STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: October 12, 2010 **AT (OFFICE):** NHPUC

David

FROM: David Goyette, Utility Analyst III - Telecommunications

SUBJECT: DT 10-259 FairPoint Communications - NNE

Special Contract with Edward D. Jones & Co., L.P. for Basic Busine

Service

TO: Debra Howland, Executive Director

Kate Bailey, Director - Telecommunications

On September 24, 2010, Northern New England Telephone Operations LLC d/b/a Fairpoint Communications - NNE (Fairpoint) filed a special contract between FairPoint and Edward D. Jones & Co., L.P. Under the contract, FairPoint will provide Edward D. Jones & Co., L.P. with basic business service for a period of 36 months at tariff rates. During the term of the contract Edward D. Jones & Co., L.P. may terminate up to 20% of its basic business service lines without termination liability; otherwise termination liability is based on rates set forth in the 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).