

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**IN RE: CITIZENS TELECOMMUNICATIONS COMPANY OF
TENNESSEE, LLC D/B/A FRONTIER COMMUNICATIONS OF
TENNESSEE, LLC TARIFF TO ESTABLISH DIRECTORY ASSISTANCE
RATES**

DOCKET NO. 08-00021

filed electronically 09/19/08

**DIRECT TESTIMONY
OF
TERRY BUCKNER**

September 19, 2008

1 **Q. Please state your name for the record.**

2 A. My name is Terry Buckner.

3

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by the Consumer Advocate and Protec-
6 tion Division (“Consumer Advocate”) in the Office of the Attor-
7 ney General for the state of Tennessee (“Office”) as a Regula-
8 tory Analyst.

9

10 **Q. How long have you been employed in conjunction with the**
11 **public utility industry?**

12 A. I have been employed in conjunction with the public
13 utility industry for approximately thirty years. Before my
14 current employment with the Office, I was employed by the
15 Comptroller’s Office for the state of Tennessee for nearly two
16 years as the Assistant Director responsible for public utility
17 audits after approximately eight years of prior employment
18 with the Office. Formerly, I was employed with the Tennessee
19 Public Service Commission (“Commission”) in the Utility Rates
20 Division as a financial analyst for approximately six years. My
21 responsibilities included testifying before the Commission as to

1 the appropriate cost of service for public utilities operating in
2 Tennessee. Prior to my employment with the Commission, I
3 was employed by TDS Telecom for eight years and the First
4 Utility District of Knox County for three years.

5
6 **Q. What is your educational background and what degrees do**
7 **you hold?**

8 A. I have a Bachelors degree in Business Administration
9 from the University of Tennessee, Knoxville with a major in
10 Accounting. I am also a Tennessee Certified Public Accountant
11 and a member of the American Institute of Certified Public
12 Accountants.

13
14 **Q. Would you briefly describe your responsibilities as a**
15 **Regulatory Analyst with the Consumer Advocate?**

16 A. I prepare testimony and financial exhibits in rate
17 proceedings as an employee with the Consumer Advocate.
18 Additionally, I review tariff filings by the Tennessee Regulatory
19 Authority ("TRA") certificated utilities operating in Tennessee.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to recommend to the
3 TRA the appropriate number of local directory assistance
4 (“DA”) call allowances for Citizens Telecommunication
5 Company of Tennessee, LLC d/b/a Frontier Communications
6 of Tennessee, LLC (“Frontier”).

7

8 **Q. Please describe the business activity of Citizens in**
9 **Tennessee.**

10 A. Citizens Communications Company (“Company”) is an
11 investor owned incumbent local exchange carrier (“ILEC”)
12 with one reportable segment, Frontier.¹ As a result of a merger
13 with Frontier Communications of America, Inc., the Company
14 now offers ILEC services under the “Frontier” name.²
15 Additionally, the TRA approved the merger in Docket #02-
16 001199 dated January 10, 2003. Frontier has ratepayers in the
17 communities of Cookeville, Crossville, Martin, McMinnville,
18 and Sparta. Frontier also has a sister ILEC known as Frontier

¹Citizens Communications Company SEC Form 10-Q for the period March 2008, Page 13, Paragraph (10).

²Citizens Communications Company SEC Form 10-Q for the period March 2008, Page 17.

1 Communications of the Volunteer State with ratepayers in
2 parts of Knox and Grainger counties in East Tennessee.

3
4 **Q. Please describe Frontier's regulatory history in Tennessee.**

5 A. Formerly, Frontier was a rate of return regulated ILEC.
6 The pricing of telecommunication services was based on the
7 cost of service, which included a just and reasonable rate of
8 return for the investor. The Tennessee Public Service
9 Commission ("TPSC") approved Frontier's application to
10 implement Price Regulation on April 12, 1995 in Docket #96-
11 00010. As a result, Frontier's telecommunication services were
12 divided into two categories, Basic Local Exchange Telephone
13 Services and Non-Basic Services as defined in T.C.A. § 65-5-208.
14 Through the Price Regulation mechanism, Frontier's investors
15 were able to retain all of the profits gained from technological
16 efficiencies and corporate synergies. Legislation allowed
17 Frontier greater price flexibility through the use of bundling of
18 services, rate increases for re-grouping, and the elimination of
19 financial reporting requirements.

