

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 21, 2026

Commissioners Present:

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

2026 Joint Price Stability Index/Service Price Index
Report Filing of Frontier Communications of
Breezewood, LLC; Canton, LLC; Lakewood, LLC;
Oswayo River, LLC; and Pennsylvania, LLC

R-2026-3059798

Petition for Streamlined Form of Regulation and
Network Modernization Plan of Frontier
Communications of Breezewood, LLC; Canton, LLC;
Lakewood, LLC; Oswayo River, LLC; and
Pennsylvania, LLC

P-00951005F1000

ORDER

BY THE COMMISSION:

I. BACKGROUND

Before us for disposition is the combined 2026 Price Stability Index (PSI), Service Price Index (SPI) Report for Frontier Communications of Breezewood, LLC; Frontier Communications of Canton, LLC; Frontier Communications of Lakewood, LLC; Frontier Communications of Oswayo River, LLC; and Frontier Communications of Pennsylvania, LLC (collectively “Frontier” or “the Companies”). The Companies’ combined annual PSI/SPI Report 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 Companies’ Amended Joint Streamlined

Regulation and Network Modernization Plan (Amended Joint Chapter 30 Plan) that this Commission approved at Docket No. P-00951005F1000.¹

As a result of the passage of Act 183 of 2004, companies that had approved 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 the initial Chapter 30 plans were reduced to either 0% or 0.5%, depending on each company's Amended Chapter 30 Plan. In the Companies' case, the inflation offset was reduced from 2.8% to 0%. Accordingly, annual Price Stability Plan ("PSP" or "Plan") filings have the potential for substantial revenue and rate impacts on end-user consumers.

The Companies possess the statutory right under 66 Pa.C.S. § 3015(a)(1)(iii) and their approved Amended Chapter 30 Plan to seek and obtain automatic revenue and rate increases as contemplated by Chapter 30. Under the Companies' PSP, the PSI calculates the allowable change in noncompetitive rates based, in part, on the annual change in the Gross Domestic Product Price Index (GDP-PI). The SPI tracks the prior rate changes for noncompetitive services related to the PSI. The PSP also addresses revenue neutral rate rebalancing/restructuring. The PSP set forth in the Companies' Amended Chapter 30 Plan is a complete substitution of the rate base/rate of return regulation. Further, the Companies' Amended Chapter 30 Plan acknowledges that nothing in their Plan shall be construed to limit the requirement under 66 Pa.C.S. § 1301 that rates shall be just and reasonable.

¹ See *Joint Petition of Frontier Communications of Breezewood, Inc.; Frontier Communications of Canton, Inc.; Frontier Communications of Pennsylvania, Inc.; Frontier Communication of Lakewood, Inc.; and Frontier Communication of Oswayo River, Inc. for a Streamlined Form of Regulation and Plan for Network Modernization*, Docket No. P-00951005F1000 (Order entered April 7, 2005).

The Companies² are local exchange carriers operating in various portions of the Commonwealth and serve primarily rural territory and a rural customer base. The Companies serve customers in Bedford, Fulton, Bradford, Lycoming, Tioga, Schuylkill, McKean, Potter, Lancaster and Berks Counties. The Companies have operated under Chapter 30³ since 1997 and achieved 100% broadband deployment in 2008.

II. COMPANIES' FILING

Pursuant to the provisions of the Companies' Amended Joint Chapter 30 Plan, Advance Notice was issued January 8, 2026, informing the Commission of the forthcoming filing. On January 29, 2026, the Companies filed their annual combined PSI/SPI Report using the change in 2024 and 2025 third quarter GDP-PI that produced a 3.12% increase in the GDP-PI, which equates to a 3.12% increase in the PSI. When applied to the previous PSI of 159.638, this produces a new PSI of 164.619. Applying this change to the Companies' current annual aggregate noncompetitive revenues of \$2,691,254.00 yields a maximum allowed revenue increase of \$83,967.09 for 2026.

The following table shows the breakdown of the aggregate revenue and maximum allowed increase amounts by company. It should be noted that each individual company's annual noncompetitive revenues and maximum allowed revenue increase amount may not be shared among the Companies.

Current Non-Competitive Revenue and Allowable Increases for all Frontier Companies			
Company	Current Annual Revenue	%ΔGDP-PI	Maximum Allowed Revenue Increase
Breezewood	\$224,420.00	3.12%	\$7,001.90
Pennsylvania	\$1,386,277.00	3.12%	\$43,251.86
Canton	\$739,827.00	3.12%	\$23,082.57
Lakewood	\$136,007.00	3.12%	\$4,243.40
Oswayo River	\$204,723.00	3.12%	\$6,387.36
Total	\$2,691,254.00		\$83,967.09

² Frontier Communications of Breezewood, LLC (utility code 310400); Canton, LLC (utility code (310550); Lakewood, LLC (utility code 311750); Oswayo River, LLC (utility code 312600); and Pennsylvania, LLC (utility code 311250).

³ Act 67 of 1993, P.L. 456 (66 Pa.C.S. §§ 3001-3009) replaced by Act 183 of 2004, P.L. 1398 (66 Pa.C.S. §§ 3011-3019).

Consistent with the Commission-approved Protective Order entered February 28, 2008, at Docket No. P-2008-2022866, and pursuant to 52 Pa. Code § 5.365, the Companies have marked specific information in their PSI/SPI Report as proprietary.

On February 26, 2026, the Companies filed updated banking reports to reflect the amounts deducted from each company's respective bank as a result of State Tax Adjustment Surcharge (STAS) recalculations.⁴ Each company's respective bank was reduced to account for the cumulative impact of its 2015 through 2025 STAS recalculations. The following table reflects the STAS recalculation amounts deducted from each company's respective bank.

