

New Hampshire Public Utilities Commission Staff Advocates

Docket No. 10-025

Respondent: John Lisciandro
Director,
Deloitte FAS

Request: One Communications Corp.
CRC Communications of Maine, Inc.
Baying Communications

Dated: March 31, 2010

Item: One: Staff ADV-6 If the take rates for FairPoint's next generation network are 20% less than expected, what is the impact on FairPoint's projections? 50% less than expected?

Reply: The FairPoint Next Generation Network will support or carry numerous product offering, including high speed internet access. In the sensitivity analysis, I reduced high speed internet access revenues levels projected by FairPoint by an average of over 20% per year for the projection period of 2010 to 2013. As indicated in my testimony, the sensitivity analysis found that FairPoint would still be able to meet its capital commitments and the three financial covenants (i.e. Total Debt/EBITDAR, Sr. Debt/EBITDAR, and EBITDAR/Total Interest) of the New Term Loan in each year of the forecast without reducing the projected level of operating expenses.