

Attachment 5

Docket No. P405-P407/CI-18-
122

Department Comments

Jan. 4, 2019



July 15, 2015

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of a Petition by Citizens Telecommunications Company of Minnesota, LLC to Adopt an Existing Alternative Regulation (AFOR) Plan
MPUC Docket No. P407/AR-15-388

Dear Mr. Wolf:

On April 27, 2015, Citizens Telecommunications Company of Minnesota, LLC ("Citizens") filed a notice with the Commission that it intended to adopt the existing Alternative Regulation ("AFOR") Plan of its affiliate, Frontier Communications of Minnesota, Inc. ("Frontier"). Subsequently, the Minnesota Department of Commerce filed comments with the Commission, noting that certain aspects of Citizens' April 27 filing were inconsistent with the Frontier AFOR.

Attached is a revised AFOR document that addresses the matters raised by the Department of Commerce. Specifically, the revised document incorporates a modification to Section IV, B(1)(a) that the Commission ordered to the Frontier AFOR.

Also, the listing of tariffed services in Appendix A of the AFOR document tracks the categorization of services used in the Frontier AFOR with Private and Semi-private Directory Listings, Toll Restriction, and Intralata Operator Services being reflected in the tariff for Price-Regulated services. Additionally, new language regarding Line Extensions will be incorporated into the Citizens' tariff for Price-Regulated services. Citizens intends to make these tariff changes within 30 days of a Commission Order approving the AFOR adoption.

If you have any questions, please contact me at (952) 491-5534, or scott.bohler@ftr.com.

Sincerely,

/s/ Scott Bohler

Scott Bohler
Manager, Government and External Affairs

Attachment 1

Clean copy of revised AFOR plan

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

**CITIZENS TELECOMMUNICATIONS COMPANY OF
MINNESOTA, LLC.**

**ALTERNATIVE FORM OF RETAIL REGULATION
PLAN FOR THE STATE OF MINNESOTA**

AFOR Plan Effective Date:

November 1, 2015

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I. PREFACE

Citizens Telecommunications Company of Minnesota, LLC. (“CTC-Minnesota”) shall be subject to an alternative regulation plan in Minnesota as set forth in this AFOR Plan (“Plan” or “AFOR Plan”) on the AFOR Plan Effective Date. The elements of the Plan are set forth in detail in the following sections.

The Plan is intended to allow consumers to enjoy the benefits of the competitive marketplace at affordable and equitable rates and with a quality of service consistent with Commission rules; to facilitate telecommunications alternatives; and to provide a regulatory environment with greater pricing flexibility and more consistent with the competitive telecommunications market in which CTC-Minnesota operates.

II. DEFINITIONS

- A. **Commission.** Commission means the Minnesota Public Utilities Commission.
- B. **Department.** Department means the Minnesota Department of Commerce.
- C. **Flexibly-Priced Services.** Flexibly-priced services include retail services offered by CTC-Minnesota that have not been classified as either price-regulated or non-price regulated. Specific services that are classified as flexibly-priced under this Revised Retail Plan are listed in Appendix A, Schedule 2.
- D. **New Service(s).** New services are those functions, features, or capabilities that are not offered by CTC-Minnesota in Minnesota on the Plan Effective Date.
- E. **Non-Price-Regulated Services.** Non-price-regulated services are those retail services for which alternatives are competitively available. Specific services that are classified as non-price-regulated under this Plan are listed at Appendix A, Schedule 3.
- F. **Price-Regulated Services.** Price-regulated services are those retail services that are listed in Appendix A, Schedule 1 and as specified in Minnesota Statutes section 237.761.
- G. **Tariff or Price List.** Tariff means the schedule filed with the Commission that describes the rates, terms, and conditions of price-regulated services provided by CTC-Minnesota. Price List means the schedule filed with the Commission that describes the rates, terms, and conditions of flexibly-priced or non-price-regulated services provided by CTC-Minnesota.
- H. **Total Service Long Run Incremental Cost or “TSLRIC.”** As used herein, Total

Service Long Run Incremental Cost shall have the same meaning defined in Minn. Stat. 237.772, subd. 1(a).

III. PRICE AND SERVICE QUALITY REGULATION

A. Alternative Regulation.

CTC-Minnesota's retail services are not subject to rate of return regulation or earnings investigations pursuant to sections 237.075 or 237.081 of Minnesota Statutes during the term of the Plan. Similarly, except as otherwise specified in the Plan, CTC-Minnesota is not subject to the provisions of sections 237.57 or 237.59 of Minnesota Statutes during the term of the Plan. Except as provided herein, the Commission retains its authority under section 237.081 to investigate matters other than rate of return and earnings and to issue appropriate orders, and the Department retains its authority under sections 216A.07 and 237.15 to investigate matters other than the rate of return and earnings of the Company. Nothing in this section limits the Commission's jurisdiction or authority over CTC-Minnesota's wholesale services.

B. Effective Date.

This Plan is effective at 12:00 midnight on November 1, 2015 (the "Plan Effective Date").

C. Duration and Renewal.

The Plan shall be adopted pursuant to the requirements of Minn. Stat. § 237.766, subd. 2, and will continue for a period of three (3) years (36 consecutive months) from the Plan Effective Date.

Pursuant to Minn. Stat. 237.766, subd 1, within six months prior to the termination of the Plan, CTC-Minnesota shall file with the Commission notice that it proposes a new plan, extend the existing plan, or revert to rate of return regulation.

IV. CLASSIFICATION, RATES AND PRICES FOR RETAIL SERVICES

A. General Provisions.

1. Initial Classification.

a. Specific telephone services that are subject to regulatory oversight are described in the Plan and listed in Appendix A, Schedules 1 and 2. Existing services that are not specifically identified in Appendix A, Schedules 1, 2, or 3, will be classified as price regulated if in Tariff #2, as flexibly priced if in Tariff #3, and as non-price-regulated if in Tariff #4.

b. All services offered by CTC-Minnesota which are not telephone services and/or

are not subject to regulation by the Commission are not subject to regulation under this Plan.

Such services include, but are not limited to, radio common carrier services, customer premise equipment, billing and collection services, inside wiring, and services tariffed in the Federal jurisdiction. Nothing in this Plan adds to or reduces in any way the authority of the Minnesota Public Utilities Commission, the Department of Commerce or the Office of the Attorney General.

2. The Introduction of New Services.

a. Filing.

As provided in Minn. Stat. § 237.761, subd. 7, at the time CTC-Minnesota first offers a service, CTC-Minnesota shall file a tariff or price list with the Commission, along with the proposed classification for the service and a written explanation of why the service classification is consistent with Minn. Stat. § 237.761. New services may be offered to customers one (1) day after filing.

b. Classification.

Any interested person may object to CTC-Minnesota's proposed classification or the Commission may act on its own motion within thirty (30) days from the date of filing. CTC-Minnesota shall have twenty (20) days to respond to any objections. After such further proceedings as may be appropriate, the Commission shall make a final determination as to the appropriate classification within ninety (90) days from the date of the filing of the new service.

3. Tariffs and Price Lists.

Within 90 days of Commission approval of this Plan, CTC-Minnesota shall update its tariffs and price lists consistent with the terms of this Plan.

B. Price-Regulated Services.

1. Permitted Changes and Procedures for Changes for Price-Regulated Services.

The "Regulated Price" of a service is the price of the service on the effective date of this Plan. CTC-Minnesota may, on its own initiative, reduce the rate for a price-regulated service below the Regulated Price and may subsequently increase those prices of price-regulated services that had been reduced at CTC-Minnesota's initiation up to the Regulated Price without Commission approval. The rates or prices may not be reduced below the Total Service Long Run

Incremental Cost of providing service. CTC-Minnesota may file for a rate change for price-regulated services under the following procedures. In the event CTC-Minnesota proposes a price increase above the Regulated Price of a Price-Regulated Service, the proposal shall be supported by affirmative evidence.

a. Price Caps for Certain Price-Regulated Services.

CTC-Minnesota shall not increase the price of one-party basic local residential service (R1) or the installation or service restoration charges associated with one-party basic local residential service (R1) for the first year of this Plan. CTC-Minnesota shall not increase the price of one-party basic business service (B1) for the first year of this Plan. After the first year of the Plan CTC-Minnesota may increase the monthly rate for one-party basic local residential service (R1) and one-party basic business service (B1) up to a total of \$2 over the remaining term of the Plan and CTC-Minnesota may increase the installation and service restoration charges associated with these services up to \$2 over the remaining term of the Plan. If CTC-Minnesota implements the optional increase in years two and three of the Plan, CTC-Minnesota will not increase the outstate prices for one-party basic local residential service by more than it increases the metro price of one party basic local residential service. CTC-Minnesota will implement a rate increase to R1 rates in years two and three of the plan only to the extent that the total rate (R1 rate plus the rate increase plus any applicable EAS additive) does not exceed the FCC-established rate floor in effect at that time.

b. Rate Changes for Price-Regulated Services.

Changes in tariffs for price-regulated services shall become effective under the following timelines: a) language changes and promotions, one day after filing the tariff; b) rate reductions, one day after filing the tariff, c) significant changes in the condition of service, 20 days after filing the tariff; and d) proposals to increase prices, 30 days after filing the tariff and providing notice to customers.

c. Procedures for Objection to Price Increases for Price-Regulated Services.

Any interested person may file an objection with the Commission, or the Commission on its own motion may act, within 30 days of the notice. In its objection, the interested person or the Commission shall specify the manner in which CTC-Minnesota's proposal violates state law or Commission rules or is otherwise not in the public interest. The Commission may suspend a rate change for good cause pending a PUC determination. If, after receipt of a valid objection or upon its own motion, the Commission makes specific findings based on substantial evidence

demonstrating that CTC-Minnesota's proposal violates state law or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase. CTC-Minnesota shall be permitted to institute rate changes as provided in Minnesota Statute section 237.762, subd. 5.

2. Discontinuance of Price-Regulated Service.

a. CTC-Minnesota reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as a price-regulated service in accordance with the procedures set forth below.

b. At least 30 days prior to the proposed date of discontinuance, CTC-Minnesota shall file with the Commission a petition to discontinue a price-regulated service. At the same time, CTC-Minnesota shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have ten days from the date of the filing to file initial comments on the petition. Reply comments may be filed five days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by CTC-Minnesota.

