

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

March 1, 2011 - 10:08 a.m.
Concord, New Hampshire

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RE: DT 11-024
UNION TELEPHONE COMPANY, INC.:
Petition for Approval of an Alternative
Form of Regulation.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below

Sandy Deno, Clerk

APPEARANCES: Reptg. Union Telephone Company:
Paul J. Phillips, Esq. (Primmer Piper...)

Reptg. Residential Ratepayers:
Rorie E. P. Hollenberg, Esq.
Stephen Eckberg
Office of Consumer Advocate

Reptg. PUC Staff:
Matthew J. Fossum, Esq.
Kate Bailey, Director/Telecom Division
Michael Ladam, Telecom Division

Court Reporter: Steven E. Patnaude, LCR No. 52

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1 P R O C E E D I N G

2 CHAIRMAN GETZ: Okay. Good morning,
3 everyone. We'll open the prehearing conference in Docket
4 DT 11-024. On February 4, 2011, Union Telephone filed a
5 petition for an Alternative Form of Regulation pursuant to
6 RSA 374:3-b. We issued an order of notice on February 14
7 that set the prehearing conference for this morning. I'll
8 point out for the record that the Office of Consumer
9 Advocate has filed notice that it would be participating
10 in this proceeding, and that the Company has filed its
11 affidavit of publication. There does not appear to be any
12 other petitions to intervene.

13 So, let's just take appearances, and
14 then we'll start with the opportunity for the Petitioner
15 to give its statement of the case. Mr. Phillips.

16 MR. PHILLIPS: Thank you, Mr. Chairman,
17 Commissioner Below. I'm Paul Phillips, from the Primmer,
18 Piper, Eggleston & Cramer, appearing today for Union
19 Telephone Company. And, accompanied by Mr. Tom Murray,
20 who is the Manager of External Relations for TDS Telecom,
21 which is Union's parent company. And, Mr. Murray is the
22 manager for New Hampshire.

23 CHAIRMAN GETZ: Good morning.

24 MS. HOLLENBERG: Good morning. Rorie

1 Hollenberg and Stephen Eckberg, here for the Office of
2 Consumer Advocate.

3 CHAIRMAN GETZ: Good morning.

4 MR. FOSSUM: And, good morning. Matthew
5 Fossum, for the Staff of the Commission. And, with me
6 today are Kate Bailey and Michael Ladam from Commission
7 Staff.

8 CHAIRMAN GETZ: Good morning. Mr.
9 Phillips.

10 MR. PHILLIPS: Thank you, Mr. Chairman.
11 Union Telephone has filed for approval of an Alternative
12 Form of Regulation pursuant to RSA 374:3-b. As you know,
13 Union is a New Hampshire affiliate of TDS Telecom. Four
14 other TDS Telecom affiliates have previously filed for
15 alternative forms of regulation under the same statute.
16 The purpose of the filing is to bring Union into a status
17 that is consistent with the other TDS companies. But, as
18 you can see from the Petition and the exhibits that we
19 filed, there is a compelling distinction in Union
20 Telephone's case, which is that there is a competitive
21 alternative, in the form of Metrocast Cablevision, that is
22 serving most, if not all, of the exchanges of Union
23 Telephone Company right now. And, so, the timing here is
24 very crucial for us.

1 Part of our petition filing was a public
2 exhibit, Exhibit G -- or, Exhibit 2, Attachment G, which
3 shows that Union Telephone, over the course of the last
4 six years, has lost 32.5 percent of its access lines.
5 And, nearly half of those line losses occurred in the year
6 2010. And, so, we have a situation where competitors,
7 that are not regulated in the same fashion, are operating,
8 competing very actively in Union Telephone's territory.
9 And, so, the petition today is an attempt to bring some
10 parity, some rough parity to Union's status in relation to
11 its competitors.

12 And, so, we're hopeful that we can
13 proceed expeditiously with this matter and obtain the
14 Commission's approval as quickly as we can, because our
15 view is that every day counts, in terms of meeting the
16 competitive challenge that we face. Thank you.

17 CHAIRMAN GETZ: Okay. Thank you. Ms.
18 Hollenberg.

19 MS. HOLLENBERG: Thank you. Good
20 morning. The OCA has no position on the filing at this
21 time. And, we look forward to working cooperatively with
22 the parties to reach a resolution.

23 CHAIRMAN GETZ: Thank you. Mr. Fossum.

24 MR. FOSSUM: Thank you. As Mr. Phillips

1 has already said, like the companies in the 07-027 docket,
2 Union is a subsidiary of TDS. But, unlike those
3 utilities, it does have the benefit of following that
4 petition. And, in that regard, it indicated -- Staff's
5 initial review indicates that this petition more directly
6 addresses some of the issues in 374:3-b that had been of
7 concern to the Commission with regard to competitive
8 alternatives and availability.

9 And, as Mr. Phillips has also said, it
10 appears from our review that a majority of customers may
11 be served by Metrocast voice offering. And, as the
12 Commission is certainly aware, Metrocast was, I guess,
13 ultimately certified as a CLEC in Union's territory
14 earlier this year, and has agreed to aid Union in this
15 petition. Staff believes that that will aid Union in
16 developing a more thorough, more effective factual record
17 than had been done in the prior docket.

18 At the time, Staff does not take any
19 position on the petition. But it does appear the petition
20 addresses matters that had been of greatest concern to the
21 Commission. And, I would also like to note that it
22 appears that this alternative regulation plan that was
23 filed along with the petition is, in all relevant
24 respects, the same as the ones that the Commission had

1 approved in 07-027.

2 CHAIRMAN GETZ: Okay.

3 MR. FOSSUM: Thank you.

4 CHAIRMAN GETZ: Thank you.

5 CMSR. BELOW: Just to be clear,
6 Mr. Phillips, I think that you said that "Metrocast was
7 available in most of the exchanges served by Union
8 Telephone". Don't you assert that it's available in all
9 of the exchanges?

10 MR. PHILLIPS: Yes, Commissioner Below.
11 I may have misspoken. Metrocast is available in all of
12 the exchanges, and serves most, if not all, of the
13 customers in those exchanges.

14 CMSR. BELOW: Okay. Thank you.

15 CHAIRMAN GETZ: Okay. Anything further
16 this morning?

17 (No verbal response)

18 CHAIRMAN GETZ: Hearing nothing, then I
19 take it there will be a technical session and will be a
20 filing from the parties proposing a procedural schedule.
21 So, if there's nothing else, we'll close the prehearing
22 conference. Thank you, everyone.

23 **(Whereupon the prehearing conference**
24 **ended at 10:15 a.m.)**