

THE FAIRPOINT TELEPHONE COMPANIES

2010 PRICE CAP REVISIONS Short Form Filing

May 17, 2010

Description and Justification

INTRODUCTION

In connection with the May 17 , 2010 Annual Filing early submission, FairPoint Telephone Companies (FairPoint) hereby submits limited Tariff Review Plan (TRP) revisions to F.C.C. Tariff No. 1 and the required supporting documentation. This information is being filed in accordance with the *Commission's 2010 TRP Notice* released March 31, 2010 (DA10-505 and DA10-506) and fulfills the requirements established in Sections 61.41 through 61.49 of the Commission Rules.

FairPoint purchased Verizon's ILEC operations in Maine, New Hampshire and Vermont on April 1, 2008. Local exchange service, exchange access and related services are provided to customers through its affiliates Northern New England Telephone Operations LLC and Telephone Operating Company of Vermont LLC. Information in this filing is provided for all three COSA's associated with those properties. Exhibit 1 lists the COSAs' associated with each company.

This filing reflects the effects of the exogenous cost adjustments associated with Telecommunication Relay Service (TRS) and Regulatory Fee Obligations. The total effect on the Price Cap Indices (PCI) in this filing is an overall decrease of approximately \$147,408, which reflects the change in exogenous costs and demand impacts.

EXOGENOUS COST ALLOCATIONS

The Tariff Review Plan (TRP) guidelines provide for consideration of exogenous cost changes between filing periods. In this filing, FairPoint proposes exogenous cost adjustments for Regulatory Fees and Telecommunications Relay Service. Each of the incremental exogenous cost amounts in this filing was allocated to Common Line and Special Access baskets based on the 499A revenues.

Exhibit 2 shows the incremental exogenous costs calculations and allocations that are included in this filing.

REGULATORY FEE

The calculation of change in regulatory fees to be reflected in the 2010 tariff year is based on the application of the Commission prescribed factor of 0.00351 to 499A Price Cap revenues. This factor was set forth in Assessment and Collection of Regulatory Fees for Fiscal Year 2010, MD 10-51, Notice of Proposed Rulemaking, (released April 13, 2010).

TELECOMMUNICATIONS RELAY SERVICE

The Telecommunications Relay Service (TRS) fee is based on the annual cost recovery factor of .01137 as released May 14, 2009 in FCC DA09-39. The exogenous cost amount in this filing is preliminary; FairPoint will update the TRS exogenous costs if the proposed factor changes.

EXHIBIT INDEX

The FairPoint Telephone Companies have provided the necessary detail to support the calculations of indices and exogenous costs in various workpapers. The following is the index of such workpapers.

Tariff Review Plan (Short Form)

EXG-1

Exhibit 1

Exhibit 2

Exogenous Cost Summary

Affiliate and COSA Information

Exogenous Cost Calculations