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July 15, 2014

The Honorable Barbara Neilson  
Administrative Law Judge  
Office of Administrative Hearings  
600 North Robert Street  
P.O. Box 64620  
St. Paul, MN 55164-0620

Via E-File and U.S. Mail

Re: In the Matter of the Farmers Mutual Telephone Company Complaint Against Frontier  
Communications of Minnesota, Inc. re Early Termination Fees  
MPUC Docket No. P-522, 405/C-13-941  
OAH No. 11-2500-31417

Dear Judge Neilson:

I am forwarding with this letter the Settlement Agreement that has been executed by all parties in the above-referenced matter. The parties request that this matter be returned to the Minnesota Public Utilities Commission without further action by the Office of Administrative Hearings. Pursuant to the Settlement Agreement, the parties have agreed that Farmers Mutual will withdrawal its complaint.

Please don't hesitate to contact me if you have any questions.

Sincerely,

/s/Gregory R. Merz

Gregory Merz

GRM/akm  
Enclosure  
cc: Service list

GP:3728622 v1

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In The Matter Of The Farmers Mutual Telephone Company Complaint Against Frontier Communications of Minnesota, Inc. re Early Termination Fees      Docket No. P-522, 405/C-13-941

**SETTLEMENT AGREEMENT**

Farmers Mutual Telephone Company (“Farmers”), Frontier Communications of Minnesota, Inc. (“Frontier”), and the Minnesota Department of Commerce, for their Settlement Agreement in the above-captioned matter and for purposes of resolving all claims asserted by Farmers in that matter, agree as follows:

**A. Notice to existing term agreement customers with Digital Phone Service:**

1. Frontier will send a one-time bill insert to all Frontier customers with “Digital Phone” voice service term agreements (including “Digital Phone” voice service offered with High Speed Internet service (“HSI”)) providing supplemental information to customers regarding the term agreement. The content of that bill insert will:

- inform customers that Frontier records show that they are under a term agreement;
- state that the time period of their term agreement is shown on their monthly bill;
- clarify that an early termination fee will apply if they exit the agreement prior to the expiration date unless they opt out of the term as described in paragraph 2 below;

- clarify that their term agreement may have an auto-renewal clause which will renew the agreement upon expiration and explain how to cancel an auto-renewal clause.

2. The bill insert will indicate that if customers do not understand or do not agree with the conditions of their term agreements for either voice service or HSI, they should call Frontier. Customers making that call to Frontier would have four options, none of which would incur an ETF: 1) terminate their existing term agreement and move to a month-to-month service; 2) switch to a different service with Frontier; 3) terminate all service with Frontier; or 4) switch service to another carrier. Customers receiving Digital Phone voice service offered with HSI will have the option of also switching or terminating HSI without incurring an ETF. Frontier will consult with the Department and Farmers to create the wording of the bill insert.

**B. Notice to existing term agreement customers with High-Speed Internet:**

Frontier will send a one-time bill insert to all Frontier customers with a term agreement for HSI. This insert would clarify that the ETF only applies to their HSI term agreement service, and that customers may terminate their voice service without incurring an ETF. Frontier will consult with the Department to create the wording of the bill insert.

**C. Initial notice of terms and conditions to new customers**

1. When a Frontier customer initially enters a term agreement, Frontier will provide notice to the customer that identifies the services subject to the term agreement, which specific services are associated with ETFs, and the specific dollar amount of the ETF applicable to each service. The notice will disclose any applicable auto-renewal conditions, and will specify that a customer may opt out of any portion of a bundle of services without being held responsible for the ETF(s) that apply to the portions of the bundle that are retained. This notice may be provided via letter, email, or bill message.

2. Frontier will implement the practice of providing the initial notice of terms and conditions, as described above, within ninety days of the effective date of the settlement agreement.

3. Prior to implementation, Frontier will provide a sample copy of the notice described above to the Department for its review.

4. Frontier will file a tariff describing the terms and conditions applicable to all telecommunications services subject to term agreements, whether provided a la carte, or in combination with non-telecommunications services. The tariff will describe the notice that will be sent to customers initially entering into term agreements and will specify that the notice to customers will identify 1) which specific services are associated with ETFs, 2) the specific dollar amount of the ETF applicable to each service, 3) any applicable auto-renewal conditions, and 4) that a customer may opt out of any portion of a bundle of services without being held responsible for the ETF(s) that apply to the portions of the bundle that are retained.

5. To the extent any of the elements included in the notice (as specified above) are changed or discontinued, Frontier will update its tariff to reflect the changes. The Department reserves its right to object to future changes in the tariff language regarding term agreements or the content of the notice.

