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STATE OF NEW HAMPSHIRE

Inter-Department Communication

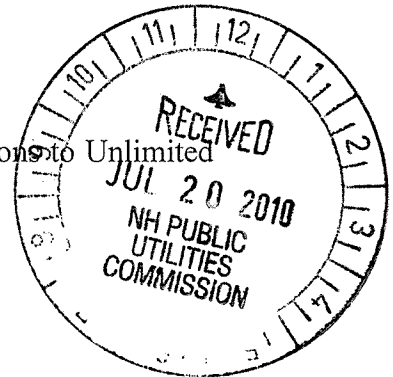
DATE: July 20, 2010

AT (OFFICE): NHPUC

FROM: Jennifer Ducharme, Utility Analyst *JD*

SUBJECT: DT 10-176 FairPoint Communications –Tariff Revisions to Unlimited Dial Tone Line and CustoPAK Business Bundles

TO: Debra Howland, Executive Director
Kate Bailey, Director, Telecommunications



On June 22, 2010, Northern New England Telephone Operations LLC d/b/a FairPoint Communications – NNE (FairPoint) submitted a tariff filing to revise its Unlimited Dial Tone Line (DTL) and Unlimited CustoPAK Business Bundles.

The purpose of the revision is to introduce a change in Regional Bundles which will be available to business customers with 1 to 25 access lines. The revised bundle provides limited rate reductions and adds additional options of 1 to 3 year terms to the existing bundles. The bundle options include an access line with unlimited local calling, unlimited intrastate toll, a choice of interstate long distance with FairPoint Long Distance and a combination of choices for calling features, such as call forwarding, caller ID, call waiting, etc.

Staff reviewed the filing and has found 2 areas of the proposed tariff which could be considered confusing to the reader. In NHPUC Tariff No. 83, Part A, Section 15, Page 31 at 15.17.1.A, 1, FairPoint notes that its Unlimited DTL Basic Package includes, among other things, a choice of one to thirteen calling features for the customer to choose from. The options are: Call Waiting, Three-Way Calling, Call Forwarding, Call Forwarding II (Busy, Don't Answer or Busy/Don't Answer) a choice of one business Caller ID service, Anonymous Call Rejection, Speed Dial 8, Speed Dial 30, Distinctive Ring, Busy Redial (*66), Call Return (*69) and an unspecified non-regulated service.

When first read, it seems as though FairPoint is only listing 12 options from which the customer can choose. FairPoint explained that its Call Forwarding II option is actually broken down into 2 separate options because a customer must choose from either:

- (a) Call Forwarding II - which forwards the call regardless of whether the line is busy or if there is no answer, and;

- (b) Call Forwarding II Busy, Don't Answer - which the customer chooses one option to either have calls forwarded only when their line is busy (but not when there is no answer), or only when there is no answer (but not when the line is busy).

Staff recommends that FairPoint clarify this section of the tariff and list all thirteen possible options, including both Call Forwarding II options, in the language of this section.

The next section that Staff believes needs to be clarified is in NHPUC Tariff No. 83, Part A, Section 15, Page 35 at 15.17.3.E, regarding termination liability. The wording the tariff reads as follows: Pricing will remain the same during any automatic renewal unless the Telephone Company has provided 30 days notice of any change.

Staff questioned FairPoint regarding this language because, as written, it seemed as though FairPoint could raise a customer's rate during their term, as long as the customer was provided 30 days notice. Staff found this especially concerning since the customer is subject to termination charges under the term agreement. FairPoint clarified that if there was an approved change to the tariff which would affect the customer's rate, the customer would be notified of the change in writing and the change to the customer's rate would only take effect upon auto renewal at the end of the customer's current term. The customer also has the option at the end of their term, to not renew the contract.

Staff believes the current language in this section of the tariff does not clearly deliver FairPoint's explanation of the issue and recommends that FairPoint add clarification language to this section so that customers can better understand the pricing and termination guidelines of the bundle.

Staff has conducted a price floor analysis and concludes that the price of the regulated bundled services involved exceed the cost. Staff recommends that the tariff go into effect by operation of law on July 22, 2010, and that FairPoint be required to clarify the tariff sections as described above in its compliance filing.