

STATE OF NEW HAMPSHIRE  
BEFORE THE  
PUBLIC UTILITIES COMMISSION

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**Petition by Merrimack County Telephone Company for  
Approval of an Alternative Form of Regulation**

Merrimack County Telephone Company (“MCT”), a New Hampshire corporation and a public utility operating within the jurisdiction of the New Hampshire Public Utilities Commission (the “Commission”), hereby petitions the Commission pursuant to RSA 374:3-b for approval of an alternative form of regulation. In support of its petition, MCT states as follows:

1. MCT has its principal place of business at 11 Kearsarge Avenue, Contoocook, New Hampshire, and provides telecommunications service, including exchange service and exchange access service, within the following exchanges: Antrim, Bradford, Contoocook, Henniker, Hillsborough, Melvin Village, Sutton and Warner.

2. MCT is an incumbent local exchange carrier and a rural telephone company as each of those terms is defined in the Telecommunications Act of 1996.

3. MCT is a wholly-owned subsidiary of TDS Telecommunications Corporation (“TDS”). Other incumbent local exchange carrier subsidiaries of TDS in New Hampshire are Union Telephone Company, Kearsarge Telephone Company, Wilton Telephone Company, Inc. and Hollis Telephone Company, Inc.

4. MCT serves fewer than 25,000 access lines.

5. MCT proposes to adopt an alternative form of regulation in accordance with the terms contained in an “Alternative Regulation Plan of Merrimack County Telephone Company” attached hereto as Exhibit 1 (the “Plan”).

6. MCT has in excess of 25% percent fewer access lines in service than it did in December 2004.

7. The Plan provides for maximum stand-alone basic local service rates at levels that do not exceed the comparable rates charged by the largest incumbent local exchange carrier operating in New Hampshire (i.e., Northern New England Telephone Operations LLC, d/b/a FairPoint Communications-NNE) and that do not increase by more than five percent (5%) in each of the four (4) years after the Plan is approved, with the exception that the Plan provides for additional rate adjustments, with this Commission’s review and approval, to reflect changes in federal, state or local government taxes, mandates, rules, regulations or statutes.

8. The Plan meets intercarrier service obligations of MCT under other applicable laws.

9. The Plan preserves universal access to affordable stand-alone basic telephone service.

10. The Plan provides that, if MCT subsequently fails to meet any of the conditions set out in RSA 374:3-b, this Commission, after notice and hearing, may require MCT to propose modifications to the Plan or return to rate-of-return regulation.

11. The Plan allows MCT to offer bundled services that include combinations of telecommunications, data, video and other services.

12. The Prefiled Direct Testimony of Thomas E. Murray in support of the Petition and the Plan is attached hereto as Exhibit 2.

13. The testimony of Mr. Murray and the contents of the Plan itself demonstrate that MCT is eligible to obtain approval of an alternative form of regulation under RSA 374:3-b and that the Plan meets the requirement for approval under that statute.

14. Approval of the Plan will better enable MCT to meet the competitive demands of the marketplace while continuing to provide universal stand-alone basic telephone service at affordable rates.

15. Under the Plan, MCT will continue to serve as the provider of last resort within its exchanges.

WHEREFORE, MCT respectfully requests that this Commission:

A. Order such notice and conduct such hearings as the Commission may deem appropriate;

B. Following such notice and hearing, make a finding that the Plan meets the requirements for approval under RSA 374:3-b and issue an order approving the Plan; and

C. Make such other findings and enter such further orders as the Commission may deem just and reasonable.

Respectfully submitted,

MERRIMACK COUNTY TELEPHONE COMPANY

By: PRIMMER PIPER EGGLESTON & CRAMER PC,  
Its Attorneys

Dated: July 1, 2011

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