

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DT 07-011

**VERIZON NEW ENGLAND INC., ET AL. AND
FAIRPOINT COMMUNICATIONS, INC.**

TRANSFER OF ASSETS

**RESPONSE BY FAIRPOINT COMMUNICATIONS, INC. TO
MOTION BY THE OFFICE OF CONSUMER ADVOCATE FOR
IMMEDIATE CLARIFICATION OF ORDER NO. 24,823**

FairPoint Communications, Inc. ("FairPoint"), a petitioner in the above-docketed proceeding hereby responds as follows to the motion dated February 28, 2008 by the Office of Consumer Advocate ("OCA") for immediate clarification of Order No. 24,823 (the "Motion"):

1. On February 25, 2008, this Commission issued its Order No. 24,823 (the "Order") approving the transfer of control of the New Hampshire landline telephone operations of Verizon New England Inc. and certain affiliates to FairPoint, subject to the conditions specified or incorporated therein.
2. On February 28, 2008, the OCA filed the Motion.
3. FairPoint respectfully submits that the Motion should be denied as moot.
4. Following the conclusion of the hearings in this Docket on February 5, 2008, the OCA raised with FairPoint its position that the OCA should receive access to

the final Credit Agreement and the near-final Description of Notes to be furnished pursuant to Sections 2.7 and 2.8, respectively, of the Settlement Agreement submitted as Exhibit 78.

5. FairPoint was, and remains, extremely concerned about the confidentiality of such financing documents prior to their execution at the closing. In particular, the Notes are being issued in a private placement to institutional investors. Public disclosure of the terms thereof prior to closing could violate applicable securities laws. Premature disclosure of the terms of the Credit Agreement could adversely affect FairPoint.

6. At the same time, FairPoint attempted, as it has throughout this case, to address legitimate concerns while managing the various legal requirements.

7. Accordingly, FairPoint negotiated with the OCA and on February 14, 2008 reached an agreement to provide the OCA access to the final Credit Agreement and the near-final Description of Notes at the Concord office of FairPoint's counsel, with simultaneous access being provided to the OCA's financial consultant, David Brevitz, at the offices of FairPoint's Kansas counsel in Topeka, Kansas. The timing of such access is consistent with the timelines set forth in Sections 2.7 and 2.8 of the Settlement Agreement. FairPoint's position was that the terms of this side agreement, and its existence, should be confidential.

8. On February 27, 2008, two business days following the issuance of the Order, FairPoint filed the near-final Description of Notes for in camera review by the Commission in accordance with Section 2.8 of the Settlement Agreement.

9. On February 28, 2008 commencing at 1:30 p.m., FairPoint provided the OCA with access to the near-final Description of Notes as agreed in Concord and Topeka. Representatives of the OCA reviewed the document fully.

10. FairPoint remains ready to perform its agreement to provide the OCA with access on the agreed terms to the final Credit Agreement when available.

11. FairPoint's desire had been to maintain the confidentiality of its agreement with OCA, as that was a part of the consideration for entering into it. However, the Motion states that FairPoint did not provide a copy of its filing of the near-final Description of Notes to anyone other than Staff when, in fact, the OCA was provided the opportunity to review it, and the OCA along with their consultant did in fact review the near-final Description of Notes, prior to the filing of the Motion.

12. The OCA has a mechanism to provide it with the documents requested that is timely and sufficient, while protecting the confidentiality of this information. Accordingly, the OCA's request is without basis or merit and is moot.

13. The Order fully conforms to the requirements of RSA 363:17-b as the Commission's final order in this Docket. Appeal of Concord Natural Gas Corp., 121 N.H. 685, 691-692 (1981). It fully sets forth the Commission's reasoning and conclusions. Appeal of Conservation Law Foundation, 127 N.H. 606, 652 (1986). Other than the Motion, there are no proceedings now pending before the Commission. Appeal of Courville, 139 N.H. 119, 124-125 (1994). The Order contains the requisite New Hampshire authorization for the parties to proceed to the merger closing at any time. The possibility of proceedings in the future, including under RSA 365:28, does not affect its status as a final order for purposes of motions for rehearing under RSA 541:3.

14. Given the review provided under FairPoint's agreement with the OCA, there is no basis for any action to suspend the operation of the Order.

15. The closing on the merger is complex and involves a number of steps that commenced this past Tuesday following the issuance of the Order. Any suspension of the Order could disrupt the March 31 closing to the great detriment of all concerned.

16. FairPoint and Verizon have taken substantial actions relying on the Order. The Board of Directors of Verizon Communications Inc. has declared the distribution to its shareholders of the shares of Northern New England Spinco Inc. and notice thereof has been provided to the New York Stock Exchange and securities market generally. Tremendous transition efforts are underway by both FairPoint and Verizon to effect the closing. On any reasonable balancing of the equities, there is no basis for any suspension of the Order.

WHEREFORE, FairPoint respectfully submits that the Motion should be denied in its entirety.

Respectfully submitted,

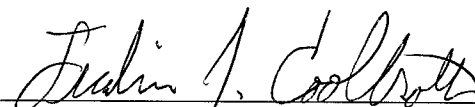
FAIRPOINT COMMUNICATIONS, INC.

By Its Attorneys:

DEVINE, MILLIMET & BRANCH
PROFESSIONAL ASSOCIATION

Dated: February 29, 2008

By:



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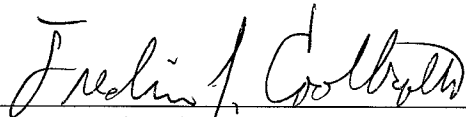
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing response was hand delivered this day to the Office of Consumer Advocate.

Dated: February 29, 2008

By: 
Frederick J. Coolbroth, Esq.