



BAILEY EX. 21

Kearsarge Telephone Company
Wilton Telephone Company
Hollis Telephone Company
Merrimack County Telephone Company
Docket No. DT 07-027
Company Responses
To OCA Set 1 Data Requests
September 4, 2007

OCA 1-39: Re testimony of Timothy Ulrich (p. 13, line 1). Please confirm that under the exogenous costs provisions of the Plan, the rates of TDS customers will not be "any higher than" the rates of Verizon NH customers.

Response:

Assuming the question is in reference to basic local (retail) services, the rates will be set pursuant to section 4.1 of the Plan. Within that section (section 4.1.2), rate adjustments for exogenous changes will not be included for the purposes of calculating the rate cap, which is set by the rate charged by the largest ILEC in the state of New Hampshire, no matter which entity it happens to be at the time of the rate change. Stated another way, the rate cap will not include any rate adjustments for exogenous changes given that the plain language of RSA 374:3-b incorporates an exception for exogenous changes. Therefore, circumstances could occur causing the rates of the Petitioners' customers to be higher than the comparable rates for Verizon New Hampshire customers due to exogenous changes.

Timothy W. Ulrich is responsible for this response.