

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Commission Inquiry into
the Service Quality, Customer Service, and
Billing Practices of Frontier Communications

ISSUE DATE: April 26, 2018

DOCKET NO. P-407, 405/CI-18-122

ORDER INITIATING INVESTIGATION
AND REFERRING MATTER FOR
PUBLIC HEARINGS

PROCEDURAL HISTORY

On February 12, 2018, the Commission issued a notice initiating this docket. The notice stated that the Commission had received a number of customer complaints on the service quality, customer service, and billing practices of Frontier Communications of Minnesota, Inc. and affiliate Citizens Telecommunications of MN, LLC (collectively, Frontier Communications or Frontier). The notice invited comments from any interested person, and asked the Minnesota Department of Commerce (the Department), the Minnesota Office of Attorney General (OAG), and other interested stakeholders to investigate the matter and file a report by May 11, 2018.

By March 19, 2018, the Commission had received at least 439 comments and complaints.

On March 27, 2018, the Department filed comments.

On March 29, 2018, the matter came before the Commission. The Commission heard comments from Frontier, the Department, and the OAG.

FINDINGS AND CONCLUSIONS

I. Summary

In response to customer complaints, the Commission will launch an investigation, initially consisting of three steps:

- Distributing this decision among local units of government;
- Convening public hearings; and
- Seeking a report and recommendations from the Department.

II. Jurisdiction

Minn. Stat. § 237.081 authorizes the Commission to investigate complaints about telephone service as follows:

Subdivision 1. Commission investigation. Whenever the commission believes that a service is inadequate or cannot be obtained or that an investigation of any matter relating to any telephone service should for any reason be made, it may on its own motion investigate the service or matter with or without notice....

Subd. 1a. Complaint investigation. Upon a complaint made ... by no fewer than ... 100 ... of the subscribers or spouses of subscribers of the particular telephone company, that ... any regulation, measurement, practice, act, or omission affecting or relating to the production, transmission, delivery, or furnishing of telephone service or any service in connection with telephone service is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission, after notice to the telephone company, shall investigate the matters raised by the complaint.

III. Positions of the Parties

The Department has reviewed the comments filed to date. In addition, the Department reviewed the service quality information that Frontier filed as part of its Alternative Form of Regulation Plan under Minn. Stat. §§ 237.761–.765.¹ The Department found that Frontier has failed to meet the standards for promptly restoring a customer’s service, and for promptly answering customer calls.

The Department and OAG recommend that the Commission order public hearings regarding Frontier’s customer service, service quality, and billing practices. The Department filed a map identifying, to the extent possible, regions from which the greatest numbers of complaints arose.

Frontier acknowledges the customer complaints, although Frontier notes that some complaints left doubt about the precise nature of the problem alleged. Frontier argues that the complainants represent a small share of Frontier’s customers.

Also, Frontier acknowledges the Commission’s jurisdiction over customer service, service quality, and billing practices related to Frontier’s regulated landline phone service, but argues that a large share of the complaints appear to pertain to Frontier’s internet service. Frontier argues that this service is not subject to the Commission’s jurisdiction.

¹ See Docket No. P-405/AR-14-735, *In the Matter of a Petition by Frontier Communications of Minnesota, Inc. for Approval of its Revised Alternative Regulation (AFOR) Plan*; Docket No. P-407/AR-15-388, *In the Matter of a Petition by Citizens Telecommunications Company of Minnesota LLC to Adopt an Existing Alternative Form of Regulation Plan*.

IV. Commission Action

A. Investigation

Based upon the customer complaints received, both before and after the Commission solicited such comments, and the comments of the parties, the Commission finds reason to pursue an investigation of customer service, service quality, and billing practices related to Frontier's telephone service. The Commission seeks to learn whether, and to what extent, Frontier has violated relevant requirements and standards—whether those standards arise from statute, rule, AFOR Plan, or any other authority.

To further this investigation, the Commission will take three steps.

B. Notice of Investigation

First, the Commission will direct Frontier to distribute copies of this order to all municipalities, counties, and local governing authorities within Frontier's Minnesota service area. This will give them prompt notice that an investigation is underway.

C. Public Hearings

Second, the Commission will order Frontier to participate in public hearings in this matter. Public hearings provide a useful forum for gaining information about customer complaints, and for identifying proposed remedies. The Commission concludes that between three and six hearings, in at least three areas of the state, would suffice to ensure that the bulk of Frontier customers will have a fair opportunity to participate; only one such hearing should be held in the Twin Cities Metropolitan Area.

