



Mark E. Oberlander for

Dan Wolf, Executive Secretary

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

NOTICE REQUESTING FURTHER COMMENTS

Issued: January 13, 2015

In the matter of a Petition by Frontier Communications of Minnesota, Inc. for Approval of its Revised Alternative Regulation (AFOR) Plan.

PUC Docket Number/s: P405/AR-14-735

Due Date: Tuesday, January 20, 2015 at 4:30pm

*Comments must be received by 4:30pm on the close date
Comments received after comment period close will not be accepted*

Background

In its October 10, 2014 Order Adopting Procedures and Requiring Settlement Conference the Commission stated that “Parties filing comments ... are directed to formally address ... the proposal’s compliance with all relevant statutes. Parties are specifically directed to address, at a minimum, the 11 issues identified in pages 6 – 9 of the Commission staff’s September 25, 2014, Briefing Papers (Appendix B).”

On page 9 of the staff Briefing Papers, issue number 11 states “Frontier’s Investment Plan in Section VI needs to be reviewed as to whether it satisfies Minn. Stat.237.761, Subd. 8.”

Minnesota Statute 237.761, Subd. 8, Investment Commitment, requires:

- (a) An alternative regulation plan must also include a plan outlining the company's commitment to invest in telecommunications infrastructure *improvements* in this state *over a period of not less than six years*.
- (b) An investment plan shall include all of the following:
 - (1) a description of the *level* of planned investment in technological or infrastructure *enhancement*;
 - (2) a description of the *extent* to which planned investment will make *new* telecommunications technology available to customers or *expand* the availability of current technology;

- (3) a description of the *planned deployment* of fiber-optic facilities or broadband capabilities to schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in this state; and
- (4) a description of *planned investment and deployment* of higher speed telecommunications services and increased capacity for voice, video, and data transmission, in both the metropolitan and outstate portions of the company's service territory. (Emphasis added)

In its cover letter of January 8, 2015, the Department observes that the Parties have not reached agreement on the specifics of the required Investment Plan. The Department acknowledged the difficulty of planning in an uncertain world, and while not opposing the plan's approval "... the Department believes that the investment plan could be more specific and substantive ..."

In its initial review of the submitted Investment Plan, the Commission is concerned that the investment provisions of the settlement may not meet the minimum statutory requirements. A plain reading of the statutory language requires that the Company describe the "*level*" of its investment in making "*enhancements*" and the "*extent*" to which it will make "*new*" technology available or "*expand*" availability. The Company is required to *describe the deployment* of fiber optic or broadband and to *describe deployment of telecommunications services and increased capacity*.

At page 16 of the submitted AFOR, with regards to voice communications, the Company limits itself to a vague acknowledgement that it has already build a network which it will continue to operate, maintain, preserve and rehabilitate and to spend "significant" amounts doing so.

On pages 16-18, with regards to broadband services, the Company's only specifics are a stated intention that it will spend an unspecified amount, at an unspecified time to make unspecified upgrades to "... DSLAMs in the Balaton, Belle Plaine, Elysian, Henderson and Janesville exchanges" to provide "faster" internet speeds.

Frontier otherwise limits its narrative to even more vague statements:

1. Stating it will "continue to expand ... where reasonable ...";
2. Acknowledging *previous* investment in DSL and Ethernet-based technologies;
3. Asserting it "intends to continue its expansion of broadband service" and offer "increased" speed and capacity; and
4. Committing to seek federal funds for broadband expansion and to use them if received.

In lieu of a forward-looking Investment Plan, Frontier offers on page 18 to report annually by March 1 on its previous years expenditures on unspecified "technological and infrastructure enhancements".

Notice Requesting Further Comments

To assist the Commission in reconciling the AFOR Investment Plan submitted with the requirements of Minnesota Statute 237.761, Subd. 8, Frontier is requested to submit additional comments describing in greater detail its current plans to invest in its telecommunications infrastructure. Frontier is further requested to structure its comments to specifically address funding for improvements (beyond maintenance) for each of the 4 parts in Minnesota Statute 237.761, Subd. 8, (b).

Questions regarding this notice may be directed to Michael McCarthy at michael.mccarthy@state.mn.us or 651-297-7073.

Submit Public Comments: Visit mn.gov/puc, select *Comment on an Issue*, find this docket, and add your comments to the discussion.

Persons without internet access may send by U.S. mail to Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul MN 55101-2147. Please include the Commission's docket number in all communications.

Filing Requirements: Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission's electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: mn.gov/puc, select *eFiling*, and follow the prompts.

Full Case Record: All documents filed in this docket are available at mn.gov/puc, select *Search eDockets*, enter the year (14) and the docket number (735), select *Search*.

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