition for Approval of Settlement was to be publicly posted on the OCA's website for a period of 45 days after it was filed on October 25, 2023. The Commission's Bureau of Investigation and Enforcement (I&E) and members of the public were permitted to submit comments until December 11, 2023, with their view of whether the proposed settlement is in the public interest. Frontier, the OCA, and the OSBA were thereafter permitted to file a response to any submitted comments by December 26, 2023.

As more fully addressed below, we approve the Joint Petition as a reasonable resolution of the issues raised in the Joint Complaint and as being in the public interest.

SUMMARY OF PUBLIC INPUT HEARING TESTIMONY

Due to significant public interest in this proceeding, as well as requests from several Pennsylvania state legislators, the Parties agreed to schedule a series of public input hearings within Frontier's service territory to provide opportunities for customers to express to the Parties and the Commission their views on the service provided by the Company. To that end, in-person public input hearings were held in Wellsboro, PA on June 6, 2023, at 6:00 p.m., in Towanda, PA on June 7, 2023, at 2:00 p.m. and 6:00 p.m., in Tunkhannock, PA on June 8, 2023, at 2:00 p.m., and in Quarryville, PA on July 19, 2023, at 6:00 p.m. A total of 93 customers

provided in-person public input testimony across the four locations: 35 in Wellsboro, 32 in Towanda, 16 in Tunkhannock and 10 in Quarryville. In addition, because of an interruption in the hearing in Quarryville due to a medical issue, three additional customers from the Quarryville area provided written statements to the Commission in lieu of in-person testimony. We do not summarize the public input testimony of all witnesses here but, instead, will provide representative examples of testimony on the various issues raised.

All of the witnesses testified that they have experienced various service quality problems, including frequent telephone outages, frequent internet service outages and slow internet speeds. Debora Clark testified about frequent phone and internet service outages. She stated, "[t]here have been times when I lost my phone for five, six, seven, eight days, sometimes ten days[.]" Tr. 98. She also described difficulties she experienced with her internet service between late July and early August 2022. She described an ongoing internet service outage problem that persisted over several weeks and her repeated attempts to have the issue corrected by Frontier. She indicated that it took many calls to the company and several missed or rescheduled repair appointments for the problem to finally be resolved. She summarized, "It took 18 days. Eighteen (18) days I didn't have any internet service." Tr. 103.

Tom Gleason testified about an extended telephone service outage he experienced several months ago. He testified, "we were out 30 days with promises and promises. We knew what the problem was . . . Thirty days later, we finally got it fixed." Tr. 125.

Mary Kay Moore testified, "[r]ecently our service interruptions have been on the rise. We have endured outages that have lasted days, not minutes or hours. Being a service provider, they have a responsibility to provide a service that we can rely on." Tr. 242. Judi Segebarth testified, "I need to describe my experience with Frontier Communications. I've been without internet since April 22nd this year. What is worse and more disturbing is that I also had no phone service and I rely on a landline. No 911." Tr. 263. Earlene Bailey testified, "I live by myself, and I was without phone from October until February . . . I had numerous calls to Frontier, and they always had a ticket open for me but never got anything done." Tr. 393-394.

Donna Jones testified about a series phone and internet service outages she experienced between August and November of 2020. She described various outages and her attempts to have the issues corrected by Frontier. She identified numerous contacts with the company and either unsuccessful repair efforts or missed and rescheduled repair appointments. She stated, "[m]y grievance is toward the company, Frontier itself, who while they seem quite willing to exercise their right to charge us a monthly bill seem equally quite unwilling to now exercise their responsibility to provide adequate service, let alone good service." Tr. 408.

Cathleen Keeney testified that she experiences very slow internet speeds, and that these issues have been occurring periodically for the past five years. She stated, "[o]ur internet service is very slow, with not enough service to even delete an e-mail . . . We are located at the end of the 746 line. So by the time everyone else has logged on, there is not enough access for us to do anything . . . A technician was sent to check our line speed. He said we had 1.5, but because of our location at the end of the line, we probably only had 0.300, which was not enough to do anything." Tr. 249. Don Martin also testified about unreliable and slow internet speeds. He stated, "[i]t's frustratingly unreliable and agonizingly slow. I subscribe to the DSL, I believe, cable broadband max, which they advertise is 25 megabytes speed. I never get anything close to that. I did a speed check the other day and download speed was 5.2 megabytes per second with an upload speed of 0.38. That's about a fifth what they advertise the speed to be and about a fifth what you're paying for." Tr. 307.

In addition to describing various service quality issues, a number of witnesses also described adverse impacts they experienced as a result of the service quality problems, including an inability of customers with health issues to contact healthcare providers or emergency responders, an inability of students to do schoolwork over the internet and difficulty in conducting business from their locations.

Carolyn Crow explained her concern about her 92 year old father's safety given the unreliability of his landline phone service. She testified, "[h]e's vary frail. He's been hospitalized a number of times. He lives alone and he falls from time to time and has to call the ambulance to come pick him up. So he is critically dependent on his landline. To not have it is

life threatening." Tr. 317. Luann Wilcox testified, "[w]e have a mother, 84 years old, lives with me. And this is an issue. I have no cell service – no phone access at my house right now. It went out yesterday." Tr. 322. Katie Bly testified, "[m]y issues are very much safety issues . . . My nearest neighbor is almost a mile away. I can stand in my yard and scream and no one is going to hear me. I have severe asthma and I have a child who deals with respiratory issues." Tr. 56. Robert Dixon testified that he was in charge of the communications center for Bradford County. In describing concerns with Frontier's service, he explained, "[n]ow it's kind of a laughing stock because people are losing calls. In our particular situation. . . we have a phone system that every once in a while decides to go out and be out for 24 hour periods. We have to use our cell phones sometimes to get a hold on the situation, including doctor appointments and other important situations, which is a really bad situation." Tr. 398-399. Nathan Lineaweaver testified, "[m]y biggest concern now is, as the first lady said, my wife is disabled. She is a fall risk. If we do not have the ability, and I don't have the ability for cell because we don't have cell service there, to call 911 or I'm wasting my time here because my wife is sitting home now by herself. So, we're depending on how Frontier provides this service, and I don't know if they're going to give that service." Tr. 77.