3. Reclassification of Price Regulated Services to Flexibly-Priced Services.

Except for the services listed in Minn. Stat. § 237.761, subd. 3, when the Company presents documentation that any one of the following conditions is present, the Commission shall reclassify the price-regulated service as "flexibly-priced."

(1) That the service is not essential for providing local telephone service or access to the local telephone network; or

(2) That the service is not integrally related to privacy, health or safety of the Company's customers; or

(3) That a reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.

C. Flexibly-Priced Services.

1. Permitted Price Changes and Procedures for Flexibly-Priced Services.

Specific services or categories of services that are classified as flexibly-priced services under this Plan are listed in Appendix A, schedule 2.

2. The following section sets forth the procedures for adjusting the price lists for flexibly priced services during the term of the Plan.

a. Price Decreases.

CTC-Minnesota may file for price decreases at any time. Decreases will be effective on the day after the filing, unless a later time period is designated by CTC-Minnesota. If CTC-Minnesota has decreased a price, CTC-Minnesota may subsequently increase that price back to the price level existing at the Plan Effective Date, notwithstanding the provisions of IV.C.1.c.

b. Price Increases.

CTC-Minnesota may file for rate increases at any time. CTC-Minnesota may implement price increases for flexibly priced services 20 days after filing with the Commission and the provision of notice to affected customers.

c. Procedures for Objection to Price Increases to Flexibly-Priced Services.

In the event CTC-Minnesota proposes a price increase to a flexibly-priced service, any interested person may file an objection with the Commission or the Commission on its own motion may act within 20 days of the notice. In its objection, the interested person or the Commission shall include the manner in which CTC-Minnesota's proposal violates state law or Commission rules or otherwise is not in the public interest. If, after receipt of a valid objection, the Commission within 120 days of the date of notice makes specific findings based on substantial evidence demonstrating that CTC-Minnesota's proposal violates state law, or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase.

d. Other Changes to the Price List.

All other changes to the price list shall be effective after filing, on the date designated by CTC-Minnesota.

3. Reclassification of Flexibly-Priced Services to Non-Price Regulated Services.

The Commission shall reclassify a flexibly-priced service as a non-price regulated service pursuant to Minn. Stat. §237.761, subd. 5.

4. Discontinuance of a Flexibly-Priced Service.

a. CTC-Minnesota reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as flexibly-priced in accordance with the procedures set forth below.

b. At least 30 days prior to the proposed date of discontinuance of flexibly- priced services, CTC-Minnesota shall file with the Commission a petition to discontinue a flexibly-priced service. At the same time, CTC-Minnesota shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have ten days from the date of the filing to file initial comments on the petition. Reply comments may be filed five days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by CTC-Minnesota.

D. Non-Price Regulated Services.

1. Permitted Price Changes and Procedures for Price Changes for Non- Price-Regulated Services.

a. CTC-Minnesota may change its prices for non-price-regulated services pursuant to the procedure set forth below. Prices for these services may be increased or may be reduced.

b. CTC-Minnesota may implement price changes and other miscellaneous changes for non-price-regulated services immediately upon notice to the Commission by filing a revised price list reflecting the change and the effective date of the change. Prices for these services are not subject to approval by the Commission except as expressly permitted by Minn. Stat. § 237.770 and § 237.771. Affected customers will be provided notice at least 20 days in advance of the change.

2. Discontinuance of a Non-Price-Regulated Service.

Commission approval to discontinue a non-price-regulated service is not required. CTC-Minnesota will give its customers and the Commission 30 days notice prior to discontinuing a non- price-regulated service.

E. Customer Incentives.

CTC-Minnesota may offer incentives to customers to purchase or continue to purchase services from CTC-Minnesota including a waiver of non-recurring charges and a waiver of monthly rate(s) on selected services as determined by the Company.

If required by federal law, a customer incentive provided pursuant to this section will be made available for resale by qualified carriers reselling the Company's service.

F. Special Pricing Issues.

CTC-Minnesota may offer special pricing arrangements on the same regulatory terms and conditions that apply to competitive local exchange carriers as set forth in Minnesota Rule 7812.2210, subpart 5, section (A) and (B), and other applicable law. The customer contracts for services priced with special pricing arrangements are not required to be routinely filed, but shall be provided to the Commission, the Department or the OAG upon request. Each service offering with special pricing arrangements must be identified in the tariff and contain the rules and conditions for which special pricing may be offered. To the extent prohibited by federal or state law or the Commission, CTC-Minnesota shall not give preference or discriminate in providing services, products, or facilities to an affiliate or to its own or an affiliate's retail department that sells to consumers.

G. Cost Recovery.

To the extent that a lawful order or mandate of a governmental authority requires investments that impose network, facility relocation or infrastructure-related costs on CTC-Minnesota, CTC-Minnesota has the right to recover those costs from its customers. CTC-Minnesota shall propose rate changes pursuant to this Plan to recover those costs. If the Commission disapproves CTC-Minnesota's proposed rates, it must approve an alternative that allows for full recovery of the imposed cost. The Commission may not impose a cost recovery mechanism with which CTC-Minnesota does not concur.

H. Exogenous Costs.

If the Commission, Legislature or other government entities with appropriate jurisdiction impose new costs on CTC-Minnesota or changes in CTC-Minnesota's revenues (collectively referred to as "Exogenous Changes") incurred after the effective date of the Plan and during the effective period of this AFOR, CTC-Minnesota may petition to recover Exogenous Changes, including but not limited to changes in the intrastate financial impact of: changes in EAS routes and/or compensation, including changes in intercarrier compensation; comprehensive local service rate restructuring; rate deaveraging; changes in state or federal universal service or funding payments; changes in local, state or federal taxes; changes in the Commission's application of jurisdictional separations, the Uniform System of Accounts or other mandatory Financial

Accounting Standards Board accounting standards; assessments related to the use of telephone numbers, including mandated number conservation efforts; financial impacts of government mandates to construct specific telecommunications infrastructure or develop systems beyond that contemplated by this Plan, and for which CTC-Minnesota would not otherwise be compensated through some other manner under the plan.

The Commission may, upon petition, grant recovery of any Exogenous Change through the associated rate including price-regulated rates. Nothing in the Plan alters legal rights CTC-Minnesota may have related to revenue neutrality set forth by law. CTC-Minnesota shall have the right to recover federally authorized rates or charges during the term of this Plan. All changes related to local service provider long-term number portability (LNP) are treated in this Plan as federally authorized rates or charges.

Any costs to CTC-Minnesota resulting from any legislatively authorized local taxes, franchise fees, or special surcharges imposed by local or regional governmental units on the services provided by CTC-Minnesota under the plan may be recovered through a separate line item on CTC-Minnesota's bill and recovered only from customers living within the jurisdiction that imposed the surcharge and who subscribe to the service upon which the surcharge is imposed.

Prior to imposing a surcharge on customer bills, CTC-Minnesota shall file a tariff with the Commission identifying the surcharge amount to be added on the customer bill. The filing shall provide any necessary supporting calculations for determining the surcharge amount and the basis upon which the underlying costs qualify as Exogenous Costs under the Plan. The tariff will become effective 60 days after filing and after notice to the local or regional government unit, unless the Commission receives an objection within the 60 day period to treating the costs as Exogenous Costs under the Plan. If the Commission receives any such objection, it shall determine whether or not the costs qualify as Exogenous Costs within 120 days of the original tariff filing. CTC-Minnesota shall have the burden to demonstrate that the costs qualify as Exogenous Costs and qualify for recovery under this Plan.

CTC-Minnesota may petition the Commission for recovery of any Exogenous Change at any time. CTC-Minnesota shall be allowed to implement approved increases to its Regulated Prices to recover the financial impacts of Exogenous Changes.

I. Changes Related to Access Charge Reductions.

In the event the Minnesota Public Utilities Commission or Federal Communications Commission mandates a reduction in the access charges CTC-Minnesota may petition the Commission with a proposal to offset the revenue losses. Nothing in this AFOR plan precludes CTC-Minnesota from implementing any federally mandated or authorized changes related to access charges.

V. Service Quality

A. Standards and Customer Remedies

CTC-Minnesota will be governed by the Commission's service quality standards appearing in Chapter 7810 of the Commission's Rules, except as specifically modified in this Plan. If the Commission modifies those service quality standard rules during the term of the Plan, CTC-Minnesota and the Department will jointly revise this Plan to reflect the modified service quality rules. In addition, the specific individual customer remedies will apply.

B. Applies to Normal Operating Conditions

The service quality standards and customer remedies apply only to normal operating conditions and do not establish a level of performance to be achieved where circumstances are beyond CTC-Minnesota's control. CTC-Minnesota is exempted from the otherwise applicable individual customer remedies if it is prevented from meeting a quality of service standard because of conditions caused by persons, things, or events outside the reasonable control of CTC-Minnesota, that CTC-Minnesota could not have reasonably anticipated and prevented, or circumstances that endanger the safety of CTC-Minnesota employees or members of the public, including: (1) delays of a local government unit in granting approval for obtaining easements, permits or access to rights-of-way; where CTC-Minnesota has made a timely application for any permits; (2) the customer, including but not limited to, no access to customer's premises, delays caused by the customer's construction project or lack of facilities or the customer choosing a later appointment than offered; (3) delays caused by a vendor in the delivery of equipment where CTC-Minnesota has made a timely order or request; (4) other delays outside the control of CTC-Minnesota, including, but not limited to, acts of God, explosions or fires, floods, frozen ground, tornadoes, severe weather, epidemics, injunction, war, acts of terrorism, strikes or work stoppages, or negligent or willful misconduct by customers or third parties including outages originating from the introduction of a computer virus onto the provider's network. Events caused by CTC-

Minnesota employees or contractors are not outside CTC-Minnesota's control for the purpose of the Plan.

C. Standards

CTC-Minnesota will monitor and report annually on five service quality standards.

i) Time intervals for installation of service.

