STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 1, 2010 AT (OFFICE): NHPUC

David Goyette, Utility Analyst III - Telecommunications FROM:

SUBJECT: DT 10-147 Fairpoint Communications - NNE

Special Contract with Universal Telephone Service Corp. for

Payphone Line Service

TO: Debra Howland, Executive Director

Kate Bailey, Director - Telecommunications

On May 27, 2010, Northern New England Telephone Operations LLC d/b/a Fairpoint Communications - NNE (Fairpoint) filed a special contract between Fairpoint and Universal Telephone Service Corp. Under the contract, Fairpoint will provide Universal Telephone Service Corp. with payphone line service, including Touch Call Service and unlimited local usage, for a period of 24 months. 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).