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# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

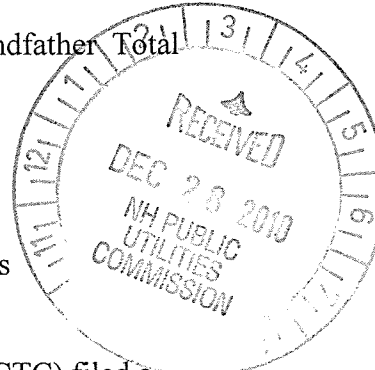
**DATE:** December 28, 2010

**AT (OFFICE):** NHPUC

**FROM:** Jennifer Ducharme, Utility Analyst 

**SUBJECT:** DT 10-319 Merrimack County Telephone Company  
Tariff filing to add STAR Business Bundles and grandfather Total  
Talk for Business customers

**TO:** Commissioners  
Debra Howland, Executive Director  
Kate Bailey, Director, Telecommunications  
Michael Ladam, Assistant Director, Telecommunications



On December 1, 2010, Merrimack County Telephone Company (MCTC) filed a revision to its NH PUC Tariff No. 9 adding the STAR Business Bundles and grandfathering Total Talk for Business customers for effect on January 3, 2011.

The two optional STAR Business Packages offer a bundled price for basic service with a choice of features, and a specified amount of TDS long distance service. Both bundles require a subscription to TDS' high speed data service, at an additional cost. Customers who opt to subscribe to these plans can choose from 3 rate terms, depending on the length of their contract. Customers can choose month-to-month rates, 1 year commitment rates or 2/3 year commitment rates. Termination charges apply to customers under a 1, 2, or 3 year contract, if they terminate before the end of their contract period.

The existing and previously approved Total Talk bundles will be grandfathered to existing customers effective January 3, 2011, but will no longer be available to new customers.

MCTC provided revised tariff pages and confidential cost analyses with its filing. The revenue impact of the tariff change is minimal and is estimated to be a reduction of \$1,108.08 in the first year of availability, which equates to an overall 4% decrease in annual revenue associated with the customers subscribing to these bundles.

In Staff's assessment, the bundles in this tariff filing are designed to provide pricing and features that will attract and retain business customers, particularly those seeking flat rate monthly packages. The prices of these bundles exceed their cost, and thus pass the price floor analysis. Therefore, Staff recommends that this tariff filing be allowed to go into effect as submitted.