



BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

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In the Matter of the Formal Complaint Against) Docket No. T-01954B-05-0640
 Citizens Utilities Rural Company, Inc. d/b/a)
 Frontier Citizens Utilities Rural Company) ANSWER OF CITIZENS
 Bingaman) UTILITIES RURAL COMPANY,
) INC., D/B/A FRONTIER CITIZENS
 UTILITIES RURAL

Citizens Utilities Rural Company d/b/a Frontier Citizens Utilities Rural ("Frontier") files this Answer in response to the Formal Complaint filed by Ms. Betty Bingaman dated September 2, 2005 and received by Frontier on September 12, 2005. The Bingaman residence is approximately 2,375 feet beyond Frontier's existing telephone cable and facilities. As described herein, Frontier has complied with the provisions of Section 14 of the local tariff, which pertain to outside plant facilities and line extension charges. Frontier has properly assessed a line extension charge of \$7,872 associated with running telephone facilities and providing telephone service to the Bingaman residence. Accordingly, the Bingaman Complaint should be dismissed.

BACKGROUND

Mr. And Mrs. James (Betty) Bingaman ("Bingaman") placed an order for telephone service with Frontier on February 25, 2005 for the Bingaman residence at 11078 Alvis Road, Yucca Arizona. Because this was a new home, Frontier conducted an engineering study to determine if it had facilities in place near the Bingaman's residence to provide telephone service. Based on the distance from the existing Frontier telephone facilities to the Bingaman residence, Frontier determined that line extension charges in the amount of \$9,200, as described in section 14 of its tariff on file with the ACC, would apply. The line extension charge was based on the need to construct nine aboveground telephone poles to run approximately 2,375 feet of telephone cable to reach the Bingaman home. In May 2005 Frontier re-visited the Bingaman residence location and it was determined that three new

1 power poles had recently been constructed between Frontier's existing telephone plant facility
2 and the Bingaman residence, thereby eliminating the need for Frontier to install all of the nine
3 aboveground telephone poles to provide service to the Bingaman residence. As a result,
4 Frontier revised the line extension charge estimate to reflect these reduced costs. Frontier
5 provided the revised line extension charge total of \$7,872 to the Bingamans. The Bingaman
6 Complaint asserts that they should not be required to pay a line extension charge (beyond the
7 standard \$60 service activation charge) associated with Frontier providing telephone service to
8 their residence. Bingaman also raises an issue with a neighbor who paid substantially less for
9 line extension charges. Bingaman requests that Frontier either install telephone service with no
10 additional line extension charges or Frontier purchase the Bingaman residence and lot for
11 \$155,818.00 as identified in the Complaint.

12 **RESPONSE**

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14 As described above, Bingaman has complained about Frontier's charges for extending
15 outside plant facilities to their rural home in Yucca. Frontier does not have telephone plant
16 facilities near the Bingaman residence. The closest telephone facilities are 2,375 feet away.
17 Frontier would be required to install new aerial telephone cable and telephone poles to provide
18 service to the Bingaman residence.

19 Pursuant to the terms and conditions in section 14.1 of its Telephone Services Tariff,
20 Frontier will extend its telephone facilities and lines without charge to the customer provided
21 that the cost of constructing the required line extension does not exceed seven times the
22 estimated annual exchange revenue from that customer. However, per the terms of the Tariff,
23 if the line extension requirements of a customer exceed seven times the estimated revenue, a
24 line extension construction charge for the facilities in excess of the allowances specified above
25 must be paid in advance. The line extension construction charges in Frontier's Tariff are
26 intended to prevent the unreasonable burdening of the general body of existing customers from
27 extraordinary construction costs like the costs to provide service to the Bingaman residence.
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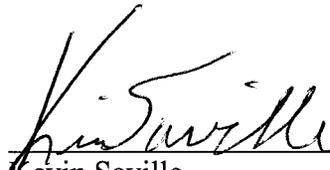
1 Frontier has calculated and advised Bingaman that the line extension construction cost
2 to provide telephone service would be \$7,872. This calculation of construction charges is
3 based on Frontier's Tariff. Frontier has evaluated other potential options for providing
4 telephone service to the Bingaman residence, such as buried cable, however these costs are
5 higher than the \$7872 construction cost calculated by Frontier.

