

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DT 07-011

**Verizon New England, Inc., et al and FairPoint Communications, Inc.
Transfer of Assets**

Order Scheduling a Technical Session, Hearing and Status Conference

ORDER NO. 24,947

March 13, 2009

On February 25, 2008, the Commission issued Order No. 24,823 approving the petition of Verizon New England, Inc., Bell Atlantic Communications, Inc., NYNEX Long Distance Company, Verizon Select Services, Inc. and FairPoint Communications, Inc. for authority pursuant to sections 26 and 30 of RSA 374 to transfer to FairPoint Communications, Inc. the New Hampshire utility franchise and assets held by Verizon New England and affiliates, subject to the terms of the petitioners' settlement agreement with the Staff of the Commission, dated January 23, 2008, and subject to additional conditions.

On February 27, 2009, FairPoint Communications, Inc. (FairPoint) filed a motion to modify Section 2.3 of the settlement agreement regarding repayment of certain debt. Section 2.3 of the settlement agreement states as follows:

Debt Reduction. Beginning in the first quarter of 2009, FairPoint agrees to pay the higher of \$45,000,000 annually, or 90% of annual Free Cash Flow, to be applied equally in each fiscal quarter, towards repayment of debt related to the Merger (and any refinancing of such debt).

In its motion, FairPoint proposed "not to make the early prepayment of principal on March 31, 2009 and instead to make the first quarterly principal payment on June 30, 2009." FairPoint cited various reasons for its proposal including short-term liquidity issues due to

extended cash collection cycles, the possible opportunity to (alternatively) retire other, higher interest debt, as well as improvement to cash flow management and financial flexibility for 2009.

On March 6, 2009, the Office of Consumer Advocate (OCA) filed a motion requesting a hearing on FairPoint's motion and on the status of FairPoint's compliance with other Merger conditions. The OCA also submitted data requests to FairPoint pursuant to N.H. Code Admin. Rules Puc 203.09.

Based upon FairPoint's motion, we find that a hearing is appropriate as required by RSA 365:28 and will be scheduled. A technical session will be held prior to the hearing to facilitate discovery and a discussion of procedural matters related to the conduct of the hearing. Staff shall file a report of the technical session prior to the hearing. We further find that a status conference regarding FairPoint's cutover process will be scheduled.

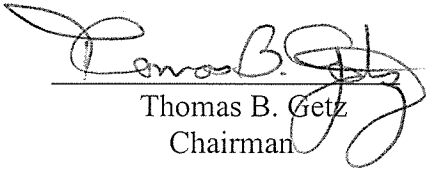
Based upon the foregoing, it is hereby


ORDERED, that a Technical Session, be held on March 20, 2009, at 9:30 a.m. to discuss discovery and procedural matters; and it is

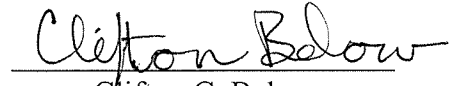
FURTHER ORDERED, that a hearing, pursuant to RSA 365:28, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on March 26, 2009, at 1:30 p.m., on FairPoint's pending motion; and it is

FURTHER ORDERED, that a status conference be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on April 3, 2009, at 10:00 a.m., at which FairPoint shall provide a detailed description of its progress in the post-cutover process.

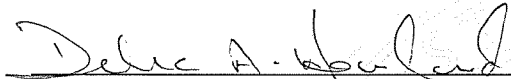
By order of the Public Utilities Commission of New Hampshire this thirteenth day of
March, 2009.

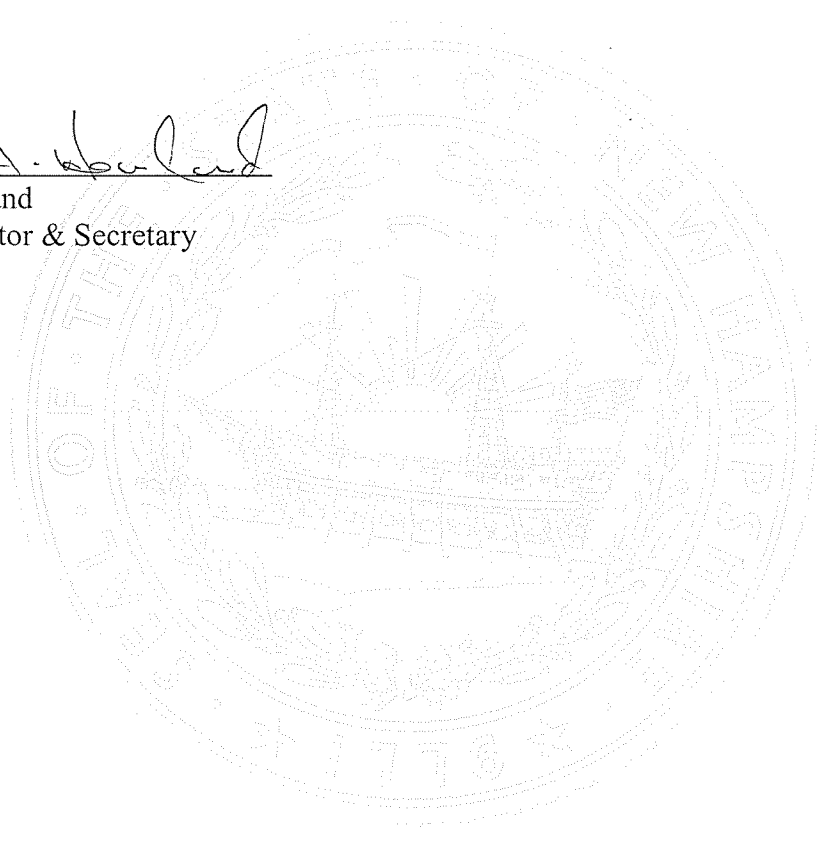

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03/13/09 Order No. 24,947 issued and forwarded to all parties. Copies given to PUC Staff.

Docket #: 07-011

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FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),

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