

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of Frontier Communications of Minnesota, Inc.	
Election of Small Company Alternative Form of Regulation	P405/AR-14-735
Pursuant to Minnesota Statute § 237.773, Subdivision 2.	P405/AR-16-696

**REPLY COMMENTS OF
FRONTIER COMMUNICATIONS OF MINNESOTA, INC.**

On August 19, 2016, Frontier Communications of Minnesota, Inc. (“Frontier-Minnesota”) filed a notice to inform the Minnesota Public Utilities Commission (“Commission”) that it was electing to be regulated as a small telephone company under the alternative regulation provided for in Minn. Stat. § 237.773. In response to that notice, the Department of Commerce (“Department”) filed comments on September 8, 2016 raising concerns it had regarding the company’s election. Subsequently, the Commission staff sent a set of information requests to Frontier-Minnesota. Frontier-Minnesota responded to those information requests and confirmed that it had less than 50,000 subscribers. The Commission appropriately took no further action.

On August 29, 2017, the Department filed another set of comments, reiterating the concerns it had originally raised in its September 2016 comments. On September 18, 2017, Frontier-Minnesota filed comments replying to the Department’s filing. Appropriately, no

action was taken by the Commission following the Department's second submission of comments questioning Frontier-Minnesota's election and operation under the small company alternative regulation.

On February 28, 2018, the Department made another filing in this matter, submitting supplemental comments. The comments again raised concerns that the Department had noted in their prior comments, as well as referencing the fact that the Commission had recently opened Docket P407, 405/CI-18-122, entitled *In the Matter of a Commission Inquiry into the Service Quality, Customer Service, and Billing Practices of Frontier Communications*. The Department suggested that, in light of the opening of that docket, the Commission may wish to make a determination regarding the small company alternative regulation election made by Frontier-Minnesota.

As Frontier-Minnesota noted in its previous comments, the requirements for a company to be eligible to elect small company alternative regulation are set out in Minn. Stat. § 237.773, Subd. 1 and 2. There are only two requirements: (1) having fewer than 50,000 subscribers and (2) prior to the election of the small company alternative regulation the small company cannot have be found by the Commission to have significant service quality problems in violation of Commission rules. At the time of the election Frontier-Minnesota had and continues to have fewer than 50,000 subscribers. At the time of its election and continuing today, Frontier-Minnesota has not been found by the Commission to have significant service quality problems in violation of Commission rules. Thus, Frontier-Minnesota met both of those conditions in August 2016, and meets them today.

Minn. State § 237.773 does not provide for any Commission action in response to a small company's election. No Commission review, approval, or permission is contemplated in the statute. As the Department's comments note, a small company's election to be subject to Minn. Stat. § 237.773 occurs "without any action by the Commission".¹ It is clear that Frontier-Minnesota's election to operate under the small company alternative regulation is valid and effective.

¹ Department August 29, 2017 Comments, page 2.

Conclusion

The Department's February 28 comments simply repeat the points it raised over a year ago. Frontier-Minnesota's election and operation under the small company alternative regulation are valid and effective. The Commission should not pursue or act upon the Department's requests.

Dated March 9, 2018

Respectfully submitted,

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.

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