6 In the Complaint, Bingaman also asserts that she should not be subject to a construction
7 line extension charge because her neighbors were not required to pay a construction charge and
8 that she should only be required to pay a \$60 service activation fee because this is the charge
9 identified when she first contacted Frontier regarding service. The Bingaman neighbors were
10 not subject to a line construction charge because their homes were much closer to Frontier's
11 existing telephone cable and facilities. In addition, poles were in place from Frontier's
12 telephone facilities to the neighbor's residence. In short the other residences in the area are
13 much closer to established facilities and as a result, line extension charges did not apply.
14 Customers requesting service with Frontier are normally charged a set-up fee of \$60.
15 Bingaman was advised of this standard tariff charge when they initially requested service.
16 However, in this situation, until the order was placed for service and Frontier could send a
17 technician to the service site to determine the location of the Bingaman residence relative to its
18 existing telephone plant and facilities, Frontier could not identify and calculate the line
19 extension construction charges per its Tariff. The Frontier representative that initially received
20 the Bingaman service request would have no way to determine if telephone facilities were
21 available to the Bingaman address. Once the site investigation was completed, Frontier
22 calculated and notified Bingaman of the line extension charge per its Tariff.

23 CONCLUSION

24 Frontier has complied with all provisions of Section 14 of the local Tariff in assessing a
25 line extension charge of \$7,872 to provide telephone service to the Bingaman residence.
26 Accordingly, the Bingaman complaint should be dismissed.
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1 RESPECTFULLY SUBMITTED this 30th day of September 2005.

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5 Kevin Saville
6 Associate General Counsel
7 Citizens Communications Company
8 2378 Wilshire Blvd.
9 Mound, Minnesota 55364
10 (952) 491-5564 Telephone
11 (952) 491-5515 Facsimile
12 ksaville@czn.com

13 Original and fifteen copies filed this
14 30th day of September 2005, with:

15 Docket Control
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

19 Copies of the foregoing mailed/delivered
20 this 30th day of September, 2005, to:

21 Lyn Farmer
22 Chief Administrative Law Judge
23 Hearing Division
24 Arizona Corporation Commission
25 1200 West Washington
26 Phoenix, Arizona 85007

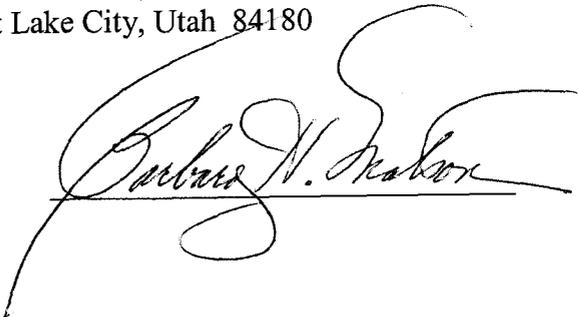
27 Christopher Kempley
28 Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 Ernest Johnson
2 Director, Utilities Division
3 Arizona Corporation Commission
4 1200 West Washington
5 Phoenix, Arizona 85007

5 Brian C. McNeil
6 Executive Secretary
7 Arizona Corporation Commission
8 1200 West Washington
9 Phoenix, Arizona 85007

9 Curt Huttzell
10 Manager, Government & External Affairs
11 Citizens Utilities Rural Company, Inc.
12 3 Triad Center, Suite 160
13 Salt Lake City, Utah 84180

14 By:

A handwritten signature in cursive script, appearing to read "Barbara W. Nelson", is written over a horizontal line. The signature is positioned to the right of the word "By:".

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