Several witnesses testified that their children are students and are unable at times to do schoolwork remotely because of poor internet service. State Representative Tina Pickett testified about complaints she receives concerning this issue. She stated, "[i]n the last two years we had to say sorry, we're down, go home, get on the internet, we're going to teach you that way. Probably won't be exaggerating again if I said 30 or 40 percent of those students had absolutely no way to get on the internet where they live, or they have it so spotty and so unreliable they couldn't possibly get that education that they were needing and expecting to get." Tr. 385-386. Elaine Jelliff testified, "[o]ur grandchildren get off the bus at our house and quite often they might have homework on their laptops, and they can't do their homework. We have to take them back to the school parking lot, which is like 11 miles away." Tr. 90.

Ken VanSant testified about how frequent internet outages have impacted his business. He operates a consignment shop and relies on internet service for credit card transactions. He testified, "[a]t least five weekends last summer, we went into a Thursday when

Frontier just shut down, had no internet . . . Two of them were three day weekends. At that point, a sign had to be put up that we would take cash only. That is, you might as well close your doors because you have tourists coming in. They do not have cash." Tr. 136-137. Likewise, Carrie Hackett described problems her used car dealership business experienced as a result of phone and internet outages. She stated she was "out of phone and internet for two months. We run a used car dealership and service center. So for two months, we were unable to process credit cards. We were unable to get phone calls. We were unable to do bank loans. Financially, that nearly destroyed us." Tr. 152.

A number of witnesses testified that the company was unwilling to issue adequate credits or refunds to compensate them for frequent or lengthy service outages. As noted above, Cathleen Keeney described a series of service outages and unsuccessful or missed repair appointments. On the issue of inadequate refunds, she stated, "I was given a ticket for a seventh appointment on Monday, June 19, 2023. However, a technician would be in touch with an earlier date. As of today, we have not heard from any technician . . . This has happened at least three times . . . I have kept track of the days we were without internet and have been issued a credit two times." Tr. 252. Audrey Cramer described a number of service outages and missed or rescheduled service appointments. She testified that overall, "I was without a phone for 54 days. I called back and said, do I get any kind of credit for not having your telephone? Well, we can give you \$22." Tr. 277.

By way of summary, many public input hearing witnesses testified about frequent and lengthy telephone and internet service outages or interruptions. Many described having to contact Frontier numerous times to obtain repair service. Witnesses testified that it was common to experience either unsuccessful repair efforts or frequent missed or rescheduled repair appointments. Several witnesses described specific adverse impacts resulting from service issues, such as difficulty contacting health care facilities or emergency first responder services, difficulty in students accessing online education services, and problems with their ability to provide certain business activities. Finally, several witnesses stated that the company did not provide adequate refunds in response to service problems.

SETTLEMENT TERMS

The Parties seek Commission approval for the following terms and conditions of the Settlement Agreement:¹

III. SETTLEMENT TERMS

A. Customer Remedies and Credits

- a. <u>Out of Service</u>: 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. <u>Service Impairment</u>: 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

For ease of reference, the Settlement terms and conditions are listed herein verbatim, maintaining the original numbering with slight minor changes to formatting when appropriate.

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. <u>Repeat Trouble</u>: 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. <u>Emergency First Responder Credits</u>: 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. <u>Repair Appointments</u>: 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. <u>Installation</u>: 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) 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) [sic] 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.

O. 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.

IV. 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.

DISCUSSION

Parties' Positions

OCA's Statement in Support

The OCA supports the proposed Joint Petition as in the public interest. The OCA explains that the Settlement provides relief to Frontier's customers in three key areas: establishing a roadmap for the improvement of and investment in network facilities that are both failing and underperforming; providing both financial relief for customers who have not received adequate customer service and deterrence to ensure that customer service problems do not persist; and providing for public reporting to ensure that improvements are being attained as designed under the agreement. OCA SIS at 1-2.

The OCA asserts that the Settlement will provide consumers and the public with specific benefits and protections, and address Frontier's obligations to provide reliable telephone service as well as make broadband service available under Chapter 30. The OCA notes that 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. The OCA also notes that the Company's obligations to take steps to improve service quality and network reliability will be paired with consideration of consumer trouble reports, benchmarks, and the sharing of information with and input from the OCA, the OSBA, and Commission Staff. The OCA states that the framework of the Settlement is supported by the testimony of the OCA and the OSBA's witness Susan M. Baldwin, and that the Settlement advances many of Ms. Baldwin's recommendations. OCA SIS at 5-6.

The OCA's Statement in Support first explains how the Settlement provides monetary remedies for consumers and the public. Citing to Sections III.12.A – C, the OCA states that the Settlement provides targeted remedies and benefits for current Frontier consumers, recent former customers, and certain emergency first responders. Citing to Sections III.12.D and L, the OCA notes that, through the Settlement, Frontier would promote its medical certification process related to priority restoration of service and establish a customer hotline. OCA SIS at 6-7.

As support for the terms at Sections III.12.A and B for customer remedies, credits, and refunds, the OCA references the testimony of public safety officials, volunteer emergency responders, and OCA/OSBA witness Baldwin at Tr. 118-122, 148-150; and OCA/OSBA St. 1 at 13, 82, 96-100. The OCA asserts that these proposed settlement remedies, refunds, and credits are more expansive and compensatory than Frontier's tariff provision allows. The OCA also asserts that these proposed settlement remedies and credits address the concern of some consumers that they not only receive poor service quality but then had to chase a refund. OCA SIS at 7-8.

