

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DT 07-011

ORDER OF NOTICE

On January 31, 2007, Verizon New England, Inc. (Verizon NE), Bell Atlantic Communications, Inc., NYNEX Long Distance Co., and Verizon Select Services, Inc.(collectively Verizon) and FairPoint Communications Inc.(FairPoint) (together Joint Petitioners) filed with the New Hampshire Public Utilities Commission (Commission) a joint petition seeking approval of a series of transactions that, if consummated, would result in FairPoint (through subsidiaries) acquiring the current Verizon NE franchise to provide wireline telecommunications services in New Hampshire and owning the network Verizon NE currently uses to provide those services. The complete petition is available on the Commission website at <http://puc.nh.gov/Telecom/VerizonSaleToFairpoint.htm>.

The Joint Petitioners request a determination by the Commission that the proposed transactions are for the public good pursuant to RSA 374:30 (governing transfers of utility franchises and assets), RSA 374:26 (governing authority to operate as a public utility), and, to the extent necessary, RSA 374:33 (governing transfers of 10 or more percent of ownership of a public utility). The Joint Petitioners also request that the appropriate subsidiary of FairPoint be designated an “eligible telecommunications carrier” pursuant to 47 U.S.C. §§ 254(e) and 214(e)(2) (concerning universal service assistance fund) for purposes of the affected service territory and that Verizon’s current designation be rescinded. The Joint Petitioners further request that the Commission authorize Verizon NE to discontinue service as a public

utility in New Hampshire pursuant to RSA 374:28 (governing authority to discontinue providing service as a public utility).

The Joint Petitioners have submitted similar requests to the Vermont Public Service Board and the Maine Public Utilities Commission, inasmuch as the proposed transactions cover Verizon NE's wireline business in all three states. If the transactions are completed as proposed, shareholders of Verizon Communications (the ultimate parent company of the Verizon businesses operating in the three states) would end up owning 60 percent of FairPoint, although Verizon itself would not have such an ownership interest. The filing envisions a series of debt financing and exchange transactions, through which FairPoint will assume certain of Verizon Communications' debt obligations. Verizon Communications does not intend to transfer its wireless operations and certain of its other non-regulated businesses in the three states.

FairPoint is headquartered in Charlotte, North Carolina. Through a subsidiary, it currently provides local exchange service in East Conway and Chatham, New Hampshire as well as portions of Maine and Vermont.

The filing raises, inter alia, issues related to whether the proposed transactions are for the public good pursuant to the statutes referenced above as well as RSA Chapter 369 (governing issuance of securities). Each party has the right to have an attorney represent them at the party's own expense.

Based upon the foregoing, it is hereby

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 February 27, 2007 at 10:00 a.m., at which each party will provide a preliminary

statement of its position with regard to the petition 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, the Joint Petitioners, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow the Joint Petitioners to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, the Joint Petitioners, no later than February 13, 2007, shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice as well as a summation of this order through the use of a display ad prepared by the Commission's Executive Director in a newspaper with general circulation in those portions of the state in which operations are conducted. Both forms of notice shall be documented by affidavit filed with the Commission on or before February 27, 2007; 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 the Joint Petitioners and the Office of the Consumer Advocate on or before February 23, 2007, 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 February 27, 2007.

By order of the Public Utilities Commission of New Hampshire this seventh day
of February, 2007.

Debra A. Howland
Executive Director & Secretary

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.