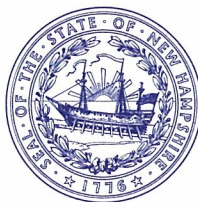


THE STATE OF NEW HAMPSHIRE

CONSUMER ADVOCATE
Meredith A. Hatfield

ASSISTANT CONSUMER ADVOCATE
Kenneth E. Traum

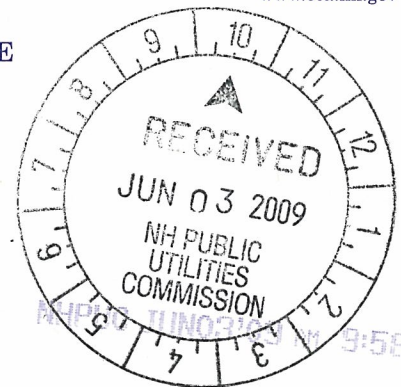


TDD Access: Relay NH
1-800-735-2964
Tel. (603) 271-1172
FAX No. 271-1177
Website:
www.oca.nh.gov

OFFICE OF THE CONSUMER ADVOCATE
21 S. FRUIT ST., SUITE 18
CONCORD, NEW HAMPSHIRE 03301-2429

June 1, 2009

Debra A. Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301



Re: DT 07-011 FairPoint Communications; Staff Report on Discussions Regarding Collections

Dear Ms. Howland:

We are writing in response to Staff's letter filed yesterday regarding FairPoint's collections, credit reporting and disconnection notices, issues which the Commission directed Staff, the OCA and FairPoint to discuss after the June 1, 2009 status conference. The OCA has participated in several discussions over the last few days on these issues.

We appreciate Staff's work to develop a compromise on these important issues, and we understand FairPoint's desire to move forward with collections activity in order to pursue the more than \$870,000 that the Company believes is more than 120 days past due from customers. In light of FairPoint's current financial status we understand that the company must pursue accounts receivable, and is entitled to do so.

However, in light of the high level of billing errors, as well as continuing issues that customers are having both reaching customer service representatives and successfully resolving billing disputes, we continue to prefer Staff's original recommendation to the Commission that it require FairPoint to temporarily suspend collections activities. We agree with Commissioner Below's observation at the status conference that FairPoint should not risk further outrage and alienation of its customers by pursuing collection activities unless bills are correct and it has the staff to support the customer contacts that will result from disconnect notices.

In an attempt to bridge the gap between a total suspension of collections activities and FairPoint's proposal to mail disconnection notices to more than 2,700 customers, we offer another possible approach. This approach would build upon and modify Staff's proposal of June 2, 2009 to send the disconnect notices in three staggered mailings. Instead, FairPoint could begin its collections efforts by mailing 1/3 of the 2,700 disconnect notices as soon as possible, but those should be to the customers who have the highest outstanding balances. FairPoint should provide data as requested by Staff about the success of that first round of collections activity, as well as its success with the collections efforts currently underway in Maine and Vermont, prior to commencing collections against the remaining 1,800 customers. If the parties agree that the first batch is successful, FairPoint



could immediately begin sending the remaining notices. Despite FairPoint's assurances, we remain concerned that they will continue to have billing errors, and that they still lack adequate staffing and/or systems to help customers address billing problems within the 14-day disconnection period. This approach could allow the process and systems to be tested.

We support the remainder of Staff's recommendations in its June 2, 2009 letter, including the recommended data to be provided by FairPoint, and the requirement that FairPoint be directed to send reminder letters to customers beyond the 2,700 in the first group prior to disconnection notices being mailed. FairPoint may believe that this level of monitoring is burdensome, but so far the company has not demonstrated that its systems, processes, or management are sufficient in order to successfully return to business as usual. Customers continue to suffer from these deficiencies and deserve protection.

Thank you for your consideration of this letter. As always, please do not hesitate to contact me if you require further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Hatfield', is positioned above the typed name.

Meredith A. Hatfield
Consumer Advocate

cc: service list (electronically only)