**D. Customers that have ported to Farmers Mutual**

Farmers Mutual will provide Frontier with a list of customers who have ported to Farmer and have paid an ETF in connection with that port. Frontier will review and confirm the information and provide those customers a refund in the amount of the ETF paid, unless Frontier has documentation of the customer's acceptance of the term agreement's terms and conditions. Frontier will cease all collection efforts for ETFs with respect to customers who have been

billed, but have not paid, an ETF unless Frontier has documentation that the customer has expressly agreed to the ETF.

**E. Training and documentation**

1. Frontier will review its call center training and documentation with respect to the way that Frontier representatives explain ETFs, the auto-renewal process, and the process by which customers may purchase basic local exchange service, Digital Phone service, and High-Speed Internet Service independently of one another, if applicable. Appropriate modifications will be made to expand information that is provided regarding ETFs and auto-renewal. Frontier will provide the Department with an opportunity to review the training material provided to call center personnel and related documentation within 90 days of the effective date of the settlement agreement. For a period of one year after the effective date of the settlement, Frontier will provide updated training material to the Department when or if the material is revised or discontinued in the future.

**F. Terms and Conditions**

Terms and Conditions applicable to Digital Phone voice service and Digital Phone voice service bundled with High Speed Internet (T&Cs) service posted on Frontier's website (<http://frontier.com/>) applicable to Frontier's Minnesota services and in any other form in which the complete T&Cs disclosures are provided to Minnesota customers by Frontier will be amended to reflect which service(s) within the bundle are associated with ETFs and the specific dollar amount of the ETF applicable to each service. The T&Cs will specify that a customer may opt out of any portion of a bundle of services without being held responsible for the ETF(s) that apply to the portions of the bundle that are retained.


**G. Notice to be provided by Farmers**

Frontier acknowledges that Farmers may publish a general public notice informing Frontier customers that they may be receiving a notice as described in A.1, above. Farmers will provide Frontier and the Department with a copy of the notice prior to publication.

**H. Withdrawal of PUC complaint**

1. After execution of the Settlement Agreement, Farmers Mutual will make a filing with the Minnesota Public Utilities Commission ("MPUC") to withdraw its Complaint in Docket P-522, 405/C-13-941. The Department will support dismissal of the Complaint. The parties will not seek MPUC approval of the Settlement Agreement but will file the Settlement Agreement as a public document. The Settlement Agreement will become effective upon dismissal of the Complaint by the MPUC.

FARMERS MUTUAL TELEPHONE COMPANY

By 

Its General Manager

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.

By 

Its Area General Manager

MINNESOTA DEPARTMENT OF COMMERCE

By \_\_\_\_\_

Its \_\_\_\_\_

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FARMERS MUTUAL TELEPHONE COMPANY

By \_\_\_\_\_

Its \_\_\_\_\_

FRONTIER COMMUNICATIONS OF MINNESOTA, INC.

By \_\_\_\_\_

Its \_\_\_\_\_

MINNESOTA DEPARTMENT OF COMMERCE

By Gregory J. Doyle

Its Manager, Telecommunications  
7/2/2014

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA    )  
  ) ss  
COUNTY OF HENNEPIN    )

I, Amy K. Milbradt, being first duly sworn, deposes and says on the 15th day of July, 2014, served the attached *Correspondence to Judge Neilson* in MPUC Docket No. P-522, 405/C-13-941 and OAH No. 11-2500-31417 by electronic service or U.S. mail as designated on the attached service list.

\_\_\_\_\_  
/s/Amy K. Milbradt  
Amy K. Milbradt

Subscribed and sworn to before me  
this 15th day of July, 2014.

\_\_\_\_\_  
/s/Claudia Neal  
Notary Public  
My Commission Expires: 01/31/2015



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Robert E.	Cattanach	cattanach.robert@dorsey.com	Dorsey & Whitney LLP	Suite 1500 50 South Sixth Street Minneapolis, MN 554021498	Electronic Service	No	OFF_SL_13-941_Official CC Service List
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-941_Official CC Service List
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-941_Official CC Service List
Gregory R.	Merz	gregory.merz@gpmlaw.com	Gray, Plant, Mooty	80 S 8th St Ste 500  Minneapolis, MN 55402-5383	Electronic Service	No	OFF_SL_13-941_Official CC Service List
Barbara L.	Neilson	Barbara.Neilson@state.mn.us	Office of Administrative Hearings	PO Box 64620  St. Paul, MN 551640620	Paper Service	Yes	OFF_SL_13-941_Official CC Service List
Kevin	O'Grady	kevin.ograde@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_13-941_Official CC Service List
Kevin	Saville	kevin.saville@ftr.com	Citizens/Frontier Communications	2378 Wilshire Blvd.  Mound, MN 55364	Electronic Service	No	OFF_SL_13-941_Official CC Service List
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Frwy Bloomington, MN 55431	Electronic Service	Yes	OFF_SL_13-941_Official CC Service List