As support for the terms at Section III.12.C, the OCA references the testimony of OCA/OSBA witness Baldwin at OCA/OSBA St. 1 at 9-10, 15, 62, 79-81, 83, 95, 100 and

OCA/OSBA St. 1SR at 10-11. The OCA asserts that these terms provide a remedy to correspond with the Company's Chapter 30 Plan obligation to make broadband service available. OCA SIS at 8-9.

As support for the terms at Section III.12.D, the OCA references public input testimony and the testimony of OCA/OSBA witness Baldwin at Tr. 276-277, 317-321, 326-328, 360; and OCA/OSBA St. 1 at 101-102. The OCA averred that public input testimony demonstrated that Frontier's existing medical certification process was not well known. The OCA asserts that Frontier's commitment to publicize its medical certification process should help consumers and improve Frontier's ability to prioritize restoration of service repairs. OCA SIS at 9-10.

As support for the establishment of a consumer hotline (i.e., Section III.12.L), the OCA references the testimony of OCA/OSBA witness Baldwin at OCA/OSBA St. 1 at 85, where she recommended the establishment of a consumer hotline. The OCA notes that, during public input hearings, consumers described difficulty in making effective and efficient contact with customer service and, therefore, a customer hotline should help Frontier consumers report their service and safety concerns more easily and directly. OCA SIS at 10.

The OCA's Statement in Support next explains how the Settlement establishes a framework for the Company to review and improve its network and facilities. Citing to Sections III.12.E-H, J, and M, the OCA asserts that Frontier would be obligated to take steps to improve the reliability of its network, whether through repairs, remediation, or replacement. The OCA also states that the Settlement terms described processes and funding commitments to better assure that Frontier is prepared to meet its obligations under 66 Pa.C.S. § 1501 and relevant sections of the Commission's regulations at Chapter 63. OCA SIS at 10.

The OCA notes that the Settlement both specifically identifies certain facilities (batteries in remote terminals at Section III.12.E and defective copper plant at Section III.12.G), as well as establishes processes for the Company to identify what facilities such as damaged pedestals, unburied cables, cables in need of replacement, flood facilities, and broken poles

should be targeted for maintenance or network rehabilitation efforts at Sections III.12.F and H. The OCA asserts that these provisions accord with OCA/OSBA witness Baldwin's testimony at OCA/OSBA St. 1 at 4, 27-79, 83-86. The OCA also notes that consumers reported the need for repair and improved maintenance of local facilities as part of the public input hearings. OCA SIS at 11-13.

The OCA next states that Section III.12.M includes a commitment by Frontier to focus hiring efforts to engage technicians to provide service in the Pennsylvania Northern Tier region. The OCA notes that Frontier's staffing and ability to provide prompt repairs was criticized by consumers during the June public input hearings as well as OCA/OSBA witness Baldwin at OCA/OSBA St. 1 at 54-55, 78-79. The OCA avers that this 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, as well as the Company's efforts under Sections III.12.F and H. OCA SIS at 13.

The OCA also highlights how the Settlement imposes specific financial obligations on Frontier. First, through customer remedies and credits, as well as Chapter 30 credits provisions at Sections 12.III.A and C. The OCA avers that the potential to pay credits to Frontier customers or emergency first responders provides incentive for the Company to improve its service quality. Second, the capital investment and copper repair and metrics/benchmark terms at Sections III.12.G and J advance OCA/OSBA witness Baldwin's position at OCA/OSBA St. 1 at 14-17, 57-58, 65-79, and 83-92, that the Company should be bound by specific capital investment obligations, including funds for repair of copper plant. Third, the OCA notes that, under Sections III.12.I and J, the Company must meet certain benchmarks and, if it does not, it would need to present either a remedial plan or commit additional spending for capital investment or operating expenses. OCA SIS 13-15.

Last, the OCA's Statement in Support asserts that Sections III.12.A.h, E-J, L-M reflect a mix of reporting requirements that promote transparency by allowing the OCA, the OSBA, and Commission staff to follow the Company's progress. The OCA notes that these

Settlement terms correspond to many of OCA/OSBA witness Baldwin's recommendations, citing to OCA/OSBA St. 1 at 55, 73, 85-86, and 93-96. OCA SIS 15-16.

OSBA's Statement in Support

The OSBA states that the Settlement does not meet all of its objectives in this case. However, the OSBA asserts that the Settlement is a reasonable resolution of its concerns and produces an overall outcome that is in the public interest of the Company's small business customers. OSBA SIS at 3.

The OSBA states that the informal complaints from customers that gave rise to the OCA and OSBA's Formal Complaint included common issues related to service quality, customer service and outages. The OSBA avers that the Settlement provides a 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. OSBA SIS at 3.

The OSBA avers Sections III.12.A, B, and C provide specific remedies and benefits for Frontier's customers, both residential and small business customers, former customers, and certain emergency first responders. The OSBA also highlights that the Settlement at Section III.12.K provides a rate cap for small business customers through January 1, 2025. OCA SIS at 4.

The OSBA cites Sections III.12.E, F, G, H, I, J, L, M, and N as support for its assertion that 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. The OSBA notes that these specific provisions of the Settlement are responsive to many of the concerns and recommendations raised in the testimony of OCA/OSBA witness Baldwin at OCA/OSBA St. No. 1 at 4, 27-79. OCA SIS at 4-5.

Frontier's Statement in Support

Frontier supports the proposed Joint Petition for Settlement as in the public interest. Frontier avers that the service issues in this case are based on technician staffing shortages and not network related. Frontier SIS 1-3. Frontier asserts that it provides consistent and reliable service to its customers, that it continues to invest and improve its copper based network in Pennsylvania and has continued to expand its fiber network. Frontier SIS 3-4. Frontier notes its activities have occurred while facing competition in Frontier's service territory and a decline in operating revenues. Frontier SIS 5-6.

