

STATE OF NEW HAMPSHIRE

Inter-Department Communication

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DATE: May 27, 2011
AT (OFFICE): NHPUC

FROM: Jennifer Ducharme, Utility Analyst 
SUBJECT: DT 11-098, FairPoint Communications – NNE Tariff Revision
Business Basic Exchange POTS Service Terms, Language Change
TO: Commissioners
Debra A. Howland, Executive Director
Kate Bailey, Director, Telecommunications

On May 4, 2011, Northern New England Telephone Operations LLC d/b/a FairPoint Communications – NNE (FairPoint) submitted a tariff filing to revise certain tariff language pertaining to Basic Exchange Service term commitments for business customers in its NHPUC Tariff No. 83. Monthly rates for business customers subscribing to term commitments are reduced as the length of the term commitment increases, but include termination charges when a customer discontinues service before the end of the agreed upon term.

When the term expires, the language currently in the tariff allows the customer to either renew the term commitment, arrange for termination of service or convert to month-to-month service. In the event the customer does not select one of these options before the term expires, a new term commitment is automatically begun for the same length of time as the original commitment (i.e. an additional 1, 2 or 3 year term depending on which term the customer initially opted into). The new term commitment is subject to the original termination charges if the customer chooses to discontinue service after the new term begins.

The proposed language change states that at the end of the customer's term, the agreement will automatically be renewed at the same terms and conditions unless either party provides advanced notice that it does not wish to renew the term. The language change also provides for a 60 day grace period at the beginning of each subsequent automatic renewal for the subscriber to unsubscribe from the plan without incurring a penalty.

In Staff's assessment, the proposed language change provides an added benefit to customers in regard to the 60 day grace period. However, Staff is concerned that customers are currently not being provided with adequate notice that the end of their term agreement is approaching, and the proposed revision does not address that concern. FairPoint noted that the customers' assigned account managers are responsible for the task of notifying business customers that their term agreement is reaching expiration, but that no formal process for doing so has been followed in the past. In response to Staff inquiries, FairPoint stated that it is developing a new plan which involves sending customers a letter notifying them that their term is approaching the auto-renewal period.

Staff recommends that this tariff filing be allowed to go into effect by operation of law. Additionally, Staff recommends that the Commission require that the plan to notify customers as the term is reaching expiration, be implemented and executed for all customers subscribing to these services going forward.