20 Therefore, Frontier now has wide latitude on the pricing
21 of its services and its costs of services.

1 **Q. Please describe Frontier’s regulatory history for local DA**
2 **service.**

3 A. Prior to Price Regulation, Frontier has provided
4 unlimited DA service at no charge to the ratepayer.
5 Subsequent to Price Regulation, DA was deemed a non-basic
6 service and an ILEC was allowed to set rates within its
7 maximum price headroom. In this docket,, Frontier’s tariff
8 proposes only two free local DA calls per month for residential
9 customers and no call allowances for business customers.
10 Additionally, after the two free call allowance, Frontier is
11 proposing a \$.95 rate per local DA call.

12
13 **Q. What are ratepayers charged for local DA service in areas**
14 **contiguous to Frontier?**

15 A. The cities of Sparta and McMinnville are surrounded by
16 the Ben Lomand Rural Telephone Cooperative, Inc. (“Ben
17 Lomand”), which primarily serves the counties of White,
18 Warren, Van Buren, and Grundy. Ben Lomand presently offers
19 five free local DA calls to its residential and business
20 customers. Ben Lomand charges \$.35 per local DA call after the
21 monthly five free calls are exhausted. Moreover, Ben Lomand

1 has a CLEC operation known as Ben Lomand Communications,
2 Inc. ("BLC"). BLC competes directly with Frontier in the cities
3 of Sparta and McMinnville. BLC's local DA service mirrors
4 that of Ben Lomand.

5 Twin Lakes Telephone Cooperative Corporation ("Twin
6 Lakes") operates in the counties of Fentress, Overton, Jackson
7 and Putnam. These counties are contiguous to Frontier's
8 service areas in the counties of Putnam and Cumberland. Twin
9 Lakes currently provides unlimited free local DA calling
10 service.

11 Highland Telephone Cooperative, Inc. ("Highland")
12 service area includes Morgan county, which borders Frontier's
13 service area in Cumberland county. Highland's local DA
14 service charge is \$.20 per call.

15 Bledsoe Telephone Cooperative Corporation ("Bledsoe")
16 also borders Frontier's service area. Bledsoe charges \$.35 per
17 local DA call.

18 West Kentucky Rural Telephone Cooperative
19 Corporation ("West Kentucky") borders Frontier's Weakley
20 county service area, which includes the city of Martin and
21 charges \$.75 per local DA call.

1 Finally, Frontier is adjacent to AT&T's service areas as
2 well. Currently, AT&T charges \$1.50 per local DA call with one
3 free local DA call allowance.

4
5 **Q. What is Frontier currently charging for local DA service in**
6 **other state tariffs?**

7 A. In the southeast, Frontier has services areas in the states
8 of Florida, Georgia, Alabama, and Mississippi. Presently,
9 Florida's tariff provides an allowance of three local DA calls
10 per month at no charge and a rate of \$.30 per local DA call in
11 excess of three local DA calls per month (Frontier
12 Communications of the South, LLC); the Mississippi tariff
13 indicates a rate of \$.75 per local DA call (Frontier
14 Communications of Mississippi, Inc.); Frontier has three ILECs
15 in Alabama³, which concur with the BellSouth tariff in
16 Alabama. Yet, local DA service for BellSouth in Alabama is de-
17 tariffed. As a result it is not known what the local DA rate is in
18 Alabama for the Frontier ratepayers; and Frontier operates two

³Frontier Communications of Alabama, LLC; Frontier Communications of Lamar County, LLC; and Frontier Communications of the South, LLC.

1 ILECs in Georgia⁴. Again, it is not clear what the local DA rate
2 is for Frontier of Fairmont, Georgia. However, Frontier
3 Communications of Georgia charges \$.85 per local DA call with
4 one free local DA call per month.

5
6 **Q. Do you believe that the proposed local DA call allowance of**
7 **two per customer is in the public interest?**

8 A. No. The proposed reduction in the local DA call
9 allowances would further erode a benefit of subscribing to
10 traditional and affordable wire line telecommunication services
11 in Tennessee. While wireless services and Internet providers
12 offer alternative communication technologies, wire line local
13 DA remains a significant service to Frontier's Tennessee
14 ratepayers.⁵ The proposed reduction in local DA call
15 allowances would create an inequality for Frontier's Tennessee
16 ratepayers when compared to not only most of their
17 southeastern Frontier peers, but to most of their neighbors
18 within the state.

⁴Frontier Communications of Fairmont, Inc. and Frontier Communications of Georgia, Inc.

⁵Frontier response to TRA request #1, dated April 1, 2008; Consumer Advocate request #5, Exhibit 1.

1 Therefore, given the significant usage of local DA by the
2 ratepayers and the potential comparative degradation of
3 service for Tennessee ratepayers, the proposed reduction in
4 local DA call allowances is not in the public interest.

