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State of Utah

Department of Commerce Division of Public Utilities

MARGARET W. BUSSE Executive Director CHRIS PARKER
Director, Division of Public Utilities

REDACTED

Supplemental Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

Date: February 9, 2022

Re: Supplemental Response to Docket No. 22-041-T01, TARIFF Citizens

Telecommunications Company of Utah d/b/a Frontier Communications of Utah's

Tariff Revisions to increase the Convenience Fee, per occurrence nonrecurring

charge.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the additional data and information supplemental to the January 14, 2022, tariff filing and recommends the Public Service Commission (Commission) approve Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah's (Citizens) request to increase the Convenience Fee, per occurrence nonrecurring charge. Citizens requests this filing become effective on February 20, 2022.



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Issue

The Commission issued a Supplemental Action Request on February 2, 2022, for the Division to further investigate the proposed changes and to assert whether, and why, pursuant to R746-405-2(E), the fee increases are justified. The Commission requested a response by February 9, 2022. This memorandum represents the Division's response to the Commission's Supplemental Action Request.

Background

The Company requests the Convenience Fee charge be increased from \$4.50¹ to \$10.00 per occurrence, which is standard across Frontier Communications Company's other jurisdictions. The increased fee is intended to help the Company recover the costs of having a live representative handle the call and process the payment, and to encourage the customer to use one of the other, more efficient options for payment. There are several other ways to pay a bill with little or no charge, including 1) mail in a check, 2) sign up for auto payment from the customers bank account, 3) select an automated payment with a credit card, or 4) go online to Frontier.com and select the 'Pay My Bill' option. The Convenience Fee is a charge for talking to a live company representative, and the fee is explained to the customer beforehand. If the customer chooses to use the company representative for assistance, they are made aware of the applicable charges. The Company provided a confidential cost study of the Convenience Fee for the first 9 months of 2021. The average Convenience Fee cost for this period was approximately

The Division reviewed the additional information and cost data provided by the Company and determined that the proposed Convenience Fee of \$10.00 is justified pursuant to R746-405-2(E).

Conclusion

After further review, the Division has concluded that Citizens' application for a rate increase to the Convenience Fee is just, reasonable and in the public interest. Therefore, the Division

¹ A convenience fee of \$4.50 per occurrence was previously authorized by the Commission in Docket No. 16-041-T05 and effective on January 22, 2017, not August 1, 2019, as erroneously stated in DPU's memo dated January 20, 2022.

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recommends the Commission approve this filing as submitted with an effective date of February 20, 2022, as requested.

Cc: Carl E. Erhart, Manager, Government & External Affairs, Citizens and Navajo Communications
 Leslie Zink, Sr. Manager, Pricing & Tariffs, Frontier Communications
 Justin Jetter, Assistant Attorney General, Utah Attorney General's Office