Frontier avers the Settlement resolves all of the issues raised by the OCA/OSBA in the Joint Complaint, represents a fair and equitable resolution of this proceeding, is in the public interest, and should be approved by the Commission in its entirety, without modification. Frontier SIS at 8. Specifically, Frontier avers that the commitments in the Settlement will directly benefit Frontier's customers, including those most affected by the staffing issues during late 2022 and early 2023 in the northern tier counties, by highlighting the following Settlement terms:

- 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.
- 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 the 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.

Frontier SIS at 8.

Frontier also states that it will provide credits to customers where broadband installation is delayed in excess of ten business days as well as continuing its practice of providing pro-rated credits on a case-by-case basis. Frontier clarifies that it has not and does not make any concessions expanding the Commission's jurisdiction beyond the requirements of Chapter 30 of the Public Utility Code. Frontier notes that its commitments in the Settlement impose requirements that would otherwise be unavailable under the Commission's statutory authority and rules, directly benefiting Frontier's customers. Frontier SIS 9-10.

Frontier explains that the Commission uses the factors and standards set forth at 52 Pa. Code § 69.1201(c) 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. Frontier asserts that the Settlement adequately satisfies all of the relevant standards. Frontier SIS 11-13.

Public Comments to Settlement

By separate orders issued on October 13, 2023, and October 25, 2023, we outlined the process by which the public could provide comments regarding the proposed settlement. Specifically, the Joint Petition for Settlement was to be publicly posted on the OCA's website for a period of 45 days after it was filed on October 25, 2023 (i.e., until December 11,

2023). The Commission's Bureau of Investigation and Enforcement and members of the public were permitted to submit comments until December 11, 2023, with their view of whether the proposed settlement is in the public interest. The OCA would collect and file all comments with the Commission by December 14, 2023. Frontier, the OCA, and the OSBA were thereafter permitted to file a response to any submitted comments by December 26, 2023.

On December 14, 2023, the OCA filed 138 comments that were submitted by the public. The following comments directly referenced the settlement:²

- "Any action to hold Frontier accountable to more reliable service is welcome."³
- "With regard to the proposed Frontier Communications Settlement, my comment and opinion is just this, simply put: it's a grand gesture and a small start.... The terms of the proposed settlement sound too good to be true too little, too late. Like I said it's a start. I know that emergency personnel will be thrilled with any helpful changes if and when they actually happen."
- "While the proposed settlement would be a step forward, I feel the only real solution would be to either: 1) a. set-up a permanent staff to monitor Frontier b. short term monitoring will only provide a short term solution. Frontier has proven now that they are not interested in providing reliable service, only in making money. Or 2) the best answer would be to revoke Frontier's franchise and find a company interested in making money by providing reliable service."
- "The settlement should have been bigger and the board should have to give back all bonuses they received." 6
- "Proposal looks good!"⁷

The comment numbers referenced in the below list corresponds with those identified in the "OCA Log of Public Comments" included in the OCA's December 14, 2023 filing. As explained further below, many of the comments expressed general service concerns with Frontier rather than providing comments on the proposed settlement.

³ Comment No. 22.

⁴ Comment No. 125.

⁵ Comment No. 131.

⁶ Comment No. 135.

⁷ Comment No. 115.

- "After reading over this agreement, I do feel that it is a fair settlement as to the issues encountered over the past several years. Though we are not Frontier customers at this time, we were for near 42 years. If the outcome of this settlement is followed as written ... then I feel our past issues with them will still be handled in a fair manner."
- "We believe the proposed settlement covers all of the issues that we have had with Frontier over the past several years. However, [i]t would have been more beneficial for Frontier to have listened to their customers and not have their issues come to this point. We do feel that, being former Frontier customers, the settlement does partially reimburse us for the time and effort that had to be expended by us, their customers, due to their unreliable and / or nonexistent service over the years. Unfortunately[,] we have no plans to switch our telephone and internet services back to Frontier even if they invest the funds that they have now committed to, since they are only doing it because of the settlement, not for the benefit of their current and future customers."
- "As I testified, I was told there were no plans to upgrade the area in which I live (from copper to fiber optic.) It appears from this 'agreement' that this is still the case. This is unacceptable.... The offer of \$200 rebate to current customers for their poor service which appears to be a flagrant disregard to FCC rules about public utilities that companies maintain their equipment is an insult, especially when we are forced to keep using the same utility." ¹⁰
- "It is rather ironic that now that we do have more choices, they have decided to 'settle[.]'[M]y personal opinion is it is too little too late, especially considering that they wouldn't even pro-rate service that was non-existent. But as my deceased father used to say, "better than a poke in the eye with a sharp stick" "11
- "I very much appreciate the OCA becoming involved in this problem, and I very much appreciate the plan for the future. Money must be invested, infrastructure must be updated and maintained, and personnel must be hired and trained. I'm looking forward to a day when rural telephone and internet customers can rely on Frontier as reliable and top of the line service provider." 12

⁸ Comment No. 50.

⁹ Comment No. 117.

Comment No. 13.

Comment No. 123.

¹² Comment No. 98.

