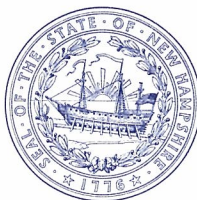


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August 1, 2011

Debra A. Howland
Executive Director – New Hampshire Public Utilities Commission
21 S. Fruit St., Suite 10
Concord, NH 03301



Re: DT 11-151, Merrimack County Telephone Company
Petition for an Alternative Form of Regulation
Staff Report of Technical Session

Dear Ms. Howland:

On July 27, 2011, following the prehearing conference in the above-captioned matter, Staff met with representatives of Merrimack County Telephone Company (MCT), the Office of Consumer Advocate, and intervenor New Hampshire Legal Assistance in a technical session. In the course of that technical session, the assembled group discussed the possibility of settlement of this matter. In furtherance of that goal, MCT agreed that it would provide a settlement proposal for discussion on or by August 2, 2011. A conference call has been scheduled on August 4, 2011, at 3:30, to discuss the proposal and answers to questions the parties may have to clarify MCT's filing.

It is the intention of Staff and the parties to file a settlement on or before August 12, 2011, if one can be reached. If a settlement is reached, Staff and the parties would seek a hearing on the settlement soon after August 12, 2011. If a settlement cannot be reached, Staff and the parties will discuss and determine further scheduling as may be needed in the docket via conference call on August 15, 2011, at 2:00. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew J. Fossum".

Matthew J. Fossum
Staff Attorney