5
6 **Q. Do you believe that the TRA’s denial of the proposed local
7 DA call allowance would financially harm Frontier?**

8 A. No. As previously mentioned, Frontier has wide latitude
9 on the pricing of its services and its costs of services through
10 the Price Regulation mechanism. At no time has the TRA
11 constrained Frontier from reducing rates to meet competitive
12 pressures. Since financial reporting for Tennessee operations is
13 no longer required, there is no evidence that Frontier merits
14 further financial reward at the expense of ratepayers.

15
16 **Q. What is the Consumer Advocate’s recommended free local
17 DA call allowance?**

18 A. The Consumer Advocate recommends that the TRA
19 adopt a free local DA call allowance of at least three calls per
20 month for both residential and business customers for Frontier.
21 This would put Frontier’s Tennessee ratepayer’s on par with its

1 Florida ratepayers.

2

3 **Q. Please summarize your testimony.**

4 A. As a matter of public policy, Frontier's proposed level of
5 two free local DA calls per month and none for business should
6 be denied by the TRA. Simply put, the proposed reduction in
7 local DA service is not in the public interest. For the most part,
8 it is not consistent with the local DA call allowances and local
9 DA rates in Frontier's other southeastern states and
10 telecommunication providers service contiguous to Frontier.
11 Tennessee's ratepayers should not be at the bottom or even
12 near the bottom in value for local DA services. Frontier suffers
13 no financial harm, the DA operators are compensated by
14 Frontier regardless of whether the local DA call is free to the
15 ratepayer or at a price. A free local DA allowance of three calls
16 per month per customer is just and reasonable for Frontier.

17 Therefore, the TRA should not severely erode the value of
18 telecommunication wire-line services from which so many
19 Tennesseans are dependent upon.

20

21

1 Q. Does this conclude your testimony?

2 A. Yes, it does.

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BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: CITIZENS TELECOMMUNICATIONS COMPANY OF
TENNESSEE, LLC D/B/A FRONTIER COMMUNICATIONS OF
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RATES

DOCKET NO. 08-00021

AFFIDAVIT

I, Terry Buckner, Regulatory Analyst, for the Consumer Advocate Division of the
Attorney General's Office, hereby certify that the attached Direct Testimony represents my
opinion in the above-referenced case and the opinion of the Consumer Advocate Division.



TERRY BUCKNER

Sworn to and subscribed before me
this 17th day of Sept., 2008.


NOTARY PUBLIC



My commission expires: Aug. 23, 2011

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**DIRECT TESTIMONY
OF
TERRY BUCKNER**

September 19, 2008

GENERAL SUBSCRIBER SERVICES

Frontier Communications of the South, LLC
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida PSC – Tariff No. 2
Section A3
Original Sheet 6

BASIC LOCAL EXCHANGE SERVICE (Cont'd)

D Advance Payments:

- a. Applications for telephone service may be required to make, prior to the installation of the service, an advance payment equal to the Service Charges applicable plus one month's exchange service charges for the service applied for. In its discretion, the Telephone Company may provide the service applied for prior to receipt of the advance payment. Such action shall not be construed as a waiver of any rights to require such payments for other service for the applicants or other applicants.
- b. In any case where special, unusual or temporary construction is required, the provisions of Section A5. will apply.

E. Directory Assistance Service:

1. General

- a. A charge as follows is applicable for each call to directory assistance except as noted below. (Maximum of two requested telephone numbers per call).

	<u>Rate</u>
a. Each Call	\$.30

In order to make allowance for a reasonable need for Directory Assistance Service, including numbers not in the directory, directory inaccessibility and other similar conditions, no charge applies for the first three (3) calls per month per individual line.

- b. Hotels, Motels, Public Telephones and handicapped individuals are exempt from the charge for Local Directory Assistance.
- c. The following service charges for operator assisted local calls including sent-paid, collect, third number, and credit card calls apply in addition to the local dial rate.
 - (1.) Operator Assistance - Local
 - (a.) Each Call \$1.00
 - (2.) Directory Assistance Service - Toll Rate
 - (a.) Each Call \$.25
 - (b.) Hotel, motels and handicapped individuals are exempt from the charge for toll directory assistance. Text is shown as new due to reissue of tariff. There have been no changes in rates and regulations made with this filing.

Issued By: Richard Burgess,
General Manager

Date Issued: October 4, 1999

Effective: October 30, 1999

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF MISSISSIPPI, LLC
TC-123-1268-00

SCHEDULE NO. V
ORIGINAL SHEET 53

GENERAL EXCHANGE TARIFF

LOCAL DIRECTORY ASSISTANCE SERVICE

General

The rates and allowances set forth below apply two subscriber requests for Directory Assistance Service in determining, or attempting to determine, the telephone number of any party located in, or thought to be located in, the local calling area.

