

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DT 11-____

**Petition by Union Telephone Company for
Approval of an Alternative Form of Regulation**

Union Telephone Company ("Union"), a New Hampshire corporation and a public utility operating within the jurisdiction of the New Hampshire Public Utilities Commission (the "Commission"), hereby petitions the Commission pursuant to RSA 374:3-b for approval of an alternative form of regulation. In support of its petition, Union states as follows:

1. Union has its principal place of business at 7 Central Street, Farmington, New Hampshire, and provides telecommunications service, including exchange service and exchange access service, within the following exchanges: Alton, Barnstead, Center Barnstead, Gilmanton Iron Works, and New Durham.
2. Union is an incumbent local exchange carrier and a rural telephone company as each of those terms is defined in the Telecommunications Act of 1996.
3. Union is a wholly-owned subsidiary of TDS Telecommunications Corporation ("TDS"). Other incumbent local exchange carrier subsidiaries of TDS in New Hampshire are Merrimack County Telephone Company, Kearsarge Telephone Company, Wilton Telephone Company, Inc. and Hollis Telephone Company, Inc.
4. Union serves fewer than 25,000 access lines.

5. Union proposes to adopt an alternative form of regulation in accordance with the terms contained in an “Alternative Regulation Plan of Union Telephone Company” attached hereto as Exhibit 1 (the “Plan”).

6. Competitive wireline service is available to a majority of the retail customers in each of the exchanges served by Union.

7. The Plan provides for maximum basic local service rates at levels that do not exceed the comparable rates charged by the largest incumbent local exchange carrier operating in New Hampshire (i.e., Northern New England Telephone Operations LLC, d/b/a FairPoint Communications-NNE) and that do not increase by more than ten percent (10%) in each of the four (4) years after the Plan is approved, with the exception that the Plan provides for additional rate adjustments, with this Commission’s review and approval, to reflect changes in federal, state or local government taxes, mandates, rules, regulations or statutes.

8. The Plan promotes the offering of innovative telecommunications services within New Hampshire.

9. The Plan meets intercarrier service obligations of Union under other applicable laws.

10. The Plan preserves universal access to affordable basic service.

11. The Plan provides that, if Union subsequently fails to meet any of the conditions set out in RSA 374:3-b, this Commission, after notice and hearing, may require Union to propose modifications to the Plan or return to rate-of-return regulation.

12. The Plan allows Union to offer bundled services that include combinations of telecommunications, data, video and other services.

13. The Prefiled Direct Testimony of Thomas E. Murray in support of the Petition and the Plan is attached hereto as Exhibit 2.

14. The testimony of Mr. Murray and the contents of the Plan itself demonstrate that Union is eligible to obtain approval of an alternative form of regulation under RSA 374:3-b and that the Plan meets the requirement for approval under that statute.

15. Approval of the Plan will better enable Union to meet the competitive demands of the marketplace while continuing to provide universal basic telephone service at affordable rates.

16. Under the Plan, Union will continue to serve as the provider of last resort within its exchanges.

WHEREFORE, Union respectfully requests that this Commission:

A. Order such notice and conduct such hearings as the Commission may deem appropriate;

B. Following such notice and hearing, make a finding that the Plan meets the requirements for approval under RSA 374:3-b and issue an order approving the Plan; and


C. Make such other findings and enter such further orders as the Commission may deem just and reasonable.

Respectfully submitted,

UNION TELEPHONE COMPANY

By: PRIMER PIPER EGGLESTON & CRAMER PC,
Its Attorneys

Dated: February 2, 2011

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