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STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 19, 2012
AT (OFFICE): NHPUC

David
FROM: David Goyette, Utility Analyst III - Telecommunications
SUBJECT: DT 12-151 Kearsarge Telephone Company
Intrastate Access Reform
TO: Commissioners
Debra Howland, Executive Director



On June 1, 2012, Kearsarge Telephone Company (Kearsarge) filed changes to its access tariff, NHPUC No. 1, to comply with the Federal Communications Commission's (FCC's) transitional access service pricing requirements in the USF/ICC Order¹, and to restructure its intrastate local transport rate elements to match the structure of its interstate local transport rate elements, consistent with the FCC's Clarification Order².

The USF/ICC Order requires each rate-of-return³ ILEC whose intrastate access rates exceed its interstate access rates to reduce intrastate access revenue by half the difference between 1) revenue based on intrastate rates times fiscal year 2011 intrastate switched access demand and 2) revenue based on interstate rates times fiscal year 2011 intrastate switched access demand. The USF/ICC Order and the Clarification Order require such carriers to produce an intrastate rate design that achieves, by July 3, 2012, the allowed revenue and, by July 1, 2013, the carrier's interstate rate level and rate structure.

Kearsarge submitted a completed version of a spreadsheet template prepared by Staff, which included demand data and related calculations. Pursuant to Order 25,363, the demand data and related calculations have been granted confidential treatment.

Staff has reviewed the proposed tariff and supporting work papers submitted by Kearsarge, to confirm the changes comply with the FCC's requirements. Staff recommends the tariff be allowed to go into effect as proposed, on July 3, 2012.

¹ *Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011)*

² *Connect America Fund et al., WC Docket No. 10-90 et al., Order, DA 12-870 (released June 5, 2012)*

³ Rate-of-return, here, refers to the carrier's regulatory regime for federal purposes.