Application of Charges

The charges specified in "Rates" following will be applicable to all subscribers, except:

1. Public and semi-public coin telephone users;
2. Hotel/motel guests and hospital patients;
3. Customers who are unable to use a telephone directory because of a visual or physical handicap which can be confirmed by a physician, appropriate group or agency; and
4. Mobile telephone customers.

Chargeable Calls

For charging purposes a call to Local Directory Assistance is defined as a call:

1. Resulting in obtaining a maximum of two (2) telephone numbers, or
2. Resulting in obtaining no telephone number because there was no such listing or there was a private listing.
- 3.
- 4.
5. There will be a charge for all customer calls to Local Directory Assistance, except as specified above, under "Application of Charges".

ISSUED DATE: 4/1/94

ISSUED BY: Bill M. White, General Manager

ADDRESS: P.O. Box 136, Rienzi, Mississippi 38865

EFFECTIVE DATE: 5/1/94

DOCKET NO.:

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF MISSISSIPPI, LLC
TC-123-1268-00

SCHEDULE NO. V
FIRST REVISED SHEET 54
SUPERSEDING ORIGINAL SHEET 54

GENERAL EXCHANGE TARIFF

LOCAL DIRECTORY ASSISTANCE SERVICE (Continued)

Rates

A charge of \$0.75 will apply for each Local Directory Assistance call in excess of the allowance.

(N)

A surcharge of \$0.75 will be applicable to all calls connected to Local Directory Assistance by the "O" operator, provided that the "O" operator is not the only source for Local Directory Assistance.

(N)

ISSUED DATE: November 30, 2007

EFFECTIVE DATE: December 31, 2007

ISSUED BY: Harlan Galloway, Local Manager

DOCKET NO. 07-UN-123

ADDRESS: P.O. Box 136, Rienzi, Mississippi 38865

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF ALABAMA, LLC

Section 3
Original Sheet 4

S3. CONCURRENCE STATEMENTS

S3.7 ~~LONG DISTANCE OPERATOR SERVICE REQUIRING TELEPHONE NUMBER ASSISTANCE~~

Frontier Communication of Alabama, LLC concurs with the Long Distance Operator Service Requiring Telephone Number Assistance rates, rules and regulations governing such communications as filed with the Alabama Public Service Commission by BELLSOUTH Telecommunications, Inc., together with any amendments or successive issues thereof, and makes itself a party to such rates, rules and regulations.

S3.8 ~~LONG DISTANCE VERIFICATION/INTERRUPTION SERVICE~~

Frontier Communications of Alabama, LLC concurs with the Long Distance Verification/Interruption Service rates, rules and regulations governing such communications as filed with the Alabama Public Service Commission by BELLSOUTH Telecommunications, Inc., together with any amendments or successive issues thereof, and makes itself a party to such rates, rules and regulations.

S3.9 ~~LOCAL DIRECTORY ASSISTANCE SERVICE~~

Frontier Communications of Alabama, LLC concurs with the Local Directory Assistance Service rates, rules and regulations filed with the Alabama Public Service Commission by BELLSOUTH Telecommunications, Inc., together with any amendments or successive issues thereof, and makes itself a party to such rates, rules and regulations. Frontier Communications of Alabama, LLC, hereby expressly reserves the right to cancel this statement of concurrence at any time when it appears that such cancellation is in the best interest of Frontier Communications of Alabama, LLC, subject to the jurisdiction of the Alabama Public Service Commission as it applies.

Issue Date: September 17, 2004
Issued By: Richard Burgess
Title: Director of Operations

Effective Date: October 16, 2004

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF LAMAR COUNTY, LLC

**Section 3
Original Sheet 3**

S3. CONCURRENCE STATEMENTS

S3.5 ~~RESERVED FOR FUTURE USE~~

S3.6 ~~LONG DISTANCE DIRECTORY ASSISTANCE SERVICE~~

Frontier Communications of Lamar County, LLC concurs with the Long Distance Directory Assistance Service rates, rules and regulations governing such communications as filed with the Alabama Public Service Commission by South Central Bell Telephone Company, together with any amendments or successive issues thereof, and makes itself a party to such rates, rules and regulations. Frontier Communications of Lamar County, LLC, hereby expressly reserves the right to cancel this statement of concurrence at any time when it appears that such cancellation is in the best interest of Frontier Communications of Lamar County, LLC, subject to the jurisdiction of the Alabama Public Service Commission as it applies.