Company	STAS Adjustment
Breezewood	\$4,763.00
Pennsylvania	\$47,883.00
Canton	\$3,529.00
Lakewood	\$820.00
Oswayo River	\$2,312.00

On January 29, 2026, Frontier served a copy of its combined PSI/SPI Report on the Office of Small Business Advocate (OSBA), the Office of Consumer Advocate (OCA), the Bureau of Technical Utility Services, and the Bureau of Investigation and Enforcement. No complaints were filed and no hearings were held.

III. DISCUSSION

The Companies' annual PSI/SPI Report must conform to Chapter 30 and the Companies' Commission-approved Amended Joint Chapter 30 Plan. Our review of the calculations submitted by Frontier indicates that they are accurate and procedurally

⁴ Companies' Amended Joint Chapter 30 Plan page 33 Part 4.B.1.viii.

consistent with Chapter 30 and the terms of the Companies’ approved Amended Joint Chapter 30 Plan at Docket No. P-00951005F1000.

In their 2026 PSI/SPI Report, the Companies had a combined total of \$83,967.09 that was not implemented into rate increases. Pursuant to the Companies’ Amended Joint Chapter 30 Plan, this banked revenue will be added to the Companies’ cumulative banked revenues.

Further, part 1.A.4 of the Companies’ Amended Chapter 30 Plan contains the following provision regarding banking: “In lieu of filing tariff changes to align the SPI with the new PSI in its February 1st filings, the Companies may defer rate changes and bank the amounts corresponding to the difference between the PSI and SPI, for a period not to exceed four (4) consecutive years...” Accordingly, the Companies had to retire any remaining banked amounts from their 2022 filing. The following table shows the retired banked amounts by company.

Company	2022 Amount Retired
Breezewood	\$0
Pennsylvania	\$0
Canton	\$2,171.45
Lakewood	\$4,471.11
Oswayo River	\$583.73
Total	\$7,226.29

Previously, the Companies’ aggregated cumulative banked amount totaled \$265,679.97. The addition of the 2026 revenue amounts combined with the deductions for the STAS recalculations and the retirement of the remaining 2022 revenue amounts results in a remaining aggregate cumulative banked amount totaling \$283,163.77 to be carried forward for future use. We again note that each individual company’s annual maximum allowed revenue increase amount may not be shared among the Companies and that the Companies’ Amended Chapter 30 Plan restricts the banking of any deferred

rate increases for a period not to exceed four consecutive years. The following table shows the breakdown of the banked amounts by company.

Banking Summary for All Frontier Companies					
Company	2026 Banked	2025 Banked	2024 Banked	2023 Banked	Total Banked
Breezewood	\$7,001.90	\$5,378.21	\$7,873.81	\$12,975.76	\$33,229.68
Pennsylvania	\$43,251.86	\$26,343.20	\$38,571.55	\$10,170.83	\$118,337.44
Canton	\$23,082.57	\$10,879.72	\$14,274.43	\$28,611.61	\$76,848.33
Lakewood	\$4,243.40	\$3,452.46	\$5,235.12	\$11,081.41	\$24,012.39
Oswayo River	\$6,387.36	\$4,612.44	\$6,645.32	\$13,090.81	\$30,735.93
Combined:	\$83,967.09	\$50,666.03	\$72,600.23	\$75,930.42	\$283,163.77

Because the Companies did not file for any rate changes in their 2026 PSI/SPI Report, each individual company’s SPI remains the same.

Company	SPI
Breezewood	114.033
Pennsylvania	116.766
Canton	111.951
Lakewood	112.642
Oswayo River	112.763

IV. Frontier Communications Parent, Inc. Settlement Petition

On September, 11, 2025 the Commission entered an Order approving the Joint Petition for Approval of Settlement (Settlement Petition) submitted by Frontier Communications Parent, Inc., Verizon Communications, Inc., Merger France Sub Inc., OCA, OSBA, and the Broad Horizons Lot Owners’ which contains a provision in which the Companies will not seek rate increases before January 1, 2028. Paragraph 37 of the Settlement Petition states⁵:

Except for tax changes and surcharges implemented by government authorities, Verizon will not seek to increase the tariffed rates for residential and small business customers for existing services for Frontier ILEC [Incumbent Local Exchange Carrier]

⁵ See, Docket Nos. A-2024-3051925, et al.

customers before January 1, 2028. Accordingly, annual Price Stability Index filings made by the Frontier ILECs in calendar years 2026 and 2027 will propose no increases for residential and business service lines. Citizens Telephone of New York will not file proposed increases to tariffed rates in 2026 and 2027.

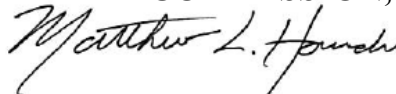
V. CONCLUSION

Our review of the Companies' combined 2026 PSI/SPI Report indicates the PSI/SPI calculations and the banked revenue calculations are procedurally consistent and in conformance with the terms of the Companies' Commission-approved Amended Joint Chapter 30 Plan. Accordingly, we shall accept the Companies 2026 PSI/SPI Report as being procedurally consistent with the terms of their Commission-approved Amended Joint Chapter 30 Plan; **THEREFORE,**

IT IS ORDERED:

1. That the Companies' combined 2026 PSI/SPI Report, filed on January 29, 2026, is accepted as being procedurally consistent with their Commission-approved Amended Joint Chapter 30 Plan.
2. That a copy of this Order be served on the Companies, 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: May 21, 2026

ORDER ENTERED: May 21, 2026