

State of New Hampshire
Public Utilities Commission

Docket No. DT 10-025
FairPoint Communications, Inc., et al.

Respondent: Michael Skrivan
Title: Vice President, Regulatory
Affairs
Objection: By Counsel

REQUEST: Joint CLECS
Set 1

DATED: March 17, 2010

ITEM: CLECS-34 Will FairPoint commit to not seek recovery of costs associated with its post-reorganization systems modifications, including costs associated with any involvement by Capgemini, from wholesale customers?

REPLY: OBJECTION. FairPoint objects to this request on the grounds that it seeks a legal conclusion, is argumentative, does not accurately reflect the Commission's Approval Order, is irrelevant, speculative, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, FairPoint will provide information responsive to CLECS-34.

No. While FairPoint currently does not have any plans to seek recovery of costs associated with systems modifications, FairPoint cannot commit to what it may do in the future with respect to cost recovery. FairPoint commits to the Conditions contained in Section 3.e of the CLEC Settlement Agreement, which provides that:

Telco will not pass through to CLECs any acquisition expenses, fees and expenses under the Transition Services Agreement ("TSA") or training expenses incurred by FairPoint in connection with the Merger or the transition to new operating systems. FairPoint reserves the right to seek inclusion in future Telco rate cases and cost studies (including but not limited to a future UNE rate proceeding) those capitalized costs arising out of development of new systems which replace systems used as of the Merger closing date by Verizon or its affiliates (including those replacing systems Verizon

obtains from third parties), subject to normal review and regulation by the applicable state utility regulatory commission. Nothing herein constitutes an admission by any of the CLECs that Telco is entitled to any inclusion of such costs in its future rates or costs.