

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 25, 2010

AT (OFFICE): NHPUC

ML

FROM: David Goyette, Utility Analyst III - Telecommunications

SUBJECT: DT 10-222 Fairpoint Communications - NNE
Special Contract with PayChex for Basic Business Service

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

On August 20, 2010, Northern New England Telephone Operations LLC d/b/a Fairpoint Communications - NNE (Fairpoint) filed a special contract between Fairpoint and PayChex. Under the contract, Fairpoint will provide PayChex with basic business service for a period of 24 months. During the term of the contract PayChex may terminate up to 20% of its basic business service lines without termination liability; otherwise termination liability is based on rates set forth in the contract. Also during the term of the contract, PayChex can order additional lines at the rates set forth in the contract. In support of the filing, Fairpoint submitted records and information, including contract terms and conditions, which are subject to confidential treatment pursuant to RSA 378:43.

Staff has reviewed the cost study data submitted by Fairpoint and confirmed that the contract rates exceed the price floor requirements as defined in Order Nos. 23,357 and 23,493 (Docket No. DT 99-018). Based on its analysis, Staff recommends that the special contract be allowed to go into effect pursuant to RSA 378:18-b, II(a).