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STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 12th, 2010
AT (OFFICE): NHPUC

FROM: Les Stachow

SUBJECT: DT 10-227 Chichester, Kearsage & Meriden Telephone companies Intrastate Access Service Tariff (NHPUC No 1);
Union Telephone Company, Intrastate Access Service Tariff (NHPUC No 10);
Hollis Telephone Company, Intrastate Access Service Tariff (NHPUC No 12);
Wilton Telephone Company, Intrastate Access Service Tariff (NHPUC No 6);
Merrimack County Telephone Company, Intrastate Access Service Tariff (NHPUC No 8);
Proposed revision of Jurisdictional Report Requirement Provisions for Switched Access,
collectively, the TDS companies.

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

Introduction

On August 30th, 2010, TDS filed proposed revisions to the tariff pages for each of the above mentioned companies as follows:

- Chichester, Kearsage & Meriden Telephone companies Intrastate Access Service Tariff (NHPUC No 1); Section 2, First Revised Sheets: 2-19 to 2-23;
- Union Telephone Company, Intrastate Access Service Tariff (NHPUC No 10); Section 2, Second Revised Sheets:14-19;
- Hollis Telephone Company, Intrastate Access Service Tariff (NHPUC No 12); Section 2,Second Revised Sheets: 12.1 to 12.6;
- Wilton Telephone Company, Intrastate Access Service Tariff (NHPUC No 6); Section 2, Second Revised Sheets 15-20;
- Merrimack County Telephone Company, Intrastate Access Service Tariff (NHPUC No 8);Section 2 Second Revised Sheets 15-20

in order to revise the jurisdictional report requirement provisions and include language to establish a 10% cap for terminating access minutes when they lack originating number information needed to determine the jurisdiction. The proposed tariffs were filed with an October 1st, effective date.

TDS Tariff Proposal

According to TDS representative Tom Murray, a number of long distance carriers neglect to furnish call originating data for traffic which they terminate on TDS Companies network. As a result TDS is unable to distinguish the traffic jurisdiction for billing purposes and thus believes that the majority of the traffic is settled at the interstate rate.

Under the terms of the proposed tariff revision, the following sequence of events is proposed:

(a) During the initial order the carrier submits its anticipated percentage of interstate use for terminating minutes which serves as a default allocation factor for billing.

(b) When sufficient call detail is furnished to the telephone company to determine the terminating access Minutes of Use, the bills rendered are based on the actual call data.

(c) When the telephone company receives insufficient call detail to determine the jurisdiction of the terminating access minutes it applies the interstate access rate according to the percent interstate use factor reported by the carrier.

(d) Under the proposed revision, when a carrier does not provide originating number data in order to determine jurisdiction, the proposed tariff applies a 10% cap on the carrier's switched access terminating minutes billed at the interstate rate. Thus if (i) the percentage of terminating traffic without adequate call detail is less than 10%, the company will apply the prior established percentage interstate use factor to all traffic without sufficient call detail. If (ii) the percentage of terminating traffic without adequate call detail is greater than 10%, the company will assume that 10% of the traffic is interstate and will assess the intrastate terminating access rate on all minutes above the 10%.

Staff analysis

(1) The TDS companies are concerned that they are not capturing all the revenues to which they are entitled for completion of other carriers switched access traffic. The settlement rate for intrastate traffic is substantially higher than the interstate rate.

(2) There is evidence from the marketplace that some intermediary carriers are prone to strip call detail precisely to render difficult any assessment of the jurisdictional nature of a call.

(3) The Verizon tariff, adopted by FairPoint, has a comparable provision but with a 7% cap, authorized in DT 07-110 with an effective date of November 8th, 2007.

(4) Staff has confirmed that the National Exchange Carrier Association, (NECA), in its Access Service Tariff No 5 on file with the FCC, has adopted similar methodology to recapture lost revenues from jurisdictionally unidentifiable traffic.

Staff recommendation

Staff believes that it would be fair and equitable for the TDS companies to be able to effectively capture all intrastate and interstate call completion revenues to which they are entitled. This mechanism will incentivize the carriers to first capture and then furnish all the required call detail.

Staff therefore recommends acceptance of the revised tariff as filed.