S3.7 ~~LONG DISTANCE OPERATOR SERVICE REQUIRING TELEPHONE NUMBER ASSISTANCE~~

Frontier Communications of Lamar County, LLC concurs with the Long Distance Operator Service Requiring Telephone Number Assistance rates, rules and regulations governing such communications as filed with the Alabama Public Service Commission by BELLSOUTH Telecommunications, Inc., together with any amendments or successive issues thereof, and makes itself a party to such rates, rules and regulations. Frontier Communications of Lamar County, LLC hereby expressly reserves the right to cancel this statement of concurrence at any time when it appears that such cancellation is in the best interest of Frontier Communications of Lamar County, LLC, subject to the jurisdiction of the Alabama Public Service Commission as it applies.

S3.8 ~~Long Distance Operator Verification/Interruption Service~~

Frontier Communications of Lamar County, LLC concurs with the Long Distance Verification/Interruption Service rates, rules and regulations governing such communications as filed with the Alabama Public Service Commission by BELLSOUTH Telecommunications, Inc. hereby expressly reserves the right to cancel this statement of concurrence at any time when it appears that such cancellation is in the best interest of Frontier Communications of Lamar County LLC, subject to the jurisdiction of the Alabama Public Service Commission as it applies.

Issue Date: September 9, 2004
Issued By: Richard Burgess
Title: Director of Operations

Effective Date: October 9, 2004

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF THE SOUTH, LLC

**Section 2
Original Sheet 10**

S2. BASIC LOCAL EXCHANGE SERVICE

S2.12 LOCAL DIRECTORY ASSISTANCE SERVICE

A. General

In addition to providing telephone directories to all local exchange service subscribers, Frontier Communications of the South, LLC furnishes Local Directory Assistance Service whereby customers may obtain assistance in determining telephone numbers, names, and directory addresses. The charging application and rates set forth below apply to subscriber requests for Local Directory Assistance Service in determining or attempting to determine the telephone number, name, and/or address of any party located in, or thought to be located in, the local calling area. Local Directory Assistance Service allows a subscriber to provide:

See Concurrence in Section 3.

Issue Date: September 9, 2004
Issued By: Richard Burgess
Title: Director of Operations

Effective Date: October 9, 2004

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF FAIRMOUNT, INC.

Section M
Original Sheet 9

MISCELLANEOUS SERVICES

M.10 Joint User Service (Cont'd)

D. Charges for joint user service are automatically discontinued upon termination of the main contract for service. Charges for joint user service may be discontinued upon request of the subscriber in case the joint user becomes a subscriber to exchange service, similar in classification, i.e., business or residence, as that under which joint user service is furnished, or in case of death the joint user, or in case the joint user moves from the premises at which the exchange service listed is furnished.

E. The monthly rates and charges for joint user service are as follows:

Business, each	\$12.90
Residence, each	\$ 5.60

M.11 Directory Assistance Service

M.11.1 Rates and Charges

All charges for telecommunications service received by a subscriber of this company from other telephone companies and billed to this company, shall be the responsibility of the subscriber incurring such charges.

Issue Date: June 1, 1995
Issued By: N. Kelly Lacey
Title: General Manager

Effective Date: July 3, 1995

GENERAL SUBSCRIBER SERVICES TARIFF

FRONTIER COMMUNICATIONS OF GEORGIA, INC.
STATESBORO, GEORGIA

SECTION F
FIFTH REVISED SHEET 5
SUPERSEDING FOURTH REVISED SHEET 5

DIRECTORY ASSISTANCE AND OTHER SERVICES

All charges for telephone company services received by a subscriber of this company from another company and billed to this company, shall be the responsibility of the subscriber incurring such charge.

A. Directory Assistance Service

1. General

- a. The Company furnishes a Directory Assistance Service for the purpose of aiding subscribers in obtaining telephone numbers.
- b. When a party in Georgia requests assistance in obtaining telephone numbers of customers who are located within the local calling area of the calling party, the charges set forth apply.

2. Rates and Charges

- a. A charge is applicable for each call to directory assistance (maximum of two requested telephone numbers per call).

- 1) Directory Assistance Service within the Company's local calling area for the originating line. (C)
(C)

- a) Each call Rate
\$.85 (I)

- 2) Directory Assistance Service outside the Company's local calling area and LATA/NPA serving areas for originating line. (N)

- a) Each Call \$.85 (N)

- b. Charges for Directory Assistance Service are not applicable to calls received from telephone service furnished for the use of handicapped persons.

- c. No charge applies for the first call per month per residence main station access line.

-

Issue Date: July 28, 2000
Issued By: Richard Howard
Title: General Manager

Effective Date: September 1, 2000