The objective will be to install primary service within three business days, or on the requested installation date, if later.

ii) Time intervals for restoration or repair of service

Pursuant to Rule 7810.5800, the objective will be to clear 95% of all out-of-service troubles within 24 hours of the time such troubles are reported, or by appointment date, if later.

iii) Trouble rates

Pursuant to Rule 7810.5900, the objective will be to maintain service that the average rate of all customer trouble reports in an exchange is no greater than 6.5 per 100 telephones per month.

iv) Held orders

CTC-Minnesota shall not exceed a daily average of more than 4 held orders for primary line service. A held order is defined as a primary line service not provided: a) in 30 days when the customer requested service within 30 days; or b) on the date requested when requested for more than 30 days in the future. Results shall be determined by a 12-month annual statewide average of the performance for the measure.

v) Answer time

Calls to the Service Center will be on hold no more than 60 seconds on the average after the last menu option is selected before being answered by a live service representative. The service representative will accept the information needed to begin processing the call and direct the caller to the appropriate specialized personnel, as appropriate. Results shall be determined by a 12-month annual statewide average of the performance for the measure for combined customer, business and repair calls.

CTC-Minnesota shall report annually on its performance in meeting the quality of the five service standards for the previous year to the Commission and the Department. The filing will include monthly results on an exchange basis for the Time intervals for installation of service, Time intervals for restoration or repair of service, and Trouble rates measures. For other measures, monthly results will be provided on a state-wide basis.

D. Substantial Compliance

Substantial compliance with retail service quality standards is satisfied if CTC-Minnesota

meets 4 out of 5 of its individual service quality standards each year. For purposes of determining substantial compliance, compliance with the individual service quality standards will be measured on an annual statewide basis. CTC-Minnesota will not be in substantial compliance with the service quality standards if it fails to meet the same individual service quality standards for two consecutive years. Failure to substantially comply with the service quality standards for two consecutive years will require CTC-Minnesota to meet and confer with the Department and OAG to negotiate a voluntary resolution to the matters. If successful resolution of the matter cannot be negotiated, CTC-Minnesota will present the Department and OAG with a plan to bring service quality into compliance including specific actions the Company will take to remedy the situation. If the plan is not acceptable to the Department or OAG, the Department or OAG may file a complaint with the Commission for the purpose of determining whether reasonable additional customer remedies or other actions are warranted. CTC-Minnesota shall not be deemed to be out of substantial compliance if failure to meet a standard is the result of circumstances as set forth in Section B.

E. Customer Remedies

1. Installation

If CTC-Minnesota is unable to provide primary local exchange service (that is, the first access line to the customer providing local dial tone and local usage necessary to receive a call to a customer) within three business days, or on the requested installation date, if later, for Company reasons, CTC-Minnesota shall waive the one-time installation charge for primary line connections, and shall also offer the customer free of charge a telephone number, a directory assistance listing, and the customer's choice of either:

- 1) Free remote call forwarding of that number until service is provisioned; or
- 2) A free voice mailbox to which the customer's calls may be directed until service is provisioned.

The company shall give priority installation commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life-threatening emergencies. If the delay is due to customer actions or other force majeure conditions, then no remedy will be required.

2. Out of Service

If CTC-Minnesota fails to reinstate basic primary residential service within 48 hours and basic primary business service within 24 hours of the outage or a later date requested by the customer for the repair to be made, for Company reasons, CTC-Minnesota will provide the

customer a pro rata adjustment (i.e., 1/30th) of the monthly recurring charge for the first two days (Residential) and one day (Business) that there is a service outage. CTC-Minnesota shall provide the customer \$5 for each day thereafter that the Residential customer is out-of-service and \$10 for each day the Business customer is out-of-service.

The company shall give priority repair commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life-threatening emergencies. If the missed restoration of service is due to events beyond CTC-Minnesota's reasonable control (e.g. force majeure), then no remedy will be required.

3. Repeat Trouble

For instances of the same trouble for voice service reported on the same access line within 30 days, CTC-Minnesota will credit individual residential customer(s) \$5 for each like-occurrence and business customer(s) \$10 for each like-occurrence.

The company shall give priority repair commitments to customers who identify critical medical situations, such as infants on monitor systems, life support systems, or other life-threatening emergencies.

4. Repair Appointments

If the company misses a repair ticket commitment date for voice service, and the customer is required to be at the premises, CTC-Minnesota will provide a remedy to the customer which will include a credit on the bill of the affected customer in the amount of \$10 for a residential customer or \$20 for a business customer for each trouble report. If the missed commitment is due to events beyond CTC-Minnesota's reasonable control (e.g., the customer's failure to provide CTC-Minnesota with adequate or correct information or failure to arrange for access to the premises, or force majeure events, etc.), then no remedy will be required.

VI. INVESTMENT PLAN

Requirements Under AFOR Statute

Minn. Stat. §237.761. Subd. 8. requires that a proposed AFOR plan include an outline of infrastructure improvement plans. The investment plan must include the following: 1) a description of the planned level of investment in technological or infrastructure improvements; 2) a description of the extent to which the investment plan will make new technology available to

customers or will expand availability of current technology to customers; 3) a description of the planned deployment of broadband capabilities or fiber optic facilities to schools, libraries, technical colleges, hospitals, colleges and universities, and local governments; 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 area.

A. Voice Services

As a baseline, CTC-Minnesota is committed to making the investments necessary to maintain reliable service, consistent with the service quality metrics contained in this plan. Voice service and the various calling features are available across CTC-Minnesota's footprint. There is nothing notable in new voice services or features that CTC-Minnesota is planning to deploy that will require substantial investment.

CTC-Minnesota will continue to deploy a network designed to meet the future needs of its telecommunications customers. CTC-Minnesota has built a network that includes thousands of miles of fiber and copper cable linking homes and businesses. Maintaining, preserving, and rehabilitating this expansive network will remain a significant portion of CTC-Minnesota's annual capital budget for the state of Minnesota. CTC-Minnesota will continue to invest significant resources to maintain network reliability. This includes deploying backup systems that are designed to detect and repair system problems — often before customers ever experience any impacts to their service. These investments increase network redundancy, network diversity, and disaster recovery capabilities. Examples of network improvements associated with network reliability/survivability and disaster recovery include: digital switching systems, self-healing network services, special metallic access systems and SONET technology.

CTC-Minnesota's investment in the deployment of fiber optics throughout the interoffice trunking and feeder networks is an important component not only of a long-term network design but an ongoing necessity for greater efficiency, greater capacity, higher transmission quality and speeds, and better customer service. Copper network enhancements, fiber optics and associated next generation electronics are expected future investments to establish a future network that will meet the needs of customers.

B. Broadband Services

With respect to expanding availability of services, the investment demands of CTC-

Minnesota's network are driven by the provision of broadband. Expansion and enhancement of CTC-Minnesota's network will be undertaken to allow for the provision of faster broadband to a wider area where reasonable customer demand exists. In addition to facility investment that will provide for growth and offer advanced network services, CTC-Minnesota's investment will be directed toward network preservation and rehabilitation initiatives to continue to improve and maintain service quality.

CTC-Minnesota is currently using advanced technologies such as improved types of DSL technology, bonding of copper cable pairs, and Ethernet; and will continue to employ these techniques in the future. Digital Subscriber Line (DSL) and Ethernet-based technologies have allowed CTC-Minnesota to efficiently and quickly deploy high-speed data and voice service to end users over the existing infrastructure of traditional copper telephone lines. Downstream speeds reach up to 24 Mbps, depending in part upon the distance from the central office. Customers include residential consumers, small and large businesses. DSL and Ethernet-based technologies are utilized by businesses, residences, schools, libraries and healthcare providers for Telecommuting, Internet Access, Computer Telephony Integration, Distance Learning, Remote LAN Access, video conferencing, video streaming and E-mail access. CTC-Minnesota will continue to invest and expand the availability of broadband in Minnesota.

Consistent with CTC-Minnesota's deployment of broadband services, CTC-Minnesota will continue its commitment to link schools, libraries, technical colleges, hospitals, colleges and universities, and local governments together with technology. CTC-Minnesota will actively respond to requests from schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in its service area. Additionally, to the extent that these types of institutions are located in areas that qualify for CAF II funding, they will reap the benefit of networks providing broadband speeds of 10 Meg or better.

CTC-Minnesota recognizes the State goal for broadband deployment identified in Minn. Stat. §237.012: "all state residents and businesses have access to high-speed broadband that provides minimum download speeds of ten to 20 megabits per second and minimum upload speeds of five to ten megabits per second." As the State and the Commission endeavor to advance toward this goal, CTC-Minnesota also intends to continue its expansion of broadband service, both into unserved areas and increasing the speed available in its service areas. Just as important, CTC-Minnesota is expanding its transport infrastructure to support greater speed and capacity to meet the demands of retail and wholesale customers. Investment will be directed to

both expand the geographic reach of broadband availability as well as to provide increased speed and capacity.

During 2015, CTC-Minnesota intends to upgrade DSLAMs in the Delano, Ely, Mound, Ranier, and Watertown exchanges. These upgrades will allow for the provision of faster internet speeds, of up to 40Meg.

The FCC is implementing changes in the federal support mechanisms aimed at encouraging broadband deployment. CTC-Minnesota will actively seek to obtain any additional federal funding that may become available for broadband deployment. The Connect America Fund (“CAF”) will provide funding to carriers to support broadband network investment. CTC-Minnesota anticipates that the CAF II will likely provide significant funding amounts for its territory in Minnesota. Acceptance of CAF II funding is conditioned upon specific criteria for both expanded availability to unserved areas and increased speed in many other currently served areas. This will be fulfilled through a combination of CAF II funding and CTC-Minnesota-provided capital. As a result, CTC-Minnesota’s investment plans for the next several years will primarily be driven by these CAF obligations.

The FCC is now developing the offers for Phase II of its CAF mechanism, which includes identifying geographic areas that lack broadband and are eligible for support, modeling the network facilities needed to bring broadband to those areas, and then identifying the level of support available to carriers to build the necessary facilities in those specific areas. At this point, the FCC has not finalized its CAF Phase II funding areas or funding amounts. Thus, it is not certain what localities within CTC-Minnesota’s Minnesota service footprint may qualify for CAF II funding, or how much funding might eventually be provided. CTC-Minnesota anticipates that the FCC’s unfolding CAF II program will provide significant funding amounts for use in deploying broadband service in CTC-Minnesota’s Minnesota service territory. CTC-Minnesota will consider any CAF funding that the FCC does make available for areas within the company’s service footprint, and barring unforeseen circumstances will accept the funding that is offered. Any CAF II funding received will be tied to a specific geographic location, and CTC-Minnesota must invest that money, along with its own capital, in that specific geographic area. Therefore, at this time, CTC-Minnesota cannot identify how much it will be investing or where specifically that investment will occur.

