

Staff Briefing Papers

Meeting Date March 29, 2018 Agenda Item ** 5

Company Frontier Communications

Docket No. **P407, 405/CI-18-122**

In the Matter of a Commission Inquiry into the Service Quality, Customer Service, and Billing Practices of Frontier Communications

Issues

1. Should the Commission order one or more public hearings on this matter?
2. Should the Commission order other action in this matter at this time?

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 **Relevant Documents**

Date

Notice Requesting Comments on Frontier Communications' Service Quality, Customer Service and Billing Practices February 12, 2018

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

I. Statement of the Issues

1. Should the Commission order one or more public hearings on this matter?
2. Should the Commission order other action in this matter at this time?

II. Background

On February 12, 2018 the Commission issued a Notice requesting comments on Frontier Communication's service quality, customer service and billing practices. In its Notice the Commission indicated having received a large volume of related complaints concerning Frontier Communications between January 2017 and January 2018. After attempts to mediate these complaints, the Commission's Consumer Affairs Office (CAO) indicated that many remained unresolved.

The Notice requested comments on the following:

- Has Frontier Communications complied with the Commission's service quality rules?
- Has Frontier Communications complied with the Commission's customer service standards?
- Has Frontier Communications accurately billed its customers?
- Are there other issues or concerns related to this matter?

The initial investigation and report is due May 11, 2018 with the reply comment period closing on May 25, 2018.

III. Parties' Comments

An unusually large number of public comments have been received. The Commission received 187 responses through its on-line SpeakUp feature in the 5 weeks preceding March 19, 2018. These were as follows:

- Has Frontier Communications complied with the Commission's service quality rules? (78+ responses)
- Has Frontier Communications complied with the Commission's customer service standards? (44+ responses)
- Has Frontier Communications accurately billed its customers? (33+ responses)
- Are there other issues or concerns related to this matter? (32+ responses)

In addition, the CAO received in excess of 252 public filings filed to eDockets resulting in a total number of **439 comments and complaints** received **during this 5 week period**.

This compares to the **529 comments** received **over 7 months** in the recent Minnesota Power rate case (Docket No. 16-664) and common response numbers in the single, and low double digits in other proceedings.

Comments received so far note extremely poor internet performance and generally underperforming service which sometimes specifies telephone service, and sometimes does not. Those writing in universally desire an alternative provider.

Some parties allege being without telephone service for about a week's time on multiple occasions. Such instances resulted in customers being unable to access 911 or connect medical devices dependent on land telephone lines. Missed incoming calls, noise on phone lines and other phone quality complaints are not infrequent. Nearly all comments mention that they are being charged for service product(s) not being provided as promised, often with related billing and cancellation disputes as a consequence.

Nearly all parties complain that Frontier's customer service representatives provide inconsistent information on available service in the customer's area and its price. Many report routinely being sold higher level (more costly) service or hardware as a remedy for service problems that remain or return after the recommended solution is in place. Customers often note being told later that the upgraded service they were sold is not available at their location.

Many complaints concern home service visits that require subsequent visits to correct or augment earlier actions, often with charges but no resulting remedy. Often customers say they experience long delays in getting repairs scheduled, must take lengthy time from work to await for service representatives to arrive only to find problems cannot be remedied. Missed service appointments, mistaken disconnections, unrequested service additions, installation and wiring errors are common complaints.

Customers frequently report discovering they are allegedly on a contract with penalties for ending service early even if they had explicitly refused to accept long term contracts. Apparently such contracts automatically renew without customer notice upon payment of the first month of the new period. Customers indicate being warned of damaging credit reports in addition to accumulating penalties if they do not pay disputed bills.

Billing disputes also include promised discounts not being provided, penalties accumulating on disputed amounts, and checks being sent but not being credited to accounts.

IV. Staff Analysis

The total number of comments and complaints, often with detailed documentation, appears to indicate that widespread problems with service quality, customer service and billing exist.

Customers express the very highest levels of frustration over service quality and over their interactions with Frontier representatives. Customers express despair over their billing and lack

of alternatives. Finally, they express outright gratitude for the hope that someone might come to their aid.

Many comments and complaints invite further engagement with the Commission in its investigation, occasionally at the neighborhood or community level. To best engage with those seeking to come together for the purpose of improving Frontier's service quality, customer service and billing practices, and to further develop the scope of this investigation, staff recognizes the value of one or more public hearings. The Commission has a long tradition of hosting public hearings in dockets with a consumer component, such as rate cases. The Commission also holds public hearings in facilities dockets as well as other dockets such as Xcel's low income community solar garden and environmental externalities.

If the Commission agrees that public hearings should be held, staff also recommends a series of related decisions below that ensure Frontier's consumers are properly notified of the hearings so they have the opportunity to participate. Those related decisions are identical to the notification requirements the Commission has routinely required in rate cases and other dockets involving public hearings.

V. Decision Options and Staff Recommendation

1. The Commission hereby refers this case to the Office of Administrative Hearings for one or more public hearings.
2. The Company shall promptly mail a copy of this order to all municipalities, counties, and local governing authorities within its Minnesota service area.
3. The Company shall give the following notices of the public hearings:
 - a. Individual written notice to each customer, which may be in the form of a bill insert, and shall be served at least ten days before the first public hearing.
 - b. Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the areas affected. These notices shall be mailed at least ten days before the first public hearing.
 - c. Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area. These advertisements shall appear at least ten days before the first day of hearings.
4. The Company shall submit all proposed notices required above for Commission approval prior to publication or service.
5. The Commission delegates to the Executive Secretary the authority to approve customer notices, bill inserts, bill format, and any other communications for the duration of this proceeding.
6. Other actions as determined by the Commission.

Staff recommends options 1, 2, 3, 4, and 5.