



4 Triad Center, Suite 200
Salt Lake City, UT 84180
Phone: (801) 924-6360
Fax: (801) 924-6363

May 12, 2005

Ms. Jean Jewell
Commission Secretary
IDAHO PUBLIC UTILITIES COMMISSION
472 West Washington Street
Boise, Idaho 83720

RE: Docket No. GNR-T-05-01

Dear Ms. Jewell:

Enclosed please find the comments of Citizens Telecommunications Company of Idaho d/b/a Frontier Communication of Idaho *In The Matter of the Investigation of Intrastate Presubscribed Interexchange Carrier (LPIC) Change Charges.*

Should you have any questions, please direct them to me at 924-6357, or at 4 Triad Center, Suite 200, Salt Lake City, UT 84180, email: Ingo.Henningsen@czn.com.

Sincerely,

Ingo Henningsen
Manager, State Government Affairs

Enclosure

RECEIVED
FILED
2005 MAY 16 PM 2:42
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE INVESTIGATION)
OF INTRASTATE PRESUBSCRIBED) **CASE NO. GNR-T-05-1**
INTEREXCHANGE CARRIER (LPIC))
CHANGE CHARGES) **COMMENTS & RESPONSE**
) **TO INFORMATION**
) **REQUEST OF CITIZENS**
) **COMMUNICATIONS OF**
) **IDAHO, dba FRONTIER**

COMMENTS

Citizens Telecommunications Company of Idaho, dba Frontier Communications of Idaho, (Frontier) believes that action by the Idaho PSC to determine new intrastate presubscribed interexchange carrier change charges (LPIC) to mirror interstate rates is unnecessary and should not be implemented.

First, a pre-subscription rate determined by the PSC will not be applicable to Idaho's largest carrier, Qwest and will likely not long be applicable to other carriers. Qwest is regulated under Title 62 of Idaho statutes, so its rates for LPIC are not subject to PSC approval. It is very likely that Frontier and numerous other Idaho carriers will elect to move to regulation under Title 62 when recently enacted changes to the statute become effective in July. Therefore any changes implemented by this commission will not apply to the vast majority of Idaho customers.

Furthermore, customers should not be confused by different charges for interstate and intrastate carrier changes. The customer's bill will clearly indicate the separate charges and identify them as being for change of their interstate and/or intrastate long distance carrier. Many charges on the customer's bill are already different for intra and interstate services. The Idaho PSC does not mirror the FCC on all charges on the customer's bill. In many cases customers now pay a different rate for the very intrastate and interstate long distance services that they will be asking to have changed to incur the PIC and LPIC charges.

To mirror the Federal charges, the PSC would have to reduce the LPIC charges currently authorized. The amount of the LPIC charge is already very low and should not be a burden to customers. In fact, in the great majority of instances the inter-exchange carrier actually reimburses the customer for these charges, so the actual cost to the customer is zero. On the other hand the LPIC charges do provide a source of revenue to the local carrier. Although admittedly not a large amount, the revenues from LPIC should at a minimum recover the cost of implementing the carrier change. If there are any excess revenues, which is not at all clear, they now contribute to covering the overall cost of

IDAHO PUBLIC
UTILITIES COMMISSION
2005 MAY 16 PM 2:42

RECEIVED
FILED

operations of the company. These lost revenues will have to be made up somewhere else, or the company's rate of return will be reduced without any showing, or even an allegation, that current earnings are excessive. Because the amounts involved are low, companies covered by title 61 could not justify a rate proceeding before the Commission that might be necessary to raise other rates to replace the lost revenues caused by reducing the LPIC charges.

Finally, the FCC has now extended the implementation date of its new PIC change rates to November 1, 2005. Verizon, and Qwest have filed comments with the FCC challenging at least some of the proposed rates. It is therefore, possible that the FCC's rates could change before the final implementation actually occurs. There is no need for this Commission to act now to change rates that may still not match FCC rates when those rates become final.

For all of the above reasons, Frontier recommends that the Idaho PSC not act to make any changes to LPIC rates at this time.

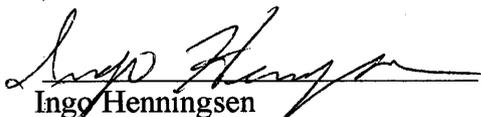
INFORMATION REQUEST

The Commission requested that ILECs "provide their capabilities and actual usage levels of electronic processing for PIC/LPIC changes."

Frontier is capable of electronically processing PIC and LPIC change requests from customer. However, for various reasons, the vast majority of requests are processed manually, as shown below.

During January, 2005 Frontier processed a total of 636 PIC and LPIC changes. Of that amount 121 were electronic. The remaining 515 were processed manually.

Respectfully submitted this 12 day of April, 2005



Ingo Henningsen
Manager, State Government Affairs
Citizens Communications of Idaho dba Frontier