



November 15, 2013

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215-3793

Re: Case No. 09-454-TP-ACO

Dear Ms. McNeal:

Frontier Communications, Inc. ("Frontier") submits this executed amendment to the December 7, 2009 Stipulation and Recommendation of the Joint Applicants, Public Utilities Commission Staff, and the Office of the Ohio Consumers' Counsel.

If you have any questions, feel free to contact me at 740-383-0490.

Sincerely,

/s/ Cassandra Cole

Cassandra Cole - Manager
Frontier Communications

attachment

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Frontier)
Communications Corporation, New) Case No. 09-454-TP-ACO
Communications Holdings Inc. and Verizon)
Communications Inc. for Consent)
and Approval of a Change in Control.)

**SECOND AMENDMENT TO THE DECEMBER 8, 2009 STIPULATION AND
RECOMMENDATION OF THE JOINT APPLICANTS, PUCO STAFF AND THE
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

On May 29, 2009, Frontier Communications Corporation (“Frontier”), New Communications Holdings, Inc., and Verizon Communications Inc. (“Joint Applicants”) filed an application seeking approval of a change in ownership whereby Frontier would acquire control of Verizon North Inc. On December 7, 2009, the Staff of the Public Utilities Commission of Ohio (“Commission Staff” or “Staff”), and the parties hereto,¹ being the Joint Applicants and the Office of the Ohio Consumers’ Counsel (“OCC”) (collectively, “Stipulating Parties”), entered into a Stipulation and Recommendation (“Stipulation”) to resolve issues in this proceeding.²

The Stipulation was submitted to the Public Utilities Commission of Ohio (“Commission”) on December 8, 2009. After a hearing on the Stipulation, the Commission approved the application, subject to the commitments expressed in the Stipulation, by Order dated February 11, 2010.

¹ Pursuant to Ohio Adm. Code 4901-1-10 and 4901-1-30, the Staff is a party for purposes of this Stipulation.

² On December 8, 2009, Cincinnati Bell Extended Territories LLC filed a concurrence to the Stipulation.

Among the commitments in the Stipulation, Frontier agreed to meet certain metrics for three years to provide adequate service quality to consumers. Specifically, Frontier agreed to a benefit for customers of maintaining an average 12-month statewide performance level of not more than 1.44 troubles per 100 access lines, of maintaining an average 12-month statewide performance level of not more than 16.2% repeat troubles within thirty days after the initial trouble is cleared, of maintaining an average 12-month statewide performance level of 90% for restoring out-of-service conditions within 24 hours for customers, and of maintaining an average 12-month statewide performance level of 85% for restoring service-affecting conditions within 48 hours for customers. The Stipulation requires Frontier to submit reports to the Commission and OCC to help track Frontier's performance in meeting the service quality metrics for its customers.

Under Section 4.b.ii. of the Stipulation, if Frontier fails to meet one or more of the four service metrics for any two years of this commitment, Frontier will forfeit \$100,000 to the State of Ohio for each of the four service metrics it so failed to meet. In addition, if Frontier fails to meet one or more of the four performance metrics for the three 12-month periods during the term of this commitment, Frontier will forfeit an additional \$100,000 to the State of Ohio for each of the four service metrics it so failed to meet.

The final service quality report Frontier provided to the Commission and OCC shows that Frontier failed to meet the performance metric for repairing customers' out-of-service conditions for three consecutive years. Thus, under the Stipulation, Frontier is required to forfeit an additional \$100,000 to the State of Ohio.³

The Stipulating Parties believe that the public interest would be served if Frontier were required to spend this additional \$100,000 forfeiture on a project that would more directly benefit Frontier's customers. In accordance with Section 5.c. of the Stipulation, the Stipulating Parties therefore recommend that the Commission approve this Second Amendment to Section 4.b.ii. of the Stipulation that would allow this \$100,000 forfeiture to be spent in a manner and time frame to be agreed upon by all the Stipulating Parties. Because the additional \$100,000 is meant to be a penalty for Frontier's failure to meet a commitment for customers in the Stipulation, the Stipulating Parties agree that the objective for use of the funds will be to provide a benefit for customers, and not for the financial benefit or other benefit of Frontier. For example, the funds will not be used for any project already planned or in planning by Frontier, whether planned through the Stipulation, its business plan or otherwise. The funds will be used for a project that has the unanimous agreement of the Stipulating Parties, the terms of which are set forth in Attachment A to this Second Amendment. Frontier shall expend the funds within sixty days of the Commission's approval of this Second Amendment. The Stipulating Parties