CTC-Minnesota will invest all the funding it accepts and supplement with its own capital

to fulfill the associated expansion and speed upgrade obligations.

CTC-Minnesota invested approximately \$32M during 2012, 2013, and 2014. It is expected that capital investment will exceed these levels in the next three years, reflecting the anticipated CAF II impact.

CAF II funding will be targeted to a census block level to provide broadband service at 10Meg speeds to the households in the census block that do not currently have 10 Meg service. The bulk of the areas that will benefit from this new investment will be in the outstate portions of CTC-Minnesota's service territory. This improved broadband service will allow for video and data transmission.

C. Reporting

Within 30 days of the FCC's CAF II offerings, CTC-Minnesota will report to the Commission its investment plans including the areas eligible for CAF funding, and the CAF II funding amounts that CTC-Minnesota is eligible to receive for those areas. Within 120 days of the FCC's CAF II offerings, CTC-Minnesota will report to the Commission the CAF II funding amounts that CTC-Minnesota accepts, and the amounts of CTC-Minnesota's own investment in addition to any CAF II funding received in Minnesota.

Beginning in 2016, CTC-Minnesota will submit a report to the Commission that describes the investments and its funding, including any investments supported by CAF funding, in technological and infrastructure enhancement, it has made during the previous calendar year. The report will be filed by March 1 of each year.

Citizens Telecommunications Company of Minnesota, LLC.
 Appendix A

Schedule 1, Page 1

PRICE-REGULATED SERVICES

Tariff #2

Section 4	<p><u>Local Service</u></p> <ul style="list-style-type: none"> - Business One Party - Business Key Line - Business Trunk - Payphone <p style="margin-left: 20px;">- Residence One Party</p> <p style="margin-left: 20px;">- School One Party</p> <p style="margin-left: 20px;">- School Key Line</p> <p style="margin-left: 20px;">- School Trunk</p> <p><u>Extended Area Service</u></p> <ul style="list-style-type: none"> - Business One Party - Business Key Line - Business Trunk - Payphone <p style="margin-left: 20px;">- Residence One Party</p> <p style="margin-left: 20px;">- School One Party</p> <p style="margin-left: 20px;">- School Key Line</p> <p style="margin-left: 20px;">- School Trunk</p> <p>Community Plus Plan</p> <p>Lifeline</p> <p>Minnesota Telephone Assistance Plan</p>						
Section 5	<p>Adjacent Exchange Service</p> <p>Call Tracing Service</p> <p>Coin Telephone Service</p> <p>Customer Owned Pay Telephone Service/Coin Line Service</p> <p>Direct Inward-Outward Dialing</p> <p>Employee Telephone Concession Service</p> <p>Foreign Exchange Service</p> <p>Frontier Emergency Connect Service</p> <p>Joint User Service</p> <p>Line Extension Charges</p> <p>Mileage Charges</p> <p>IntraLATA Operator Services</p> <p>Seasonal Service</p> <p>Service Performance Guarantee</p> <p>Toll Restriction Service</p> <p>Vacation Rate Service</p> <p>Private Listing Service</p> <p>Semi-private Listing Service</p>						
Section 6	<p>Service Charges</p> <p>Non Sufficient Fund Charge</p> <p>Link Up Program</p>						
Section 7	<p>N11 Services</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">211</td> <td style="padding-right: 20px;">511</td> <td>711</td> </tr> <tr> <td>811</td> <td>911</td> <td>E911</td> </tr> </table> <p>Telecommunications Access Minnesota</p>	211	511	711	811	911	E911
211	511	711					
811	911	E911					
Section 8	<p>Line Extension Charges</p>						

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Citizens Telecommunications Company of Minnesota, LLC
Appendix A

Schedule 1, Page 2

PRICE-REGULATED SERVICES

State Access Tariff (Lakes)

Section 3 Carrier Common Line Charge

Section 6 Switched Access Services

State Access Tariff (South)

Section 3 Ordering Options for Facilities for Intrastate Access

Section 4 Switched Access Services

Section 12 Carrier Common Line Service

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Citizens Telecommunications Company of Minnesota, LLC.
Appendix A

Schedule 2, Page 1

FLEXIBLY PRICED SERVICES

Tariff #3

- Section 2 Call Transfer Service
 Custom Calling Services
 Directory Assistance Service
 Directory Listings
 National Directory Assistance Service
 National Directory Assistance Call Completion
 Enterprise/Zenith Service
 Home Intercom Service
 Selective Class of Call Screening
 Special Billing Number Service
 Special Reverse Charge Toll Service
- Section 3 Automatic Reminder Service
 Billed Number Screening Service
 Business Traffic Study Service
 Citizens CyberDS1 (CCD) Service
 Citizens Digital Channel Service (CDCS)
 Community Calling Service
 Concurrences -Wide Area Telecommunications Service
 Customer-Provided Equipment
 Customized Number Service
 Direct Inward Dialing Service To Customer-Premises Located
 Switching Systems - Non-Digital & Digital Switching Systems
 Direct Inward-Outward Dialing Service
 Emergency Conference Service
 Fixed Call Service
 FRONTIER T-ADVANTAGEsm Digital Service
 Hearing or Speech Impairment Equipment
 Integrated Services Digital Network (ISDN)- Primary Rate Interface (PRI)
 Integrated Services Digital Network (ISDN)- Single Line Services
 Number Referral
 Optional Toll Calling Plan
 Private Line Service
 Services for Enhanced Service Providers
 Special Terminal Equipment Funding
 Warm Line Service
 Watchnet Service
 900/976 Blocking Service
- Section 4 Citizens Select / Select Plus Citizens Business Bundle
 Frontier Choicessm Tier Bundles FrontierWorkssm Small Business Solutions
 FrontierWorkssm Business Connections
 Frontier Small Business Advantagesm

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Citizens Telecommunications Company of Minnesota, LLC.
Appendix A

Schedule 2, Page 2

Frontier Digital Phone Service
Frontier Business Unlimited Service
Frontier Digital Phone Bronze - Grandfathered
Stay Connected Seasonal Offering
Frontier Business Essentials
Frontier Digital Phone Plus Service
Frontier Business Metro
Frontier Digital Phone 100
Frontier Digital Phone Essentials 1
Frontier Digital Phone Nationwide Unlimited with Essentials 1-2010
Frontier Digital Phone Nationwide Unlimited with Essentials 4-2010
Frontier Digital Phone Nationwide Unlimited Plus with Essentials 1-2010
Frontier Digital Phone Nationwide Unlimited Plus with Essentials 4-2010
Frontier Business Nationwide Unlimited Service I
Frontier Business Nationwide Unlimited Service II
Frontier Business Local Unlimited I
Frontier Business Local Unlimited II
ISDN - Primary Rate Interface (ISDN-PRI) Bundle
Frontier Digital Phone Essentials
Frontier Digital Phone Unlimited
Frontier Digital Phone Unlimited Plus
Frontier Simply Unlimited Service

Section 5 Promotions

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Citizens Telecommunications Company of Minnesota, LLC.
Appendix A

Schedule 2, Page 3

FLEXIBLY PRICED SERVICES

State Access Tariff (Lakes)

- Section 7 Special Access Services
- Analog Services
 - Voice Grade Service
 - Video Service
 - Digital Services
 - Digital Data Access Service
 - Narrowband Service
 - Program Audio Service
 - Wideband Analog Service
 - Wideband Digital Service
 - High Capacity Service
- Section 8 Additional Engineering
Additional Labor
Additional Testing
Balloting and Allocation Process for Equal Access
Protective Connecting Arrangements
Restoration Priority
Standard Jacks – Registration Program
Billing Name and Address Services
- Section 10 Special Federal Government Access Services
- Section 11 Special Facilities Routing of Access Services
- Section 12 Specialized Service or Arrangements

State Access Tariff (South)

- Section 5 Special Access Services
- Section 6 Additional Labor
Telecommunications Service Priority System
Balloting and Allocation Process for Equal Access
Additional Testing
Provision to FIA Billing Information
End User List
Billing Name and Address Services
- Section 7 Specialized Facilities for Intrastate Access or Arrangements
- Section 9 Special Facilities Routing of Facilities for Intrastate Access
- Section 10 Special Construction
- Section 11 Special Federal Government Facilities for Intrastate Access

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Citizens Telecommunications Company of Minnesota, LLC.
Appendix A

Schedule 3, Page 1

NON-PRICE-REGULATED SERVICES

Tariff #4

Section 1	Citizens Digital Centrex Service Maintenance of Service Charges
N/A	Yellow Page Directory Advertising
N/A	White Page Directory Advertising

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Revised Tariff Language

TARIFF NO. 2
PRICE-REGULATED SERVICES

**CITIZENS TELECOMMUNICATIONS
COMPANY OF MINNESOTA, LLC.**

Section 8
Original Sheet 1

LINE EXTENSION CHARGE

8.1 Line Extension Charge

8.1.1 Applicability

A. This section applies to requests for residential local exchange service in locations within the company's Minnesota service area where company facilities currently do not exist, such that a line extension is required. The company will determine the location and type of plant facilities required to provide the service unless other arrangements have been agreed upon.

8.1.2 Construction Allowance

A. Upon receipt of a customer request for residential local service that requires a line extension, the company will calculate a Construction Allowance (CA) equal to the revenue that the line extension may reasonably be expected to generate (taking into account demand, expected per household revenue and average time a residential household retains service at a location). The CA will be applied to offset the total line extension costs in determining the charges for which the applicant is responsible.

B. The CA will be based on the following factors:

1. Average company residential monthly per-household billing amount (AFB), calculated on a statewide basis, including the subscriber line charge and all regulated and unregulated company services and features billed by the company or billed on behalf of the company. The AFB does not include taxes or other fees that are not retained by the company, such as TAP/TAM/911 charges.
2. The number of households that the line extension is estimated to serve. (H)
3. Average residential service location life in months, calculated on a statewide basis. (LL)

The CA will be calculated as follows: $AFB \times H \times LL = CA$. The CA is capped at the total incremental cost.

