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STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 17, 2010

AT (OFFICE): NHPUC

David

FROM: David Goyette, Utility Analyst III - Telecommunications

SUBJECT: DT 10-202 Fairpoint Communications - NNE
Amendment to Special Contracts with TD Bank, N.A. for ISDN-PRI
and Centrex Service

TO: Debra Howland, Executive Director
Kate Bailey, Director – Telecommunications
Michael Ladam, Assistant Director - Telecommunications

On July 29, 2010, Northern New England Telephone Operations LLC d/b/a Fairpoint Communications - NNE (Fairpoint) filed a special contract amendment that combines and extends two formerly separate existing special contracts with TD Bank, N.A. (formerly TD BankNorth, N.A.). The existing contracts were filed and allowed to go into effect under Docket Nos. DT 09-061 (for Digital Centrex Service) and DT 09-164 (for ISDN-PRI Service). Under the amendment, Fairpoint will extend, by two additional years, the term of the existing Digital Centrex Service contract, and, by one additional year, the term of the existing ISDN-PRI Service contract, with both services at rates lower than in the existing contracts. Under the amendment, TD Bank, N.A. may terminate up to 25% of the Digital Centrex Service lines without termination liability; otherwise termination liability is based on rates set forth in the amended contract. In support of the filing, Fairpoint submitted records and information, including contract terms and conditions, which are subject to confidential treatment pursuant to RSA 378:43.

Staff has reviewed the cost study data submitted by Fairpoint and confirmed that the contract rates exceed the price floor requirements as defined in Order Nos. 23,357 and 23,493 (Docket No. DT 99-018). Based on its analysis, Staff recommends that the special contract be allowed to go into effect pursuant to RSA 378:18-b, II(a).