³ The Stipulating Parties agreed to a previous amendment to the Stipulation. Amendment to the December 8, 2009 Stipulation and Recommendation of the Joint Applicants, PUCO Staff, and the Office of the Ohio Consumers' Counsel, filed January 9, 2013. Under that amendment, the Stipulating Parties agreed that the \$100,000 should be used for a project to benefit Frontier's customers. The Commission approved the previous amendment in an Entry issued on February 20, 2013, with the proviso that the project be submitted to the Commission for its approval. The project the Stipulating parties agreed to was docketed on April 1, 2013 and, per the February 20, 2013 Entry, the project was approved on May 1, 2013. The effect of the previous amendment was limited to the penalty for Frontier's previous failure to meet the service quality metric and has no bearing on Frontier's most recent failure to meet the service quality metric.

agree that Frontier will fund the project in the amount of the \$100,000 penalty, unless Frontier consents to spending more on the project.

The Stipulating Parties agree that if the Commission rejects this Second Amendment and/or the project set forth in Attachment A, or does not approve the Second Amendment and/or the project within one hundred twenty (120) days, Frontier will remit the \$100,000 to the State of Ohio within 30 days for a forfeiture, as provided in Section 4.b.ii. of the Stipulation. This Second Amendment to the Stipulation is limited to addressing the above-indicated \$100,000 that Frontier currently is obligated to pay, and does not affect any other provisions of the Stipulation, including for any other forfeitures that Frontier may be required to pay under the Stipulation.

The Stipulating Parties also agree that this Second Amendment is not to be deemed binding upon or precedent for the Stipulating Parties in any other proceeding except as provided for elsewhere in this Second Amendment and in the Stipulation. All terms and conditions of the Stipulation not altered by this Second Amendment remain in effect and apply to this Amendment as if it were part of the original Stipulation.

Each of the undersigned Stipulating Parties hereby stipulates, agrees and represents that it is authorized to enter into this Second Amendment to the Stipulation and Recommendation this 7th day of November, 2013.

AGREED TO AND EXECUTED BY:

ON BEHALF OF FRONTIER
COMMUNICATIONS CORPORATION



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ON BEHALF OF THE STAFF OF THE
PUBLIC UTILITIES COMMISSION OF
OHIO



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ON BEHALF OF THE OFFICE OF THE
OHIO CONSUMERS' COUNSEL



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Attachment A

The Parties have unanimously chosen a project that would provide broadband availability near Red Haw, Ohio. Red Haw is located in Ashland County and is currently underserved in regards to terrestrial, high-speed, Internet service. The project would require the placement of a Digital Subscriber Line Access Multiplexer (“DSLAM”) to be located at US250 and CR251 which would be equipped to serve up to 172 households and a second DSLAM to be located at US250 and CR175, which would be equipped to serve up to an additional 132 households.

The project would provide significant direct benefit to Frontier’s customers and would benefit the public interest. According to the Bureau of Labor Statistics, U.S. Department of Labor, Ashland County’s unemployment rate was 6.9 % in August 2013, which was average for Ohio.⁴ In addition, the poverty level in Ashland County, according to the 2010 Census, was 15.6%, compared to Ohio’s statewide poverty level of 14.2%.

⁴Bureau of Labor Statistics, U.S. Department of Labor; Labor Force, Employment & Unemployment from the Local Area Unemployment Statistics (LAUS) Program, August 2013. not seasonally adjusted.

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Case No(s). 09-0454-TP-ACO

Summary: Application AMENDMENT TO STIPULATION electronically filed by Ms. Cassandra F Cole on behalf of Frontier Communications Corporation