ISSUED:

EFFECTIVE:

BY:

TARIFF NO. 1
PRICE-REGULATED SERVICES

**CITIZENS TELECOMMUNICATIONS
COMPANY OF MINNESOTA, LLC.**

Section 8
Original Sheet 2

LINE EXTENSION CHARGE

8.1 Line Extension Charge

8.1.3 Line Extension Charges

- A. Line extension charges may be assessed for the incremental costs¹ of a line extension that exceed the Construction Allowance (CA).
- B. Incremental Line extension costs include placement of facilities, engineering costs, l a b o r a n d material costs, and costs of securing right-of-way. Facilities include the distribution cable and feeder cable.
- C. A service drop wire measuring not more than 250 feet will be provided without construction charge to each customer that will be served by the line extension. To the extent that a requested service drop exceeds 250 feet, facilities charges may apply, and will be the responsibility of the applicant requesting the service
- D. The company will provide each applicant with a preliminary sketch, a detailed estimate of the total incremental construction costs associated with the requested line extension, and a line extension charge estimate that details the incremental costs above the construction allowance (CA) for which the applicant is responsible.
- E. The company may require all customers receiving the benefit of the CA to agree to retain the company's service for a three year term. If a customer discontinues service prior to the three year period, the customer will be responsible for reimbursing the company for a portion of the unrecovered CA. The payable amount will be calculated by multiplying the AFB by the number of months remaining in the term.

¹ Incremental costs are defined as those additional costs that will be incurred if the line extension is made.

ISSUED:

EFFECTIVE:

TARIFF NO. 1
PRICE-REGULATED SERVICES

**CITIZENS TELECOMMUNICATIONS
COMPANY OF MINNESOTA, LLC.**

Section 8
Original Sheet 3

LINE EXTENSION CHARGE

8.1 Line Extension Charge

8.1.3 Line Extension Charges (cont'd)

- F. The Line Extension Charge payment is due prior to the commencement of construction. Alternatively, if agreed to by both the company and the customer, alternative payment arrangements may be established. To the extent that, prior to the completion of the line extension, or within twelve months after completion, customers in addition to those included in the original design make application for service which can be accommodated with no additional construction cost in distribution or feeder cable, the Line Extension Charge will be divided among all customers served by the line extension, and Line Extension Charge payments already made will be trued up through refunds or revised payment arrangements when appropriate.

ISSUED:

EFFECTIVE:

BY:

**TARIFF NO. 2
PRICE-REGULATED SERVICES**

**CITIZENS TELECOMMUNICATIONS COMPANY
OF MINNESOTA**

**SECTION 5
Original Sheet 33**

GENERAL REGULATIONS

PRIVATE AND SEMI-PRIVATE SERVICE

A. PROVISION OF SERVICES

1. A Customer may request that the telephone number of his service not be published in the Company's directories. The Company may require such a request to be in writing. Upon implementation of the Customer's request, the Company will exercise reasonable care in taking the following precautions:
 - a. Not to publish the nonpublished number in any of its publicly distributed directories.
 - b. Except when required by law, not to disclose the nonpublished number, regardless of any claim of emergency, to any person other than: to representatives of a law enforcement or 911 emergency agency, to its own employees for use in connection with service records, to persons involved in the Company's billing and collection activities, to telecommunications common carriers for use in making their telecommunications services available to Customer, or to other telephone customers billed for calls placed from the nonpublished number.
2. In the event that the nonpublished number is published or disclosed other than as permitted under these Tariff provisions, the liability of the Company to Customer for such publication or disclosure shall be limited to and satisfied by refund of all amounts collected and cancellation of any charges which the Company may have made for nonpublished number service for the preceding 12 monthly billing periods plus waiver of the service charge for a change of telephone number. This provision does not limit the Company's liability for willful misconduct. The Customer releases, indemnifies and holds the Company harmless from any loss, claim, demand, suit, or liability of any person arising directly or indirectly from compliance with these Tariff provisions, the publication of such nonpublished number, or the disclosure of said number to any person.
3. Semi-Private Service will not be furnished in connection with certain automatic announcement, automatic answering and recording, or recorder coupler services as outlined in this tariff.
4. Semi-Private Service is not available to a Customer living in a hotel, apartment house, boarding house, hospital, retirement home, club or like complex which is listed under the number of the PBX or PABX.
5. Semi-Private Service is a telephone number which is not listed in the telephone directory. However, the number is listed in the directory assistance records and is given out upon request.

**TARIFF NO. 2
PRICE-REGULATED SERVICES**

**CITIZENS TELECOMMUNICATIONS COMPANY
OF MINNESOTA**

**SECTION 5
Original Sheet 34**

GENERAL REGULATIONS

PRIVATE AND SEMI-PRIVATE SERVICE

B. APPLICATIONS OF RATES

Rates for Private and Semi-Private Service do not apply to the following:

1. Special Reverse Charge Toll Service.
2. Foreign Exchange Service where the Customer is also furnished other exchange service and such service is listed in the directory.
3. Additional service furnished to the same Customer who has service listed in the telephone directory at the same address.
4. Temporary service furnished for short periods, such as for elections, special events (e.g. fairs, exhibits, parades, etc.), construction sites and other like situations.
5. Inward Wide Area Telecommunications Service.
6. Service to apartment house security systems.
7. Service to data terminals, or assemblies with no voice use.

C. RATES AND CHARGES

	<u>Monthly Rate</u>
Private Service, each.	
Residential	\$3.00
Business	\$3.00
Semiprivate Service, each.	
Residential	\$3.00
Business	\$3.00



June 15, 2015

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of a Petition by Frontier Communications of Minnesota, Inc.
for Approval of its Revised Alternative Regulation (AFOR) Plan
MPUC Docket No. P405/AR-14-735

Dear Mr. Wolf:

On February 23, 2015, the Commission issued its "*Order Approving Alternative Regulation Plan as Modified*" in the above-referenced docket for Frontier Communications of Minnesota, Inc. ("Frontier"). Frontier did accept the modifications identified in the Order, and on March 3, 2015 submitted a revised AFOR Plan reflecting the modifications. Subsequently, it has come to Frontier's attention that the March 3 document omitted one of the modifications identified by the Commission. This omission was inadvertent, and the attached document incorporates that modification in Section IV, B, 1, a.

If you have any questions, please contact me at (952) 491-5534, or scott.bohler@ftr.com.

Sincerely,

/s/ Scott Bohler

Scott Bohler
Manager, Government and External Affairs

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.

**ALTERNATIVE FORM OF RETAIL REGULATION
PLAN FOR THE STATE OF MINNESOTA**

AFOR Plan Effective Date:

March 1, 2015

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I. PREFACE

Frontier Communications of Minnesota, Inc. (“Frontier”) shall be subject to an alternative regulation plan in Minnesota as set forth in this AFOR Plan (“Plan” or “AFOR Plan”) on the AFOR Plan Effective Date. The elements of the Plan are set forth in detail in the following sections.

The Plan is intended to allow consumers to enjoy the benefits of the competitive marketplace at affordable and equitable rates and with a quality of service consistent with Commission rules; to facilitate telecommunications alternatives; and to provide a regulatory environment with greater pricing flexibility and more consistent with the competitive telecommunications market in which Frontier operates.

II. DEFINITIONS

- A. **Commission.** Commission means the Minnesota Public Utilities Commission.
- B. **Department.** Department means the Minnesota Department of Commerce.
- C. **Flexibly-Priced Services.** Flexibly-priced services include retail services offered by Frontier that have not been classified as either price-regulated or non-price regulated. Specific services that are classified as flexibly-priced under this Revised Retail Plan are listed in Appendix A, Schedule 2.
- D. **New Service(s).** New services are those functions, features, or capabilities that are not offered by Frontier in Minnesota on the Plan Effective Date.
- E. **Non-Price-Regulated Services.** Non-price-regulated services are those retail services for which alternatives are competitively available. Specific services that are classified as non-price-regulated under this Plan are listed at Appendix A, Schedule 3.
- F. **Price-Regulated Services.** Price-regulated services are those retail services that are listed in Appendix A, Schedule 1 and as specified in Minnesota Statutes section 237.761.
- G. **Tariff or Price List.** Tariff means the schedule filed with the Commission that describes the rates, terms, and conditions of price-regulated services provided by Frontier. Price List means the schedule filed with the Commission that describes the rates, terms, and conditions of flexibly-priced or non-price-regulated services provided by Frontier.
- H. **Total Service Long Run Incremental Cost or “TSLRIC.”** As used herein, Total Service Long Run Incremental Cost shall have the same meaning defined in Minn. Stat. 237.772,

subd. 1(a).

III. PRICE AND SERVICE QUALITY REGULATION

A. Alternative Regulation.

Frontier's retail services are not subject to rate of return regulation or earnings investigations pursuant to sections 237.075 or 237.081 of Minnesota Statutes during the term of the Plan. Similarly, except as otherwise specified in the Plan, Frontier is not subject to the provisions of sections 237.57 or 237.59 of Minnesota Statutes during the term of the Plan. Except as provided herein, the Commission retains its authority under section 237.081 to investigate matters other than rate of return and earnings and to issue appropriate orders, and the Department retains its authority under sections 216A.07 and 237.15 to investigate matters other than the rate of return and earnings of the Company. Nothing in this section limits the Commission's jurisdiction or authority over Frontier's wholesale services.

B. Effective Date.

This Plan is effective at 12:00 midnight on March 1, 2015 (the "Plan Effective Date").

C. Duration and Renewal.

The Plan shall be adopted pursuant to the requirements of Minn. Stat. § 237.766, subd. 2, and will continue for a period of three (3) years (36 consecutive months) from the Plan Effective Date.

Pursuant to Minn. Stat. 237.766, subd 1, within six months prior to the termination of the Plan, Frontier shall file with the Commission notice that it proposes a new plan, extend the existing plan, or revert to rate of return regulation.

IV. CLASSIFICATION, RATES AND PRICES FOR RETAIL SERVICES

A. General Provisions.

1. Initial Classification.

a. Specific telephone services that are subject to regulatory oversight are described in the Plan and listed in Appendix A, Schedules 1 and 2. Existing services that are not specifically identified in Appendix A, Schedules 1, 2, or 3, will be classified as price regulated if in Tariff #1, as flexibly priced if in Tariff #2, and as non-price-regulated if in Tariff #3.

b. All services offered by Frontier which are not telephone services and/or are not subject to regulation by the Commission are not subject to regulation under this Plan.

Such services include, but are not limited to, radio common carrier services, customer premise equipment, billing and collection services, inside wiring, and services tariffed in the Federal jurisdiction. Nothing in this Plan adds to or reduces in any way the authority of the Minnesota Public Utilities Commission, the Department of Commerce or the Office of the Attorney General.