- "I'm commenting on the proposed Frontier settlement. I don't think it makes the penalties expensive enough for lack of service. Frontier needs to hire more people, but they won't if it is cheaper to pay the penalties. A friend of mine who has to use Frontier because of where she is[,] finally got them to lay new phone cable, but it is on top of the ground. They keep promising to have it buried, but no one comes to do this, and the ground will be frozen soon. Penalties or credits won't help her."
- "We[,] Elwin & Charlene Fitch at 46 Henry Ln Roaring Branch PA 17765[,] agree with proposed Frontier settlement agreement. Frontier needs to be held accountable for the poor service which we have encountered for years but as a customer who faithly [sic] paid their bill. Frontier customer service personnel need to listen to the customer reporting a problem and follow until the issue is resolved. Please make Frontier accountable for their service to all customers. Especially rural areas!"¹⁴
- "In reference to your settlement with Frontier Communications I feel that what is in the settlement agreement is way too little and too late. That settlement agreement isn't even a slap on the wrist for what Frontier Communications put us consumers through while charging us the full rate on our monthly bills for years. Many[,] if not all of the Frontier customers[,] have been without the services we were paying for days, and some were for weeks. I[,] like a few others[,] finally were forced to seek an alternative from Frontier and are no longer with them. This "Settlement Agreement" isn't severe enough to satisfy the public and we all feel that with these weak penalties will not encourage much of a change in Frontier[']s lack of responsibility. I personally feel that the OCA should go for the full litigation." 15
- "The proposal is a step forward. According to the settlement, we can expect to wait up to 3 years for repairs to broadband equipment which Frontier is acutely aware of and has repeatedly stated they have no intent to correct. That coupled with their failure to adequately staff service rep[resentative]s. for Tioga county, places us in our current situation. The subterranean lines continuously short, tripping breakers whenever there is a heavy, ground saturating rain. They know it and do nothing. Thanks to Rep. Owlett and the PUC for their attention and actions on this inadequate, inferior and breached service. Hopefully we will see corrections without the need for further action or litigation. A class action suit may be the only remedy." 16

Comment No. 32.

¹⁴ Comment No. 99.

Comment No. 55.

Comment No. 14.

- "Our main concern about this settlement agreement is that we question who the watchdog will be to assure Frontier complies. A lot of the agreement seems to center on Frontier "automatically" applying credits for outages. If they can't get their act together, who is going to oversee that this is really going to happen? How will we know if it happened? What if credits do not show up on our bills? Then is it in our ballpark to follow up? Also, Frontier is going to concentrate on areas where the most reports of trouble occur. We live in a very rural area and, therefore, the reports cannot be as frequent as they are in a town or city. Where does that leave us? Does Frontier get penalized for not carrying through? If they have declared bankruptcy, how will they be able to sink millions into improvements?"¹⁷
- "I hope this settlement gets [Frontier's] attention to pony up or give up." 18
- "I urge judgment against Frontier be severe so perhaps Frontier will be forced to make changes in their customer service department." 19
- "The settlement is in language that is difficult for us to understand; we assume it is acceptable as we have no choice but to trust to process."²⁰
- "Good luck getting frontier communications to follow through on any agreement ... [S]omething more than a slap on the hand needs to be done. Your [sic] making them put \$165 million into the company, who do you think will end up financing the project? (Your [sic] so funny saying that they have to use their own money)."²¹
- "Frontier Settlement Comments: Telephone Service Quality Problem: If Service Impairment constitutes the inability to use the phone, why does the customer have to wait 72 hours to be eligible for credit. If it's classified as out of service, it should fall under the same timeframe for credit as Out of Service.

Repeated Trouble: If the same problem reoccurs within 30 days, obviously the problem wasn't fixed. Therefore, the monthly charge should be reimbursed in full + a \$10 or \$20 surcharge.

Phone Installation: Missing install commitment date should cost Frontier - free install + \$50 surcharge.

¹⁷ Comment No. 77.

Comment No. 36.

Comment No. 58.

Comment No. 119.

Comment No. 45.

Refunds For Past Harm: Current and former customers that have to call Frontier hotline to get their credit should be compensated with an additional surcharge. Otherwise, Frontier could say 'we missed that customer' to everyone and only compensate those that call in.

Broadband Service: Delayed Install of 10 days is to [sic] long. If Frontier commits to a date, they should be held accountable to that date and compensate the customer if they miss that date. Also, outage and unavailability does not address the issue of their deception of speed. I believe that should be addressed as an independent issue."²²

- "The Frontier Settlement as proposed, does not provide any consideration for the aggravation they put us through over the last several years. Just one example being the three times they never appeared or called to cancel their appointment at our residence. For each appointment we were required to be present for a five hour period."²³
- "Thank you for taking on this issue and negotiating this settlement."²⁴
- "At last Frontier is being chastised but, in my opinion, it was too late and little will come of it in the end. I hope that this is not the case as there a multitude of people who have been ill used by this Corporation. What I can see of the settlement it's probably a standard that has been set as precedent by similar claims. It is not the greatest but is better than nothing and at least some will receive compensation for their aggravation."²⁵
- "This is a fine settlement and I totally agree with it." ²⁶
- "While it is nice to hear that a 'settlement' has been reached with Frontier due to their lack of interest, commitment and quality provision of service and maintenance of same to customers which includes our area (Brackney, Friendsville, etc. area at the NY border south of Vestal/Binghamton) I do not feel it goes far enough ... I don't hold much hope in this 'settlement' providing this area with much needed improvements in quality of phone/internet and service/maintenance of same in this area. If this 'settlement' works in providing what we have paid for all these years, kudos to those who worked to make them live up to what we should have been

Comment No. 83 (the contents of the attachment to the comment are reproduced here in their entirety).

²³ Comment No. 82.

²⁴ Comment No. 59.

²⁵ Comment No. 78.

²⁶ Comment No. 48.

getting all along. Only time will tell and I am hopeful that it will improve. Past cannot be made up for with a 'settlement', only appropriate/immediate improvement and honest dealings will help."²⁷

- "I write in response to Joint Petition for Approval of Settlement, which is inadequate in many ways ... It is insufficient for Frontier to only reimburse \$6 to \$20 per day for missed internet ... When the internet fails, it is almost always in 3-14 hour blocks. That means that these daily outages, though debilitating for us, may not even qualify us for reimbursement under the settlement, since the settlement only seems to address outages that last multiple days continuously ... I like the idea of [my father] having a medical certification to prioritize his trouble tickets, through it would be mandatory that the internet works most of the time in the first place." 28
- "Just wanted to let you know my terrible experience with Frontier and wondering how in the world as our advocate you could let Frontier off the hook to scam their customers yet again!"²⁹
- "I feel anything to improve Frontiers service will benefit the public." 30
- "Every possible oversight enforcement to assure compliance should be imposed ... Dealing with Frontier Commonwealth telephone service has been an absolute nightmare. That is why I so appreciate the effort put forward to achieve some kind of accountability for the corporation's incredible [sic] poor performance ... the purpose of this letter in advance of the Settlement, is to report there is NO improvement in attempting to contact Frontier when an error is made ... In my opinion this settlement could take into account the inordinate amount of time a customer must spend on the phone trying to obtain service ... I was glad to see that some provision in the settlement takes into account the importance of those with health issues." 31
- "Regarding the agreement: I think it could work. I am glad to see them being held accountable. It hopefully will provide enough incentive for them to give serious attention to repairing existing lines or replacing them with fiber optic thus maintaining a customer base and keeping themselves in business ... [O]ne possible drawback is that fines etc. will only be a nail in their coffin."³²

²⁷ Comment No. 104.

