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STATE OF NEW HAMPSHIRE

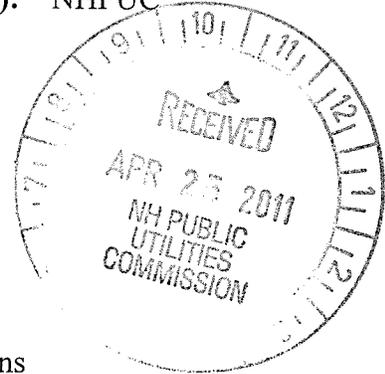
Inter-Department Communication

DATE: April 22, 2011
AT (OFFICE): NHPUC

FROM: Jennifer Ducharme, Utility Analyst JD

SUBJECT: DT 11-084, Union Telephone Company
Tariff filing to add STAR Business Bundles

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



On April 13, 2011, Union Telephone Company (Union) filed a revision to its NH PUC Tariff No. 7 adding two STAR Business Bundles, for effect on May 13, 2011.

The two optional STAR Business Packages offer a bundled price for basic service with a choice of features, and a specified amount of TDS long distance service. Both bundles require a subscription to TDS' high speed data service, at an additional cost. Customers who opt to subscribe to these plans can choose from 3 rate terms, depending on the length of their contract. Customers can choose month-to-month rates, 1 year commitment rates or 2/3 year commitment rates. Termination charges apply to customers under a 1, 2, or 3 year contract, if they terminate before the end of their contract period.

Union provided revised tariff pages and confidential cost analyses with its filing. The revenue impact of the tariff change is estimated to be a reduction of \$6,894.48 in the first year of availability, which equates to an overall 43% decrease in annual revenue associated with the business customers subscribing to these bundles.

In Staff's assessment, the bundles in this tariff filing are designed to provide pricing and features that will attract and retain business customers, particularly those seeking flat rate monthly packages. The prices of these bundles 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.