2. The Introduction of New Services.

a. Filing.

As provided in Minn. Stat. § 237.761, subd. 7, at the time Frontier first offers a service, Frontier shall file a tariff or price list with the Commission, along with the proposed classification for the service and a written explanation of why the service classification is consistent with Minn. Stat. § 237.761. New services may be offered to customers one (1) day after filing.

b. Classification.

Any interested person may object to Frontier's proposed classification or the Commission may act on its own motion within thirty (30) days from the date of filing. Frontier shall have twenty (20) days to respond to any objections. After such further proceedings as may be appropriate the Commission shall make a final determination as to the appropriate classification within ninety (90) days from the date of the filing of the new service.

3. Tariffs and Price Lists.

Within 90 days of Commission approval of this Plan, Frontier shall update its tariffs and price lists consistent with the terms of this Plan.

B. Price-Regulated Services.

1. Permitted Changes and Procedures for Changes for Price-Regulated Services.

The "Regulated Price" of a service is the price of the service on the effective date of this Plan. Frontier may, on its own initiative, reduce the rate for a price-regulated service below the Regulated Price and may subsequently increase those prices of price-regulated services that had been reduced at Frontier's initiation up to the Regulated Price without Commission approval. The rates or prices may not be reduced below the Total Service Long Run Incremental Cost of providing service. Frontier may file for a rate change for price-regulated services under the following procedures. In the event Frontier proposes a price increase above the Regulated Price of

a Price-Regulated Service, the proposal shall be supported by affirmative evidence.

a. Price Caps for Certain Price-Regulated Services.

Frontier shall not increase the price of one-party basic local residential service (R1) or the installation or service restoration charges associated with one-party basic local residential service (R1) for the first year of this Plan. Frontier shall not increase the price of one-party basic business service (B1) for the first year of this Plan. After the first year of the Plan Frontier may increase the monthly rate for one-party basic local residential service (R1) and one-party basic business service (B1) up to a total of \$2 over the remaining term of the Plan and Frontier may increase the installation and service restoration charges associated with these services up to \$2 over the remaining term of the Plan. If Frontier implements the optional increase in years two and three of the Plan, Frontier will not increase the outstate prices for one-party basic local residential service by more than it increases the metro price of one party basic local residential service. Frontier will implement a rate increase to R1 rates in years two and three of the plan only to the extent that the total rate (R1 rate plus the rate increase plus any applicable EAS additive) does not exceed the FCC-established rate floor in effect at that time.

b. Rate Changes for Price-Regulated Services.

Changes in tariffs for price-regulated services shall become effective under the following timelines: a) language changes and promotions, one day after filing the tariff; b) rate reductions, one day after filing the tariff, c) significant changes in the condition of service, 20 days after filing the tariff; and d) proposals to increase prices, 30 days after filing the tariff and providing notice to customers.

c. Procedures for Objection to Price Increases for Price-Regulated Services.

Any interested person may file an objection with the Commission, or the Commission on its own motion may act, within 30 days of the notice. In its objection, the interested person or the Commission shall specify the manner in which Frontier's proposal violates state law or Commission rules or is otherwise not in the public interest. The Commission may suspend a rate change for good cause pending a PUC determination. If, after receipt of a valid objection or upon its own motion, the Commission makes specific findings based on substantial evidence demonstrating that Frontier's proposal violates state law or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase. Frontier shall be permitted to institute rate changes as provided in Minnesota Statute section 237.762, subd. 5.

2. Discontinuance of Price-Regulated Service.

a. Frontier reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as a price-regulated service in accordance with the procedures set forth below.

b. At least 30 days prior to the proposed date of discontinuance, Frontier shall file with the Commission a petition to discontinue a price-regulated service. At the same time, Frontier shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have ten days from the date of the filing to file initial comments on the petition. Reply comments may be filed five days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by Frontier.

3. Reclassification of Price Regulated Services to Flexibly-Priced Services.

Except for the services listed in Minn. Stat. § 237.761, subd. 3, when the Company presents documentation that any one of the following conditions is present, the Commission shall reclassify the price-regulated service as “flexibly-priced.”

(1) That the service is not essential for providing local telephone service or access to the local telephone network; or

(2) That the service is not integrally related to privacy, health or safety of the Company’s customers; or

(3) That a reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.

C. Flexibly-Priced Services.

1. Permitted Price Changes and Procedures for Flexibly-Priced Services.

Specific services or categories of services that are classified as flexibly-priced services under this Plan are listed in Appendix A, schedule 2.

2. The following section sets forth the procedures for adjusting the price lists for flexibly priced services during the term of the Plan.

a. Price Decreases.

Frontier may file for price decreases at any time. Decreases will be effective on the day after the filing, unless a later time period is designated by Frontier. If Frontier has decreased a price, Frontier may subsequently increase that price back to the price level existing at the Plan Effective Date, notwithstanding the provisions of IV.C.1.c.

b. Price Increases.

Frontier may file for rate increases at any time. Frontier may implement price increases for flexibly priced services 20 days after filing with the Commission and the provision of notice to affected customers.

c. Procedures for Objection to Price Increases to Flexibly-Priced Services.

In the event Frontier proposes a price increase to a flexibly-priced service, any interested person may file an objection with the Commission or the Commission on its own motion may act within 20 days of the notice. In its objection, the interested person or the Commission shall include the manner in which Frontier's proposal violates state law or Commission rules or otherwise is not in the public interest. If, after receipt of a valid objection, the Commission within 120 days of the date of notice makes specific findings based on substantial evidence demonstrating that Frontier's proposal violates state law, or Commission rules or is otherwise not in the public interest, it may disapprove the requested increase or approve a lesser increase.

d . Other Changes to the Price List.

All other changes to the price list shall be effective after filing, on the date designated by Frontier.

3. Reclassification of Flexibly-Priced Services to Non-Price Regulated Services.

The Commission shall reclassify a flexibly-priced service as a non-price regulated service pursuant to Minn. Stat. §237.761, subd. 5.

4. Discontinuance of a Flexibly-Priced Service.

a. Frontier reserves the right, pursuant to Minn. Stat. § 237.767, to seek approval from the Commission to discontinue the provision of a service that has been classified as flexibly-priced in accordance with the procedures set forth below.

b. At least 30 days prior to the proposed date of discontinuance of flexibly- priced services, Frontier shall file with the Commission a petition to discontinue a flexibly-priced service. At the same time, Frontier shall provide notice of such filing to the affected customers of its intent to discontinue the service. Parties shall have ten days from the date of the filing to file initial comments on the petition. Reply comments may be filed five days after the initial comments. If no comments are filed, the proposed changes shall go into effect on the date specified by the Company. If comments are filed, or issues raised by the Commission, the Commission shall hold such hearings as it deems appropriate and issue its final order within 120 days of the filing of the petition by Frontier.

D. Non-Price Regulated Services.

1. Permitted Price Changes and Procedures for Price Changes for Non- Price-Regulated Services.

a. Frontier may change its prices for non-price-regulated services pursuant to the procedure set forth below. Prices for these services may be increased or may be reduced.

b. Frontier may implement price changes and other miscellaneous changes for non-price-regulated services immediately upon notice to the Commission by filing a revised price list reflecting the change and the effective date of the change. Prices for these services are not subject to approval by the Commission except as expressly permitted by Minn. Stat. § 237.770 and § 237.771. Affected customers will be provided notice at least 20 days in advance of the change.

2. Discontinuance of a Non-Price-Regulated Service.

Commission approval to discontinue a non-price-regulated service is not required. Frontier will give its customers and the Commission 30 days notice prior to discontinuing a non-price-regulated service.

E. Customer Incentives.

Frontier may offer incentives to customers to purchase or continue to purchase services from Frontier including a waiver of non-recurring charges and a waiver of monthly rate(s) on selected services as determined by the Company.

If required by federal law, a customer incentive provided pursuant to this section will be made available for resale by qualified carriers reselling the Company's service.

F. Special Pricing Issues.

Frontier may offer special pricing arrangements on the same regulatory terms and conditions that apply to competitive local exchange carriers as set forth in Minnesota Rule 7812.2210, subpart 5, section (A) and (B), and other applicable law. The customer contracts for services priced with special pricing arrangements are not required to be routinely filed, but shall be provided to the Commission, the Department or the OAG upon request. Each service offering with special pricing arrangements must be identified in the tariff and contain the rules and conditions for which special pricing may be offered. To the extent prohibited by federal or state law or the Commission, Frontier shall not give preference or discriminate in providing services, products, or facilities to an affiliate or to its own or an affiliate's retail department that sells to consumers.

G. Cost Recovery.

To the extent that a lawful order or mandate of a governmental authority requires investments that impose network, facility relocation or infrastructure-related costs on Frontier, Frontier has the right to recover those costs from its customers. Frontier shall propose rate changes pursuant to this Plan to recover those costs. If the Commission disapproves Frontier's proposed rates, it must approve an alternative that allows for full recovery of the imposed cost. The Commission may not impose a cost recovery mechanism with which Frontier does not concur.

H. Exogenous Costs.

If the Commission, Legislature or other government entities with appropriate jurisdiction impose new costs on Frontier or changes in Frontier's revenues (collectively referred to as "Exogenous Changes") incurred after the effective date of the Plan and during the effective period of this AFOR, Frontier may petition to recover Exogenous Changes, including but not limited to changes in the intrastate financial impact of: changes in EAS routes and/or compensation, including changes in intercarrier compensation; comprehensive local service rate restructuring; rate deaveraging; changes in state or federal universal service or funding payments; changes in local, state or federal taxes; changes in the Commission's application of jurisdictional separations, the Uniform System of Accounts or other mandatory Financial

Accounting Standards Board accounting standards; assessments related to the use of telephone numbers, including mandated number conservation efforts; financial impacts of government mandates to construct specific telecommunications infrastructure or develop systems beyond that contemplated by this Plan, and for which Frontier would not otherwise be compensated through some other manner under the plan.

The Commission may, upon petition, grant recovery of any Exogenous Change through the associated rate including price-regulated rates. Nothing in the Plan alters legal rights Frontier may have related to revenue neutrality set forth by law. Frontier shall have the right to recover federally authorized rates or charges during the term of this Plan. All changes related to local service provider long-term number portability (LNP) are treated in this Plan as federally authorized rates or charges.