²⁸ Comment No. 87.

²⁹ Comment No. 120.

³⁰ Comment No. 126.

³¹ Comment No. 118.

Comment No. 113.

- "I do not agree with the settlement ... This settlement offer does very little to hold Frontier accountable for past and current business practices where they benefited on not providing services they agreed to. This settlement only benefits Frontier in future business practices. I do not agree to this settlement proposal because it does not cover former customer complaints. This settlement in my opinion is unacceptable." 33
- "I hope that something can be done for those that have been taken advantage of over the years and those that are stuck with their service because it is the only one available in their area." ³⁴
- "I am not confident that the settlement will accomplish much in terms of the daily service they are providing, in particular, their actual ability to provide internet services as advertised ... In my opinion, the settlement should include an agreement to credits or refunds for customers on a monthly basis to account for lack of contractually promised bandwidth. The settlement should also require infrastructure upgrades in the worst areas first ... After having read the settlement agreement, it does not appear to significantly help those in rural areas. Despite the settlement agreement, Frontier will not upgrade my area and will not refund money for continuous failed service; and are free to increase their rates in 2025 even while not delivering service."³⁵
- "The only option(s) we in rural northern Pa[,] and for that matter the balance of Pa[,] is to know that the Commission provide oversight, protections, and OPTIONS for service that is affordable, reliable, and uninterrupted ... I/we feel that Frontier should be removed from the option and the land line opportunity be extended to alternate providers." 36
- "As for the settlement I agree with it and feel it is long overdue to hold Frontier accountable for continuing to bill people for poor service and outdated equipment. I hope you will move forward with this settlement and make Frontier prove they can be a viable telecommunications provider in this area."³⁷
- "I believe this settlement should most certainly take place... Frontier needs to be held accountable." ³⁸

Comment No. 134.

Comment No. 20.

Comment No. 79.

Comment No. 5.

Comment No. 112.

- "Its about time someone makes [Frontier] accountable."³⁹
- 1. There appears to be no penalty to Frontier for not meeting the FCC rules over many years for not providing the DSL service at the baud rate they advertised and for the failure to respond to and fix the numerous and long duration outages without some level of customer compensation. A fine should be levied commensurate with the failures of service that have persisted for years.
 - 2. There is no outside monitoring of performance . . . all is self-reporting by Frontier, no accountability to customers for failure to do what they committed to in the plan via the governing body of the PUC. Frontier[']s track record does not support accurate self-reporting. Perhaps once they put the system in good working order they could self- report from then on.
 - 3. By this plan we still end up with a system installed in the 1950's on copper wire and thus no improvement in phone and internet systems. Their DSL never worked at a rate above 2-3 MBPS max. No part of the plan requires improvement in the local system used to deliver service to the customer, only to keep fixing the broken and outdated existing one. This insures [sic] Frontier will not have to spend capital on improving their old and failing hardware, only to keep repairing. The plan does not include any documentation by Frontier of what the capital expenditures will consist of or be targeted towards. Primary focus should be on installing fiber optic broadband. There is no requirement to provide broadband at a reasonable baud rate (above 100MBPS) to any customer. All the plan[']s focus is on wire line telephone and the only broadband plan section notation is they will pay fines for poor service.
 - 4. The plan for ongoing accountability via the PUC will likely fail. If the PUC was supporting the customer base as is their mission, they would have initiated the entire investigation instead of the local legislators having to attend to it. Further, it would have been done many years earlier as the problems detailed by customer documentation is not a new development. Their failure to do their job proactively in protecting customers from Frontier's abhorrent performance portends their allegiance to Frontier rather than the customer base of the residents of the 4 county area of Pennsylvania."⁴⁰
- "I agree something needs to be done and soon."41

Comment No. 12.

Comment No. 40.

⁴⁰ Comment No. 31.

⁴¹ Comment No. 96.

- "In regards to the settlement, I do appreciate, as well as in favor of, what has been laid out as far as Frontier actually being held accountable for the services they are supposed to supply and the monetary refund to customers. I also thank those who have worked hard to bring this about and Frontier's down right fraudulence to light. However, I do not feel the refund sufficiently covers the amount of money customers like myself have been billed for extremely poor services over the years." 42
- "My wife and I have numerous Frontier cable pedestals on our property (our house is about a quarter mile up from the road) that need maintenance and/or upgrades. We are glad to see this point addressed in the agreement ... Also, over the years we have had the internet drop out and during a recent trip by a technician that restored the internet we told him that recently when the phone rang it would disconnect the internet. That still has not been addressed. Not sure how this fits in under the settlement but overall we think the agreement is good."⁴³
- "The principal complaint I have with Frontier service to my home is the wait time for telephone and/or internet service ... I see no mention of or changes to this important issue with Frontier in the proposed settlement. Get this reduced to a reasonable wait time! Also there is no comparison in the proposal of how the effort or money spent compares to what Frontier spent last year over the same time period. Without such a comparison there is no way to know if significant changes will be forthcoming."
- "I am glad someone is finally standing up to [Frontier] and wish to file my own suit against them." 45
- "After reading the proposal, I am hopeful that there will be changes and improvements in the coming months ... I feel that we need to give Frontier a chance to make the proposed upgrades and to take accountability for poor customer service, as well as reimbursement to the consumer of lost service delays ... In my initial complaint, I also commented on the issues we have where I work, and I was glad to see those issues are mentioned in the proposal as well ... We cannot promise to stay with Frontier if things don't improve, or if another company were to become accessible in our area. However, we are willing to give them a chance based on reading this proposal."

