STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: July 24, 2020 **AT (OFFICE):** NHPUC

FROM: Kath Mullholand, Director, Regulatory Innovation and Strategy Amanda Noonan, Director, Consumer Services and External Affairs

- SUBJECT: DT 20-068 Sprint Communications Company L.P. Request for Rate Adjustment Staff Recommendation
 - **TO:** Commissioners Debra Howland, Executive Director

On May 6, 2020, Sprint Communications Company L.P. (Sprint) filed a request for rate adjustment for the provision of telecommunications relay services (TRS) to New Hampshire consumers. Sprint's request sought to transition its pricing package from a per-minute charge to a Monthly Recurring Charge (MRC), with a rate to be in effect for at least five years. Sprint's request would include all services it currently provides in the MRC: 1) TRS, 2) Speech-to-Speech (STS), 3) Captioned Telephone (CapTel), and 4) Outreach; additionally Sprint would include two new services in the MRC: 1) Spanish-to-Spanish relay, and 2) automated 711. Sprint also proposed an additional new service, Relay Conference Captioning (RCC), at an additional per-minute rate. Sprint requested confidential treatment of certain information, including its proposed pricing. In its request, Sprint stated that rising costs and declining call volumes results in higher per-minute costs, and make transitioning to a MRC popular in states with traffic profiles similar to New Hampshire.

On September 10, 1991, the Commission granted Sprint a franchise to provide TRS to New Hampshire customers in accordance with a Stipulation Agreement for Cost Recovery between all local exchange companies operating in New Hampshire and Staff. *See Dual Party Relay Service-Telecommunications Relay Service*, Order No. 20,236, in Docket No. DE 90-225. In that order, the Commission stated that its analysis relating to the selection of a service provider was geared towards selecting the highest cost-effective quality of service. Since that time, Sprint has continuously provided TRS services to New Hampshire customers, subject to Commission oversight and approval of rate and service changes. *See, e.g., Sprint Communications Company, L.P.*, Order No. 23,178 (March 30, 1999); *Sprint Communications Company, L.P.*, Order No. 25,629, (February 18, 2014).

Following the prehearing conference in this matter on June 19, 2020, Sprint and Staff engaged in a round of discovery from Staff to Sprint. Staff reviewed Sprint's request and its responses to discovery to determine if Sprint's proposed TRS rates are reasonable. Staff compared the annual rate total for TRS services included in Sprint's MRC, plus Sprint's

estimated cost for RCC services, against the TRS Fund. Staff believes that the TRS Fund balance would be sufficient to cover all projected expenditures during the coming five years without an increase to the charge currently collected in local exchange rates. Staff determined that RCC services are offered in every other New England state where Sprint is the TRS provider (CT, ME, RI, and VT).

Based on its review, Staff believes that the proposed rates are reasonable and recommends that the Commission grant Sprint's request, including the authorization of RCC services, under the terms proposed by Sprint.