Any costs to Frontier resulting from any legislatively authorized local taxes, franchise fees, or special surcharges imposed by local or regional governmental units on the services provided by Frontier under the plan may be recovered through a separate line item on Frontier's bill and recovered only from customers living within the jurisdiction that imposed the surcharge and who subscribe to the service upon which the surcharge is imposed.

Prior to imposing a surcharge on customer bills, Frontier shall file a tariff with the Commission identifying the surcharge amount to be added on the customer bill. The filing shall provide any necessary supporting calculations for determining the surcharge amount and the basis upon which the underlying costs qualify as Exogenous Costs under the Plan. The tariff will become effective 60 days after filing and after notice to the local or regional government unit, unless the Commission receives an objection within the 60 day period to treating the costs as Exogenous Costs under the Plan. If the Commission receives any such objection, it shall determine whether or not the costs qualify as Exogenous Costs within 120 days of the original tariff filing. Frontier shall have the burden to demonstrate that the costs qualify as Exogenous Costs and qualify for recovery under this Plan.

Frontier may petition the Commission for recovery of any Exogenous Change at any time. Frontier shall be allowed to implement approved increases to its Regulated Prices to recover the financial impacts of Exogenous Changes.

I. Changes Related to Access Charge Reductions.

In the event the Minnesota Public Utilities Commission or Federal Communications Commission mandates a reduction in the access charges Frontier may petition the Commission with a proposal to offset the revenue losses.

Nothing in this AFOR plan precludes Frontier from implementing any federally mandated or authorized changes related to access charges.

V. Service Quality

A. Standards and Customer Remedies

Frontier will be governed by the Commission's service quality standards appearing in Chapter 7810 of the Commission's Rules, except as specifically modified in this Plan. If the Commission modifies those service quality standard rules during the term of the Plan, Frontier and the Department will jointly revise this Plan to reflect the modified service quality rules. In addition, the specific individual customer remedies will apply.

B. Applies to Normal Operating Conditions

The service quality standards and customer remedies apply only to normal operating conditions and do not establish a level of performance to be achieved where circumstances are beyond Frontier's control. Frontier is exempted from the otherwise applicable individual customer remedies if it is prevented from meeting a quality of service standard because of conditions caused by persons, things, or events outside the reasonable control of Frontier, that Frontier could not have reasonably anticipated and prevented, or circumstances that endanger the safety of Frontier employees or members of the public, including: (1) delays of a local government unit in granting approval for obtaining easements, permits or access to rights-of-way; where Frontier has made a timely application for any permits; (2) the customer, including but not limited to, no access to customer's premises, delays caused by the customer's construction project or lack of facilities or the customer choosing a later appointment than offered; (3) delays caused by a vendor in the delivery of equipment where Frontier has made a timely order or request; (4) other delays outside the control of Frontier, including, but not limited to, acts of God, explosions or fires, floods, frozen ground, tornadoes, severe weather, epidemics, injunction, war, acts of terrorism, strikes or work stoppages, or negligent or willful misconduct by customers or third parties including outages originating from the introduction of a computer virus onto the provider's network. Events caused by Frontier employees or contractors are not outside Frontier's control for the purpose of the Plan.

C. Standards

Frontier will monitor and report annually on five service quality standards.

i) Time intervals for installation of service.

The objective will be to install primary service within three business days, or on the requested installation date, if later.

ii) Time intervals for restoration or repair of service

Pursuant to Rule 7810.5800, the objective will be to clear 95% of all out-of-service troubles within 24 hours of the time such troubles are reported, or by appointment date, if later.

iii) Trouble rates

Pursuant to Rule 7810.5900, the objective will be to maintain service that the average rate of all customer trouble reports in an exchange is no greater than 6.5 per 100 telephones per month.

iv) Held orders

Frontier shall not exceed a daily average of more than 4 held orders for primary line service. A held order is defined as a primary line service not provided: a) in 30 days when the customer requested service within 30 days; or b) on the date requested when requested for more than 30 days in the future. Results shall be determined by a 12-month annual statewide average of the performance for the measure.

v) Answer time

Calls to the Service Center will be on hold no more than 60 seconds on the average after the last menu option is selected before being answered by a live service representative. The service representative will accept the information needed to begin processing the call and direct the caller to the appropriate specialized personnel, as appropriate. Results shall be determined by a 12-month annual statewide average of the performance for the measure for combined customer, business and repair calls.

Frontier shall report annually on its performance in meeting the quality of the five service standards for the previous year to the Commission and the Department. The filing will include monthly results on an exchange basis for the Time intervals for installation of service, Time intervals for restoration or repair of service, and Trouble rates measures. For other measures, monthly results will be provided on a state-wide basis.

D. Substantial Compliance

Substantial compliance with retail service quality standards is satisfied if Frontier meets 4 out of 5 of its individual service quality standards each year. For purposes of determining substantial compliance, compliance with the individual service quality standards will be measured on an annual statewide basis. Frontier will not be in substantial compliance with the

service quality standards if it fails to meet the same individual service quality standards for two consecutive years. Failure to substantially comply with the service quality standards for two consecutive years will require Frontier to meet and confer with the Department and OAG to negotiate a voluntary resolution to the matters. If successful resolution of the matter cannot be negotiated, Frontier will present the Department and OAG with a plan to bring service quality into compliance including specific actions the Company will take to remedy the situation. If the plan is not acceptable to the Department or OAG, the Department or OAG may file a complaint with the Commission for the purpose of determining whether reasonable additional customer remedies or other actions are warranted. Frontier shall not be deemed to be out of substantial compliance if failure to meet a standard is the result of circumstances as set forth in Section B.

E. Customer Remedies

1. Installation

If Frontier is unable to provide primary local exchange service (that is, the first access line to the customer providing local dial tone and local usage necessary to receive a call to a customer) within three business days, or on the requested installation date, if later, for Company reasons, Frontier shall waive the one-time installation charge for primary line connections, and shall also offer the customer free of charge a telephone number, a directory assistance listing, and the customer's choice of either:

- 1) Free remote call forwarding of that number until service is provisioned; or
- 2) A free voice mailbox to which the customer's calls may be directed until service is provisioned.

The company shall give priority installation commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life-threatening emergencies. If the delay is due to customer actions or other force majeure conditions, then no remedy will be required.

2. Out of Service

If Frontier fails to reinstate basic primary residential service within 48 hours and basic primary business service within 24 hours of the outage or a later date requested by the customer for the repair to be made, for Company reasons, Frontier will provide the customer a pro rata adjustment (i.e., 1/30th) of the monthly recurring charge for the first two days (Residential) and one day (Business) that there is a service outage. Frontier shall provide the customer \$5 for each day thereafter that the Residential customer is out-of-service and \$10 for each day the Business customer is out-of-service.

The company shall give priority repair commitments to customers who identify critical medical situations. Critical medical situations are identified as infants on monitoring systems, individuals on life support systems, or other life-threatening emergencies. If the missed restoration of service is due to events beyond Frontier's reasonable control (e.g. force majeure), then no remedy will be required.

3. Repeat Trouble

For instances of the same trouble for voice service reported on the same access line within 30 days, Frontier will credit individual residential customer(s) \$5 for each like-occurrence and business customer(s) \$10 for each like-occurrence.

The company shall give priority repair commitments to customers who identify critical medical situations, such as infants on monitor systems, life support systems, or other life-threatening emergencies.

4. Repair Appointments

If the company misses a repair ticket commitment date for voice service, and the customer is required to be at the premises, Frontier will provide a remedy to the customer which will include a credit on the bill of the affected customer in the amount of \$10 for a residential customer or \$20 for a business customer for each trouble report. If the missed commitment is due to events beyond Frontier's reasonable control (e.g., the customer's failure to provide Frontier with adequate or correct information or failure to arrange for access to the premises, or force majeure events, etc.), then no remedy will be required.

VI. INVESTMENT PLAN

Requirements Under AFOR Statute

Minn. Stat. §237.761. Subd. 8. requires that a proposed AFOR plan include an outline of infrastructure improvement plans. The investment plan must include the following: 1) a description of the planned level of investment in technological or infrastructure improvements; 2) a description of the extent to which the investment plan will make new technology available to customers or will expand availability of current technology to customers; 3) a description of the planned deployment of broadband capabilities or fiber optic facilities to schools, libraries, technical colleges, hospitals, colleges and universities, and local governments; 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 area.

A. Voice Services

As a baseline, Frontier is committed to making the investments necessary to maintain reliable service, consistent with the service quality metrics contained in this plan. Voice service and the various calling features are available across Frontier's footprint. There is nothing notable in new voice services or features that Frontier is planning to deploy that will require substantial investment.

Frontier will continue to deploy a network designed to meet the future needs of its telecommunications customers. Frontier has built a network that includes thousands of miles of fiber and copper cable linking homes and businesses. Maintaining, preserving, and rehabilitating this expansive network will remain a significant portion of Frontier's annual capital budget for the state of Minnesota. Frontier will continue to invest significant resources to maintain network reliability. This includes deploying backup systems that are designed to detect and repair system problems — often before customers ever experience any impacts to their service. These investments increase network redundancy, network diversity, and disaster recovery capabilities. Examples of network improvements associated with network reliability/survivability and disaster recovery include: digital switching systems, self-healing network services, special metallic access systems and SONET technology.

Frontier's investment in the deployment of fiber optics throughout the interoffice trunking and feeder networks is an important component not only of a long-term network design but an ongoing necessity for greater efficiency, greater capacity, higher transmission quality and speeds, and better customer service. Copper network enhancements, fiber optics and associated next generation electronics are expected future investments to establish a future network that will meet the needs of customers.

B. Broadband Services

With respect to expanding availability of services, the investment demands of Frontier's network are driven by the provision of broadband. Expansion and enhancement of Frontier's network will be undertaken to allow for the provision of faster broadband to a wider area where reasonable customer demand exists. In addition to facility investment that will provide for growth and offer advanced network services, Frontier's investment will be directed toward

network preservation and rehabilitation initiatives to continue to improve and maintain service quality.

