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Inter-Department Communication

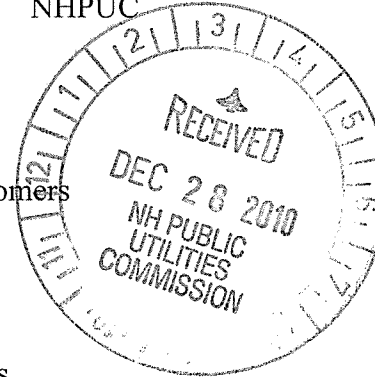
DATE: December 28, 2010

AT (OFFICE): NHPUC

FROM: Jennifer Ducharme, Utility Analyst *JD*

SUBJECT: DT 10-318 Kearsarge Telephone Company
Tariff filing to add Safety Line Service for Business customers

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



On December 1, 2010, Kearsarge Telephone Company (KTC) filed a revision to its NH PUC Tariff No. 8 adding a Safety Line Service for Business customers for effect on January 3, 2011.

This optional package offers a bundled price for customers who have their main telecommunications service with a wireless provider, but require a basic access line for back-up and emergency service along with high speed data. The bundle includes a basic access line and 1.5 Mbps high speed data for a monthly charge of \$59.00. Customers must also subscribe to TDS Long Distance Corporation as their long distance provider.

KTC 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 \$114.60 in the first year of availability, which equates to an overall 41% decrease in annual revenue associated with the customers subscribing to these bundles.

In Staff's assessment, the bundle in this tariff filing is designed to provide pricing and features that will attract and retain business customers, particularly those seeking flat rate monthly packages. The price of this bundle exceeds its cost, and thus passes the price floor analysis. Therefore, Staff recommends that this tariff filing be allowed to go into effect as submitted.