

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DT 10-025

ORDER OF NOTICE

On October 26, 2009, FairPoint Communications, Inc. and its affiliated entities (FairPoint) filed for voluntary reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. On October 30, 2009, Fairpoint filed a petition regarding all pending dockets involving FairPoint requesting that the Commission extend mandatory filing and appearance requirements and deadlines between October 26, 2009 and November 13, 2009 by 21 days and establish no new deadlines for effect prior to November 16, 2009.

On November 2, 2009, Commission Staff members Kate Bailey and Anne Ross filed a recommendation in support of FairPoint's petition. On November 6, 2009, they filed a further recommendation for a longer stay of certain other dockets involving Fairpoint. With regard to the filings required by Commission Order No. 24,823 (February 25, 2008), the Commission issued a secretarial letter dated November 10, 2010 granting the request for a 21-day extension, with the exception that specified daily status reports continue to be filed. In addition, the petition was denied to the extent that it was intended to apply to routine communications between FairPoint and Commission Staff concerning issues related to the provision of safe and reliable service. In the same letter, the Commission indicated that Ms. Bailey and Ms. Ross would be treated in the manner of staff advocates in relation to Commission matters directly affecting or directly affected by the Company's reorganization plan.

On February 11, 2010, FairPoint filed with the Bankruptcy Court its First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code and related proposed Amended Disclosure Statement. On February 12, 2010, FairPoint filed copies of the same with the Commission. As part of the Reorganization Plan, a Regulatory Settlement applicable to the State of New Hampshire between Staff Advocates and FairPoint was filed as Exhibit E.

On February 24, 2010, FairPoint filed with the Commission a petition requesting certain approvals in connection with the Reorganization Plan. In support of the petition, FairPoint filed pre-filed direct testimony and exhibits of Alfred C. Giammarino, Jeffrey W. Allen, Vicky Weatherwax, Bryan Lamphere, Thomas P. Nolting and Richard Murtha. In the petition, FairPoint requests that the Commission:

1. Make a finding pursuant to Puc 203.20 that the Regulatory Settlement is just and reasonable and serves the public interest and approve the same;
2. Determine pursuant to RSA 369:8, II(b) that the change in control of FairPoint Communications, Inc., as parent company of FairPoint Communications-NNE and Northland, will not have an adverse effect on the public utility rates, terms service or operation of FairPoint Communications-NNE or Northland within New Hampshire;
3. Pursuant to RSA 365:28, approve the modifications to the settlement agreement approved in Order No. 24,823 (February 25, 2008), as set forth in the Regulatory Settlement;
4. Pursuant to RSA 369:2, approve the pledge by FairPoint Communications-NNE of its membership interests of VT Telco; and
5. Grant other and further relief as the Commission may determine to be just and reasonable.

On February 25, 2010, Peter C.L. Roth, Esq., Senior Assistant Attorney General, State of New Hampshire Attorney General's Office, filed a letter with the Commission on behalf of Staff Advocates Kate Bailey and F. Anne Ross. In that letter, Attorney Roth represented that the Staff

Advocates and FairPoint recommend the following procedural schedule and request that the Commission include the proposed schedule in its order of notice:

Prehearing conference/technical session	March 9, 2010 at 1:30 p.m.
Data requests on filed testimony	March 12, 2010
Data responses	March 26, 2010
Intervenor testimony	April 9, 2010
Technical session	April 14, 2010
Data requests on intervenor testimony	April 16, 2010
Data responses	April 30, 2010
Rebuttal testimony	May 6, 2010
Technical session in lieu of discovery on rebuttal testimony	May 10, 2010
Evidentiary hearing with closing arguments	May 11-12, 2010

According to the letter, the Staff Advocates intend to file testimony in support of the settlement and the application on March 5, 2010. The Staff Advocates and Fairpoint request that the Commission issue its decision in this docket no later than June 24, 2010, in light of the time requirements set forth in the Regulatory Settlement. The letter also urged the Commission to review the settlement and application pursuant to RSA 374:30, 369:8 and 369:1-4. Because the proposed schedule is inconsistent with certain deadlines established in RSA 369:8, II, it is therefore considered to constitute a waiver of certain provisions of the statute. *See Public Service Company of New Hampshire*, 85 NH PUC 125, 126-127, Order No. 23,432 (2000) and *National Grid plc*, Order No. 24,690, 91 NH Puc 505, 508 (2006).

The February 24 and 25 filings raise, inter alia, issues related to (1) whether the proposed change in control of FairPoint Communications, Inc., as parent company of FairPoint Communications-NNE and Northland, is governed by the standard set forth in RSA 369:8, II or in RSA 374:30 or in some other statute, (2) whether the proposed change in control satisfies the applicable statutory provision, (3) whether the Regulatory Settlement is just and reasonable and in the public interest, (4) whether the proposed modifications to Order No. 24,823 should be

approved pursuant to RSA 365:28, and (5) whether the pledge by FairPoint Communications-NNE of its membership interests of VT Telco should be approved. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that Commission Staff members Kate Bailey and Anne Ross are designated as Staff advocates in support of the Regulatory Settlement and petition pursuant to RSA 363: 32, II; and it is

ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on March 9, 2010 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition, provide argument regarding the statutory authority that governs the proposed change in control, and address the appropriateness of the proposed procedural schedule, and any of the issues set forth in N.H. Admin. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, FairPoint, Staff Advocates, the Staff of the Commission and any Intervenors hold a Technical Session to review the filings; and it is

FURTHER ORDERED, that, pursuant to N.H. Admin. Rules Puc 203.12, Fairpoint shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than March 2, 2010 in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before March 9, 2010; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Fairpoint and the Office of the Consumer Advocate on or before March 5, 2010, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before March 9, 2010.

By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of February, 2010.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.