STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: December 6, 2010 **AT (OFFICE):** NHPUC

FROM: David Goyett

David Goyette, Utility Analyst III - Telecommunications

SUBJECT: DT 10-313 FairPoint Communications - NNE

Special Contract with Demoulas Market Basket for Basic Business

Service

TO: Debra Howland, Executive Director

Kate Bailey, Director - Telecommunications

On November 29, 2010, Northern New England Telephone Operations LLC d/b/a FairPoint Communications - NNE (FairPoint) filed a special contract between FairPoint and Demoulas Market Basket. Under the contract, FairPoint will provide Demoulas Market Basket with basic business service for a period of 36 months. The contract includes special language regarding termination liability and an obligation for Demoulas Market Basket to maintain a minimum of 115 lines. 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).