

July 17, 2017

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East Suite 350
St Paul Minnesota 55101-2147

RE: **Reply Comments of the Minnesota Department of Commerce**
Docket No. P405/AM-17-427

Dear Mr. Wolf:

Attached are the reply comments of the Minnesota Department of Commerce (Department) in the following matter:

Request by Frontier Communications of Minnesota, Inc. to institute a charge for paper bills to customers of Frontier Digital Phone Bronze Service.

The petition was filed on May 26, 2017 by:

Scott Bohler
Regulatory Manager
Frontier Communications of Minnesota, Inc.
2378 Wilshire Blvd.
Mound, MN 55364

The Department of Commerce continues to recommend that the Commission disapprove the proposal and is available to answer any questions the Commission may have.

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Sincerely,

/s/ DIANE DIETZ
Rate Analyst

DD/lt
Attachment



Before the Minnesota Public Utilities Commission

Reply Comments of the Minnesota Department of Commerce

Docket No. P405/AM-17-427

I. BACKGROUND

On May 26, 2017, Frontier Communications of Minnesota, Inc. (Frontier) filed a tariff revision proposing to institute a \$1 per month fee for customers, who subscribe to Frontier Digital Phone Bronze Service and receive a paper bill through the US Mail. Under the proposal, if a customer opts to receive only an electronic bill and not a paper bill, the monthly recurring charge for bill delivery will be waived. Frontier states that its online payment portal enables customers to view their bills, including prior bills, check payment history, and make payments of their telephone bills online through Frontier.com or the MyFrontier Mobile application. According to Frontier, online bill delivery is a discretionary service and customers who receive online bill delivery will receive an email reminder when their bill is available. Currently, the proposed \$1 per month fee for paper bills only applies to the Frontier Digital Phone Bronze Service.

Frontier Digital Phone Bronze Service (previously known as Frontier Digital Phone Essentials Service) is a bundled package that is currently designated as a grandfathered service, available only to existing subscribers at their existing locations. Frontier Digital Phone Bronze Service is described as follows in Frontier's Minnesota Tariff No. 2 for Flexibly Priced Services (Section 6, sheet 62):

Frontier Digital Phone Bronze is a package offering available to residential customers and includes one flat-rate residential one-party service access line and the customer's choice of the features and services listed below, including certain non-regulated and federally price listed services. Listing of the non-regulated and federally price listed services is provided only for the purpose of clarity and does not imply that these services are subject to state authority.

The features and services included in the bundle are as follows: Residence One-Party Service, Caller ID – Name, Call Waiting, and Frontier Communications of America's, - Frontier Digital Phone Bronze Calling Plan (a long distance service referenced in Frontier's Federal Price List).

On June 13, 2017, the Department filed comments recommending disapproval of the proposal.

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On June 22, 2017, Frontier filed reply comments.

II. REPLY COMMENTS

Minnesota Rules part 7810.1400, subpart 1 states:

Bills to customers shall be typed or machine-printed, rendered regularly, and shall contain an itemized listing of all charges and the period of time covered by the billing. Statements itemizing message toll charges shall be included in bills to customer.

Frontier's June 22, 2017 Reply Comments suggest that Minnesota Rules pt. 7810.1400, subpart 1, permits issuance of bills in electronic format at the option of the carrier. Frontier's interpretation of Minnesota Rules pt. 7810.1400, subpart 1 is inconsistent with the billing requirement in Minnesota Statutes section 237.101 (Electronic Billing), which states:

A telephone company may provide a customer's periodic account statement to the customer in electronic format in lieu of paper format if the customer has authorized the electronic format in writing.

Minnesota law clearly places the choice between the issuance of electronic or paper bills with the customer and not with the carrier.

The Department supports the use of electronic billing if chosen by the customer, but the Department does not support a fee imposed upon customers that want or need to receive a paper bill. The policy change being proposed by Frontier imposes an excessive burden upon customers and fails to pass the public interest test for a variance under Minnesota Rules part 7829.3200. In its June 13, 2017 comments, the Department provided a detailed discussion of the public interest issues associated with Frontier's proposal. The issuance of paper bills to telephone and telecommunications subscribers is a cost of basic service that should continue to be recovered through monthly access line charges.

Telephone and telecommunications subscribers have become accustomed, over many decades, to receiving bills in paper format. As discussed in the Department's June 13, 2017 comments in the current docket:¹

¹ See June 13, 2017 comments of the Department in Docket No. P405/AM-17-427, Attachment to Comments.

The public has an interest in receiving timely and convenient billing information, so they can verify the itemized charges on their bills. The economic interest of subscribers is best served when they are fully informed about the terms and rates for their telecommunications services. A paper bill fee discourages customers from receiving paper bills, which may be the preferred method of the customer to ensure that billing information is correct and reflects the customer's understanding of the subscribership agreement.

Frontier has failed to fulfill the second condition for granting a variance, because the public interest is adversely affected by the application of a paper bill charge that discourages customers who desire paper bills from receiving them.

The Department's June 13, 2017 comments clearly explain the important public interest that is served by issuing paper bills to customers of telephone and telecommunications carriers. The lack of Internet access as a component of the service bundle that is the subject of the current proposal (i.e., the Frontier Digital Phone Bronze Service) imposes a special burden "to the extent the subscriber has no convenient means of accessing the Internet. . . The fee discourages customers from obtaining paper bills even though they may not have convenient access to the Internet."²

While the current proposal is limited to Frontier's Digital Bronze Service, if the Commission chooses to support Frontier's new interpretation of the rules, it can be expected that other companies will follow suit. This will adversely impact those customer's across the state that are unable to afford internet service. The Department continues to recommend that the Commission disapprove Frontier's proposal to institute a charge for paper bills issued to customers of Frontier Digital Phone Bronze Service.

/lt

² Ibid.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Reply Comments

Docket No. P405/AM-17-427

Dated this 17th day of July 2017

/s/Sharon Ferguson

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