

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held June 18, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Windstream D&E, Inc. 2025 Annual Price Stability
Index/Service Price Index Report Filing

R-2025-3054638

Windstream D&E, Inc. Amended Alternative Regulation
and Network Modernization Plan

P-00981430F1000

ORDER

BY THE COMMISSION:

I. BACKGROUND

Before us for disposition is the Windstream D&E, Inc. (“Windstream D&E” or “Company”) annual 2025 Price Stability Index (PSI)/Service Price Index (SPI) Report. The Company’s filing was made under the provisions of Act 183 of 2004, P.L. 1398 (66 Pa.C.S. §§ 3011-3019) (Chapter 30) and pursuant to the Company’s Amended Alternative Regulation and Network Modernization Plan (Amended Chapter 30 Plan) that this Commission approved at Docket No. P-00981430F1000.¹

As a result of the passage of Act 183 of 2004, companies that had filed initial Chapter 30 Plans with the Commission were entitled to significantly lower inflation offset values within their respective price cap formulas in exchange for a commitment to accelerated broadband deployment. Inflation offsets previously ranging from 2% to 2.93% in these initial Chapter 30 Plans were reduced to either 0% or 0.5%, depending on each company’s Amended Chapter 30

¹ *Petition for Amended Alternative Regulation and Network Modernization Plan of Denver and Ephrata Telephone and Telegraph Company*, Docket No. P-00981430F1000 (Order entered June 3, 2005).

Plan. In the Company's case, the inflation offset was reduced from 2% to 0%. Accordingly, annual Price Stability Plan ("PSP" or "Plan") filings have the potential for substantial revenue and rate impacts on end-user consumers.

Under the Company's PSP, the PSI calculates the allowable change (increase or decrease) in rates for noncompetitive services based, in part, on the Gross Domestic Product Price Index (GDP-PI). The SPI tracks the prior changes for noncompetitive services related to the PSI. The PSP also contains special provisions for protected services and addresses revenue neutral rate adjustments to the rates for noncompetitive services. The PSP set forth in the Company's Amended Chapter 30 Plan is a complete substitution of rate base/rate of return regulation. Noncompetitive services are defined as regulated services or business activities that have not been determined or declared to be competitive. Further, the Company's Amended Chapter 30 Plan acknowledges that nothing in its Plan shall be construed to limit the requirement under 66 Pa.C.S. § 1301 that rates shall be just and reasonable.

II. COMPANY'S FILING

Pursuant to the Plan, Advance Notice was issued on April 17, 2025, informing the Commission of the forthcoming filing. On April 30, 2025, Windstream D&E filed its annual PSI/SPI Report. The Company filed its annual PSI/SPI Report using the change in 2023 and 2024 third-quarter GDP-PI, which equates to a 2.246% increase in the PSI. When applied to the previous PSI of 1.619122, this produces a new PSI of 1.655491. Applying this change to current noncompetitive revenues of \$2,617,276 yields a maximum allowed noncompetitive revenue increase of \$58,789.

In its 2025 PSI/SPI Report, the Company did not file for any rate increases, but indicated that the increase authorized under the PSP will be banked in accordance with its Amended Chapter 30 Plan. This banked amount of \$58,789 will be added to the Company's cumulative banked revenue.

The SPI indicates the cumulative price changes from current and prior years and tracks the actual total price changes for noncompetitive services. Because the Company is not proposing any rate changes in the instant filing, the Company's SPI remains at 1.116309.

Consistent with the Commission-approved Protective Order entered June 27, 2008, at P-2008-2041572 and pursuant to 52 Pa. Code § 5.365, the Company has marked specific information in its PSI/SPI Report as proprietary.

The Company served a copy of its PSI/SPI Report on the Office of Small Business Advocate (OSBA), the Office of Consumer Advocate (OCA), and the Bureau of Investigation and Enforcement. No complaints were filed and no hearings were held.

III. DISCUSSION

1. Plan Provisions

Part 3.A.8 - 10 of the Company's Amended Chapter 30 Plan states the following regarding its annual PSI/SPI filings:

On or before the anniversary date of the Plan (or the closest Commission working day thereafter) and annually thereafter, the Company shall file with the Commission a PSI and SPI Report. Each such annual filing may be accompanied by tariffs to implement any required or authorized rate changes.... A Commission Order must be entered within sixty (60) days of the filing (or such other time as may be otherwise provided herein), otherwise the tariff(s) shall become effective as filed.... Such rates shall be deemed Commission-made.

Further, part 3.A.7 of the Company's Amended Chapter 30 plan contains the following provision regarding banking:

If the Company elects not to increase its rates by the full amount allowed under the terms of the Plan, including exogenous events in a given year, the Company may increase its rates in future years to reflect the full amount of the allowable increase previously deferred. The Company may bank increases for a period not to exceed four (4) consecutive years.

2. PSI/SPI Calculations

The annual Windstream D&E PSI/SPI filing submissions under Chapter 30 laws must conform to its Commission-approved Amended Chapter 30 Plan. Our review of the calculations

submitted by Windstream D&E indicates that they are procedurally consistent with the terms of the Company's Price Stability Plan formula approved in its Amended Chapter 30 Plan.

3. Banked Revenues

The banking methods the Company uses in its 2025 PSI/SPI Report are also procedurally consistent with its Amended Chapter 30 Plan. The Company will bank the entire \$58,789 available in its current filing for future use. The Company is retiring the unused amount of \$35,201 authorized to it under its 2021 PSI/SPI filing in accordance with the banking terms of its Amended Chapter 30 Plan.

Previously, the Company's cumulative banked revenues totaled \$483,364. After the reduction for the retired 2021 banked amount and the addition of the 2025 banked revenue amount, the Company has a cumulative banked revenue amount of \$506,952. We note that in accordance with the Company's Amended Chapter 30 Plan, deferred increases shall carry no interest. The following table shows the breakdown of the Company's cumulative bank:

Windstream D&E, Inc.	
Banking Summary	
Banked annual revenue from 2022 PSI/SPI Report	\$ 153,129
Banked annual revenue from 2023 PSI/SPI Report	\$ 199,713
Banked annual revenue from 2024 PSI/SPI Report	\$ 95,321
Banked annual revenue from 2025 PSI/SPI Report	\$ 58,789
Total	\$ 506,952

IV. CONCLUSION

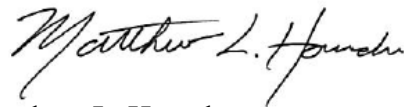
Our review of the Company's 2025 PSI/SPI Report indicates the PSI/SPI calculations and the banked revenue calculations, are procedurally consistent with the terms of its Amended Chapter 30 Plan. Accordingly, we shall accept the PSI/SPI Report as being procedurally consistent with the terms of its Commission-approved Amended Chapter 30 Plan;

THEREFORE,

IT IS ORDERED:

1. That Windstream D&E, Inc.'s 2025 PSI/SPI Report is accepted as being procedurally consistent with its Commission-approved Amended Chapter 30 Plan.
2. That a copy of this Order be served on Windstream D&E, Inc., the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.
3. That the case be marked closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: June 18, 2025

ORDER ENTERED: June 18, 2025