Questions about these hearings may be addressed to Michelle Rebholz, 651.201.2206, michelle.rebholz@state.mn.us, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, Minnesota 55101-2147.

In addition, the Commission will refer this matter to Minnesota's Office of Administrative Hearings to organize and preside over the public hearings, and to provide a summary of what transpires. The Office of Administrative Hearings has assigned Administrative Law Judge Jeffery Oxley to conduct the proceedings. His address is as follows: Office of Administrative Hearings, 600 North Robert Street, St. Paul, Minnesota 55101. His mailing address is P.O. Box 64620, St. Paul, Minnesota 55164-0620. He can be reached through his legal assistant, Lisa Armstrong at 651.361.7888. Judge Oxley will convene a prehearing conference on Wednesday, May 9, 2018, at 10:00 a.m. in the Small Hearing Room at the office of the Public Utilities Commission, 121 Seventh Place East, Suite 350, St. Paul, Minnesota 55101-2147.

To publicize these meetings, the Commission will direct Frontier to include a notice in its customer bills, to send a notice to governing bodies within its service area, and to publish notice in legal newspapers and newspapers of general circulation. Each type of notice should be designed to alert people about a public meeting at least ten days before the first meeting occurs. And, acknowledging Frontier's observations that some complaints address matters beyond the Commission's jurisdiction, each notice should clarify the limits of the Commission's jurisdiction over internet service.

Before sending them, Frontier should submit drafts of each type of notice for Commission approval. To facilitate this process, the Commission will authorize its Executive Secretary to approve customer notices, bill inserts, bill format, and any other communications required for this docket.

D. Department Report and Responses

Third, the Commission will ask the Department to file a report within 90 days of the last public hearing. The report should state the Department's findings as of that time, and provide recommendations for further proceedings as appropriate. The Commission will also invite Frontier and interested parties to file responses to the report.

In seeking this report, the Commission will rescind its earlier request for interested stakeholders to file a report by May 11.

These three steps will advance the investigation of the customer complaints and provide a foundation for further Commission action as appropriate.

ORDER

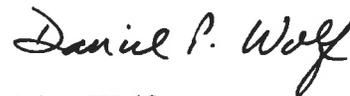
1. Under authority of Minnesota Statutes § 237.081, the Commission hereby initiates an investigation to determine whether and, if so, to what extent, Frontier Communications of Minnesota, Inc. and Citizens Telecommunications of MN, LLC (collectively, Frontier) are or have been in violation of any applicable customer service, service quality, or billing practice requirements or standards. These standards may arise from statute, rule, the companies' Alternative Form of Regulation Plans adopted under Minnesota Statutes §§ 237.76-237.775, or other sources.
2. Frontier shall promptly mail or e-mail a copy of this order to all municipalities, counties, and local governing authorities within its Minnesota service area.
3. The Commission refers this matter to Minnesota's Office of Administrative Hearings to convene public hearings to further inquire into the scope and nature of any violations, and to prepare a summary. The presiding officer shall organize between three and six hearings in at least three areas of the state, with only one hearing in the Twin Cities Metropolitan Area.
4. Frontier shall give notice of the public hearings as follows:

- A. A written bill insert to each customer to be served at least ten days before the first public hearing.
- B. Written notice to the governing bodies of all municipalities, counties, and local governing authorities in Frontier's service area, to be mailed or e-mailed at least ten days before the first public hearing.
- C. Display advertisements in legal newspapers and other newspapers of general circulation within Frontier's Minnesota service area, to appear at least ten days before the first hearing.

Before publishing or serving the notices described above, Frontier shall submit them for Commission approval. The notices must identify the scope of the Commission's regulatory authority.

- 5. The Commission asks the Department to file a report within 90 days of the last public hearing on the Department's findings as of that time and recommendations for further proceedings. Frontier and other interested parties shall file a response no later than 30 days after the Department's report.
- 6. The Commission rescinds its earlier request, set forth in its February 12, 2018 request for comments, that interested stakeholders file a report on this matter by May 11, 2018.
- 7. The Commission delegates to the Executive Secretary the authority to approve customer notices, bill inserts, bill format, and any other communications for the duration of this proceeding.
- 8. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary



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