⁴² Comment No. 102.

⁴³ Comment No. 60.

⁴⁴ Comment No. 67.

⁴⁵ Comment No. 42.

Comment No. 64.

- "I have looked over the proposed settlement with Frontier and feel the settlement sounds to be fair." 47
- "I am writing in regards to the settlement. I will start off by saying this company should not even be in business." 48
- "1. Who is ensuring that the \$100M investment is not including the Federal and State Grants that have been provided to Frontier to increase and improve their high speed internet.
 - 2. Who and how is the improvement to service going to be monitored?

. . .

- 6. It would be much better if you just put MA Bell back together and remove Fontier from the telephone and internet business. If you do not place any form [of] audit, controls, or key measurements in place to monitor them, they will slip back to their old ways."⁴⁹
- "I am glad to hear that Frontier Commonwealth is at last being held accountable." 50
- "Frontier should be made to pay all of its customers back for all the years they are stealing customers money."⁵¹
- "I have skimmed the proposed settlement (Docket C-2023-3037574) and agree with it. I would suggest that if this doesn't remedy the problem we should fine Frontier millions of dollars and distribute the monies to their affected customers. It is clear to me that fines and penalties are the only "language" that Frontier will understand." ⁵²
- "I do not see anything to compensate customers that have Frontier's crappy internet ... So where is the compensation for the internet customers." 53
- "Frontier should pay considerably more than \$100.00 per hour to any fire/ambulance company that has to wait over and [sic] hour for them to respond to repair

⁴⁷ Comment No. 68.

⁴⁸ Comment No. 2.

⁴⁹ Comment No. 28.

Comment No. 80.

⁵¹ Comment No. 124.

⁵² Comment No. 103.

⁵³ Comment No. 27.

downed/damaged lines due to accidents, a tree falling or whatever. It cost considerably more than that for volunteer service units to have expensive equipment used for traffic control due to a company's tardy response for service. Also, they should be required to give credit for lost service on billing without the customer having to call to give them the Work Order number for repairs and request said adjustment. I just spent over ½ hour doing such a request for the second time for a prior outage. Companies that rely on internet/DSL service for their business should also be compensated for lost income due to slow response times."⁵⁴

• "Settlement looks good to me. Seems very fair. Thank you for addressing this matter." 55

On December 26, 2023, Frontier filed Reply Comments. Frontier states that numerous commenters support or agree with the Settlement, and support ranged from general to specific. Frontier Reply Comments at 5-7. Frontier also acknowledges some commenters said they did not support the Settlement, identifying issues including: enforcement, oversight, and compliance; perceived inadequacy of customer compensation and refunds for out of service issues; that the Settlement does not require Frontier to expedite its fiber optic infrastructure buildout; perceived inadequacy of physical plant remedies; concerns that the Settlement does not impose penalties on Frontier; and other matters unrelated to service provided by Frontier (i.e., lack of cell service or ownership of cell phones, transfer of Frontier assets to other entities, etc.). Frontier Reply Comments at 7-8.

Frontier avers that the non-supportive comments do not show that the Settlement is not in the public interest. Instead, Frontier asserts that the Settlement provides significant and substantial provisions to remedy the issues raised in the Joint Complaint and bring meaningful relief to customers. Regarding customer's concern for the enforcement and oversight, Frontier states that the Commission, the OCA, and the OSBA have the ongoing oversight and authority to ensure that Frontier is complying with all terms of the Settlement including annual compliance reporting. Regarding customer compensation for out-of-service, Frontier avers the Settlement is in the public interest as it provides both retrospective and prospective relief and refunds to customers who are impacted, and those refunds are substantial to ensure Frontier's compliance

Comment No. 86.

⁵⁵ Comment No. 70.

with out-of-service repairs. Regarding the demand for Frontier to increase its fiber buildout, Frontier asserts it is continuing to accelerate its fiber deployment in the state in a highly competitive market. Regarding the comments on outside plant remedies being inadequate, Frontier asserts these issues are directly addressed by the Settlement's requirement that, in addition to the substantial capital expenditure commitment, Frontier evaluate, develop and file detailed plans addressing aspects of its operational procedures. Regarding the comments that the Settlement does not impose significant monetary penalties on Frontier, the company states that the focus of the settling parties has been on providing remedies (including directly to customers) and service improvements for customers and, admittedly, not penalties. Lastly, Frontier states that some commenters raised concerns that the Settlement does not address cellphone coverage, forced changes in ownership of Frontier's assets, and other matters. Overall, Frontier asserts, these comments are unrelated to Frontier's public utility service, and do not address whether the Settlement is in the public interest. Frontier Reply Comments at 8-12.

Disposition

Commission policy encourages settlements. 52 Pa. Code § 5.231(a). 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 Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa.P.U.C. 767 (1991). We agree with the Parties that the proposed Settlement is in the public interest, and therefore we find that it should be approved without modification. As explained below, the proposed Settlement provides commitments to address the causes of the service issues as identified by the OCA and OSBA as well as Frontier.

