

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: February 9, 2011

AT (OFFICE): NHPUC

FROM: Jennifer Ducharme, Utility Analyst 

SUBJECT: DT 11-013 Merrimack County Telephone Company
Tariff filing to add Dedicated Ethernet Service

TO: Commissioners
Debra Howland, Executive Director
Kate Bailey, Director, Telecommunications

On January 14, 2011, Merrimack County Telephone Company (MCTC) filed revised tariff pages to NH PUC Tariff No. 9, adding Dedicated Ethernet Service for effect on February 14, 2011.

Dedicated Ethernet Service provides a packet-switched point-to-point arrangement for customers requiring high bandwidth data applications between their locations. The service is offered based on speeds ranging from 1.5 to 10 Mbps, and on term agreements ranging from 12 to 60 months. The Dedicated Ethernet Service arrangement requires a minimum of 2 customer premise locations, but allows multi-location arrangements within the Company's local exchanges. Customers who cancel service prior to the completion of the term agreement period are subject to termination charges.

MCTC provided proposed tariff pages and confidential cost analyses with its filing. In the cover letter dated February 9, 2011, MCTC stated the filing contains confidential, commercial, and financial information exempt from public disclosure under RSA 91-A:5, IV.

MCTC filed additional confidential cost information on February 7, 2011, as requested by Staff pursuant to NH Code of Admin. Rules, Puc 1605.02(c). The revenue impact of the tariff change is estimated to be an increase of \$21,600 in the first year of availability, which equates to an overall 1% change in annual revenue.

In Staff's assessment, the packages in this tariff filing are designed to provide pricing and features that will attract and retain larger customers, particularly those seeking flat rate monthly packages for their high bandwidth needs. The prices of these packages exceed their cost, and thus pass the price floor analysis. Therefore, Staff recommends that this tariff filing be allowed to go into effect as submitted.