Frontier is currently using advanced technologies such as improved types of DSL technology, bonding of copper cable pairs, and Ethernet; and will continue to employ these techniques in the future. Digital Subscriber Line (DSL) and Ethernet-based technologies have allowed Frontier to efficiently and quickly deploy high-speed data and voice service to end users over the existing infrastructure of traditional copper telephone lines. Downstream speeds reach up to 24 Mbps, depending in part upon the distance from the central office. Customers include residential consumers, small and large businesses. DSL and Ethernet-based technologies are utilized by businesses, residences, schools, libraries and healthcare providers for Telecommuting, Internet Access, Computer Telephony Integration, Distance Learning, Remote LAN Access, video conferencing, video streaming and E-mail access. Frontier will continue to invest and expand the availability of broadband in Minnesota.

Consistent with Frontier's deployment of broadband services, Frontier will continue its commitment to link schools, libraries, technical colleges, hospitals, colleges and universities, and local governments together with technology. Frontier will actively respond to requests from schools, libraries, technical colleges, hospitals, colleges and universities, and local governments in its service area. Additionally, to the extent that these types of institutions are located in areas that qualify for CAF II funding, they will reap the benefit of networks providing broadband speeds of 10 Meg or better.

Frontier recognizes the State goal for broadband deployment identified in Minn. Stat. §237.012: "all state residents and businesses have access to high-speed broadband that provides minimum download speeds of ten to 20 megabits per second and minimum upload speeds of five to ten megabits per second." As the State and the Commission endeavor to advance toward this goal, Frontier also intends to continue its expansion of broadband service, both into unserved areas and increasing the speed available in its service areas. Just as important, Frontier is expanding its transport infrastructure to support greater speed and capacity to meet the demands of retail and wholesale customers. Investment will be directed to both expand the geographic reach of broadband availability as well as to provide increased speed and capacity.

During 2015, Frontier intends to upgrade DSLAMs in the Balaton, Belle Plaine, Elysian, Henderson, and Janesville exchanges. These upgrades will allow for the provision of faster internet speeds, of up to 40Meg.

The FCC is implementing changes in the federal support mechanisms aimed at encouraging broadband deployment. Frontier will actively seek to obtain any additional federal funding that may become available for broadband deployment. The Connect America Fund (“CAF”) will provide funding to carriers to support broadband network investment. Frontier anticipates that the CAF II will likely provide significant funding amounts for its territory in Minnesota. Acceptance of CAF II funding is conditioned upon specific criteria for both expanded availability to unserved areas and increased speed in many other currently served areas. This will be fulfilled through a combination of CAF II funding and Frontier-provided capital. As a result, Frontier’s investment plans for the next several years will primarily be driven by these CAF obligations.

The FCC is now developing the offers for Phase II of its CAF mechanism, which includes identifying geographic areas that lack broadband and are eligible for support, modeling the network facilities needed to bring broadband to those areas, and then identifying the level of support available to carriers to build the necessary facilities in those specific areas. At this point, the FCC has not finalized its CAF Phase II funding areas or funding amounts. Thus, it is not certain what localities within Frontier’s Minnesota service footprint may qualify for CAF II funding, or how much funding might eventually be provided. Frontier anticipates that the FCC’s unfolding CAF II program will provide significant funding amounts for use in deploying broadband service in Frontier’s Minnesota service territory. Frontier will consider any CAF funding that the FCC does make available for areas within the company’s service footprint, and barring unforeseen circumstances will accept the funding that is offered. Any CAF II funding received will be tied to a specific geographic location, and Frontier must invest that money, along with its own capital, in that specific geographic area. Therefore, at this time, Frontier cannot identify how much it will be investing or where specifically that investment will occur.

Frontier will invest all the funding it accepts and supplement with its own capital to fulfill the associated expansion and speed upgrade obligations.

Frontier invested approximately \$20M during 2012, 2013, and 2014. It is expected that capital investment will exceed these levels in the next three years, reflecting the anticipated CAF II impact.

CAF II funding will be targeted to a census block level to provide broadband service at 10Meg speeds to the households in the census block that do not currently have 10 Meg service.

The bulk of the areas that will benefit from this new investment will be in the outstate portions of Frontier's service territory. This improved broadband service will allow for video and data transmission.

C. Reporting

Within 30 days of the FCC's CAF II offerings, Frontier will report to the Commission its investment plans including the areas eligible for CAF funding, and the CAF II funding amounts that Frontier is eligible to receive for those areas. Within 120 days of the FCC's CAF II offerings, Frontier will report to the Commission the CAF II funding amounts that Frontier accepts, and the amounts of Frontier's own investment in addition to any CAF II funding received in Minnesota.

Beginning in 2016, Frontier will submit a report to the Commission that describes the investments and its funding, including any investments supported by CAF funding, in technological and infrastructure enhancement, it has made during the previous calendar year. The report will be filed by March 1 of each year.

PRICE-REGULATED SERVICES

Tariff #1

- Section 3 Local Service
- Business One Party
 - Business Key Trunk
 - Business PBX Trunk
 - Semi-public
 - Payphone
- Residence One Party
- Residence One Party
 - School One Party
 - School Key Trunk
 - School PBX Trunk
- Extended Area Service
- Business One Party
 - Business Key Trunk
 - Business PBX Trunk
 - Semi-public
 - Payphone
- Residence One Party
- Residence One Party
 - School One Party
 - School Key Trunk
 - School PBX Trunk
- Rotary Hunt Service
Emergency Connect
Versaline (basic local service component only)
FrontierWorks ABC Solutions (basic local service component only)
- Section 4 Service Ordering Charge
Line Connection Charges
Semi-Public Paystation Handling
Maintenance Visit Charge
Restoration Charge
Returned Check Charge
- Section 5 Private Listing Service
Semi-private Listing Service
Operator Services
- Section 6 Foreign Exchange Service
Adjacent Exchange Service
- Section 7 Extension, PBX Station, and Tie Line Mileage
Bridged Line Services
Direct Inward Dialing Services
Direct Inward-Outward Dialing (DIOD) Service
Toll Restriction Service
Central Office Blocking Caller
ID Blocking – Per Call
Call Tracing
- Section 8 911 Emergency Trunks
Enhanced 911 Emergency Services
Emergency Transport Backup
E911 Surcharge
- Section 9 Interconnection of Cellular Mobile Carriers
- Section 10 Access Service
- Section 11 N11 Services
- Section 12 Line Extension Charges

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

PRICE-REGULATED SERVICES

State Access Tariff

- Section 4 Switched Access Services
 - Local Transport
 - End Office Switching
 - 800 Data Base Access Service
 - Abbreviated Dialing Arrangement
- Section 6 Billing and Collection Services
- Section 8 Additional Engineering, Additional Labor, and Miscellaneous Charges for Price Regulated Services
- Section 9 Facility Access Order Charges for Switched Access Service
- Section 11 Special Facilities Routing of Switched Access Service
- Section 14 Carrier Common Line Access Service

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Frontier Communications of Minnesota, Inc.

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FLEXIBLY PRICED SERVICES

Tariff #2

- Section 3 Customer Calling Services
Advanced Customer Calling Services
Service Packages
- Section 4 Directory Assistance Call Service
Additional Listings
- Section 5 Private Line Service
768 Kbps Symmetric 10BaseT Ethernet Transmission Service
Intrawirecenter Digital Special Access Service
- Section 6 VersaLine Service Bundle
Frontier Choices Tier Bundle
FrontierWorks Small Business Solutions
FrontierWorks Business Connections
Frontier Small Business Advantage
Frontier Digital Phone Service Frontier
Business Unlimited Service Frontier
Digital Phone Essentials Frontier
Business Essentials Frontier
Digital Phone Plus Service Frontier
Business Metro
Stay Connected Seasonal Service Frontier
Digital Phone Essentials 1 – 2010 Frontier
Digital Phone Essentials 3 – 2010
Frontier Digital Phone Nationwide Unlimited with Essentials 1 - 2010
Frontier Digital Phone Nationwide Unlimited with Essentials 3 - 2010
Frontier Digital Phone Nationwide Unlimited Plus with Essentials 1 - 2010
Frontier Digital Phone Nationwide Unlimited Plus with Essentials 3 – 2010
Frontier Business Nationwide Unlimited Service I and II
Frontier Business Local Unlimited I and II
ISDN – Primary Rate Interface Bundle Frontier
Digital Phone Essentials Frontier
Digital Phone Unlimited (Leader) Frontier
Digital Phone Unlimited Plus (Leader) Frontier
Digital Phone Unlimited (Challenger)
Frontier Digital Phone Unlimited Plus (Challenger)
Frontier Simply Unlimited Service – Leader
Frontier Simply Unlimited Service - Challenger
- Section 7 Personal Paging
- Section 9 Fire Bar Equipment
- Section 10 Business Traffic Study Service
- Section 11 Customer Transfer Service
Toll Terminal Service
Simplified Message Desk Interface

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Frontier Communications of Minnesota, Inc.

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- Message Waiting Indication
- Call Transfer Service
- Customized/ Same Number Service
- Selective Ringing Service
- Section 13 Integrated Services Digital Network Services
 - Basic Rate Interface (BRI) Integrated Services Digital Network Service
 - Primary Rate Interface (PRI) Integrated Services Digital Network Service
- Section 14 Switched 56 Digital Service
 - Switched DS1 Service
 - Frontier T-Advantage Digital Service

State Access Tariff

- Section 5 Special Access Services
 - Analog Services
 - Voice Grade Service
 - Video Service
 - Digital Services
 - Digital Data Access Service
 - Narrowband Service
 - Program Audio Service
 - Wideband Analog Service
 - Wideband Digital Service
 - High Capacity Service
- Section 7 Specialized Service or Arrangements
- Section 8 Additional Engineering, Additional Labor, and Miscellaneous Charges for Flexibly Priced Services
- Section 9 Facility Access Order Charges for Special Access Services
- Section 10 Special Construction
- Section 11 Special Facilities Routing of Special Access Service

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.

Frontier Communications of Minnesota, Inc.

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NON-PRICE-REGULATEDSERVICES

Tariff #3

Section 3	Centrex Programming Charge Digital Centrex Service Automatic Call DistributionService
Section 4	Billing and Collection Service
Section 5	Public Telephone Service Semi-Public Telephone Service Booths
N/A	Yellow Page Directory Advertising
N/A	White Page Directory Advertising

Note. The rates, prices, tariffs, or charges to a business customer subscribing to four or more business lines in a competitive area as defined in Minn. Stat. 237.411 are only subject to sections 237.07, subdivision 1; 237.66; and 237.663, and are not subject to any rules imposing rate or price restrictions beyond those sections, to other orders or investigation of local rates under section 237.081 or other rate and price requirements of this Plan.