Consistent with the public input testimony outlined above, the testimony of OCA/OSBA witness Baldwin detailed a variety of service issues facing Frontier's customers, including sub-par performance relative to service quality metrics, insufficient expenditure on outside plant, and concerns regarding availability of broadband service. OCA/OSBA Statement No. 1. Ms. Baldwin's testimony resulted in her recommendations that the Commission order Frontier to take remedial steps, including: establishing a consumer hotline; submitting a detailed

plan for meeting benchmarks for its voice services; accounting for batteries in remote terminals; rehabilitating wire centers; providing a third-party audit of the condition of outside plant through Frontier's territory; establishing an escrow fund for copper repair; committing to providing status reports on pending projects; determining which communities are enduring the worst service quality; continued collection and reporting of various metrics and data related to service quality; providing customer credits and refunds; maintaining its Tariff No. 23 Billing Credits provisions for a minimum of five years; providing notice of any proposed changes to the Company's other Tariff No. 23 "Terms and Conditions"; and publicizing its medical certification process.

OCA/OSBA Statement No. 1, pp. 84-102.

The proposed Settlement addresses issues raised by public input testimony and achieves many of the goals sought by the OCA and OSBA through its witness testimony. Specifically, Frontier has committed to addressing service issues by: providing customers credits, refunds, and remedies under certain circumstances (Joint Petition, ¶¶ 12.A-C); publicizing its medical certification process (Joint Petition, ¶ 12.D); accounting for its batteries in remote terminals (Joint Petition, ¶ 12.E); identifying and investing in the most troublesome wire centers (Joint Petition, ¶ 12.F); investing in excess of \$100 million in capital expenditures in the Frontier service territory (Joint Petition, ¶ 12.G); developing and filing a maintenance plan to address plant issues (Joint Petition, ¶ 12.H); reporting metrics and data related to service quality, including triggers for additional spending to meet benchmarks (Joint Petition, ¶¶ 12.I, J); providing a rate cap to small business customers (Joint Petition, ¶ 12.K); establishing a consumer hotline (Joint Petition, ¶ 12.L); addressing staffing concerns in the Northern Tier region (Joint Petition, ¶ 12.M); and engaging with the OCA, the OSBA, and Commission staff in periodic meetings (Joint Petition, ¶ 12.N).

Consistent with the rebuttal testimony of other Frontier witnesses, Frontier witness Paul Kirchoffer asserted that Frontier's recent service issues were the result of a personnel shortage, rather than an indication of network quality. Frontier St. 1 at 14. In its Statement in Support, Frontier maintains that the service issues were primarily related to staffing shortages, rather than network quality. Frontier SIS at 1-3. Although Frontier does not share the same position as the OCA and the OSBA as to the causes of its recent service issues, it is notable

that the proposed Settlement does also address staffing concerns, thereby providing remedial steps for the improvement of service quality as identified by all active parties to this proceeding.

Any decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Util. Comm'n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Rev.*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Dept. of Pub. Welfare, White Haven Ctr.*, 480 A.2d 382 (Pa. Cmwlth. 1984). We find that the testimony provided by OCA/OSBA witness Baldwin detailing numerous service quality concerns, Frontier's admission of its need to improve its staffing, as well as the numerous testimonials from the public, provide the substantial evidence required for us to find that the proposed Settlement is in the public interest and should be approved.

We also agree with the parties that the Settlement Agreement is consistent with the Commission's Policy Statement at 52 Pa. Code § 69.1201. The factors listed in Section 69.1201 are not applied as strictly as in a litigated proceeding. Instead, Section 69.1201 states that the parties are afforded flexibility in reaching amicable resolutions so long as the settlement is in the public interest. 52 Pa. Code § 69.1201(b). For the reasons explained above, we have already found that the proposed Settlement is in the public interest. Additionally, although Section 69.1201 is not to be applied strictly in settled cases, Frontier has agreed to compromise and address a variety of issues in an effort to improve service quality, and none of the factors listed in Section 69.1201 cause us to question whether the proposed Settlement is in the public interest.

The comments received by the OCA in response to the Settlement and highlighted above were mixed. Many commenters fully support the Settlement. However, other commenters did not support the settlement. Some of the non-supportive comments expressed concern that Frontier's commitments were not substantial enough. Other non-supportive comments questioned whether Frontier would be sufficiently monitored going forward. After

considering all the comments, we still find that the proposed Settlement is in the public interest. Although the Settlement terms may not be satisfactory to all commenters, it contains numerous significant commitments that should greatly improve Frontier's service in terms of its facilities and customer service, as well as an oversight process to make sure Frontier adheres to its commitments. It is also significant that the OCA, which represents residential utility consumers, and the OSBA, which represents small business utility consumers, fully support the Settlement as in the public interest.

CONCLUSION

For all of the reasons set forth above, we approve in its entirety and without modification 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.

CONCLUSIONS OF LAW

- 1. The Commission has jurisdiction over the subject matter of and the parties to this proceeding. 66 Pa.C.S. § 701.
- 2. Any decision of the Commission must be supported by substantial evidence. 2 Pa.C.S. § 704.
- 3. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & W. Ry. Co. v. Pa. Pub. Util. Comm'n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Rev.*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Dept. of Pub. Welfare, White Haven Ctr.*, 480 A.2d 382 (Pa. Cmwlth. 1984).
 - 4. Commission policy encourages settlements. 52 Pa. Code § 5.231(a).

- 5. 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 Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa.P.U.C. 767 (1991).
- 6. The proposed Settlement Agreement is supported by substantial evidence and is in the public interest. 2 Pa.C.S. § 704; *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa.P.U.C. 767 (1991).

ORDER

THEREFORE,

IT IS ORDERED:

- 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 filed on October 25, 2023, is approved in its entirety without modification.
- 2. That Commonwealth Telephone Company, LLC d/b/a Frontier Communications Telephone Company shall fully and timely comply with the terms of the settlement as set forth in the Joint Petition for Approval of Settlement and as restated in the "Settlement Terms" section of this Initial Decision in their entirety as if each term were set forth in a separate ordering paragraph herein.

| remed | ial measures set forth in the Joint | t Petition for Approval of Settlement. |
|-------|-------------------------------------|---|
| Date: | March 21, 2024 | /s/ Steven K. Haas Administrative Law Judge |
| | | |

3.

The above-captioned matter shall be marked closed upon completion of the