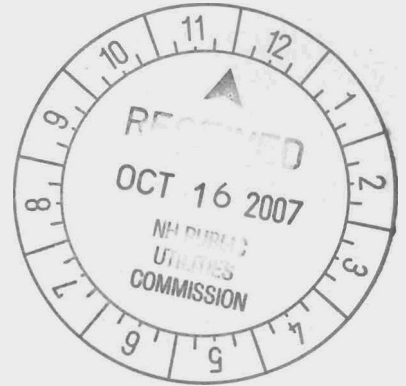




October 15, 2007



Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

Re: NHPUC Docket No. DT 07-011 (Joint Petition of Verizon NH
and FairPoint Communications)

Dear Secretary Howland:

Enclosed, on behalf of Unitil Energy Systems, Inc. ("Unitil") and FairPoint Communications, Inc. ("FairPoint") are seven copies of a Memorandum of Understanding entered into between the companies dated October 4, 2007. An electronic version of this filing is being delivered via electronic mail to all parties of record in this proceeding. Any party wanting a hard copy of this filing is requested to contact me directly.

This MOU addresses and resolves all going-forward operation concerns raised in the pre-filed direct testimony of Unitil witness Thomas P. Meissner concerning the transfer to FairPoint of Verizon NH's interest in the pole plant jointly owned with Unitil, pursuant to the Verizon-FairPoint Joint Application. Please note that it is a condition of the effectiveness of the MOU that it be approved in its entirety by the Commission as a condition of the Commission's approval of the Joint Application. Unitil intends to present Mr. Meissner to testify in support of the MOU, as well as regarding the remaining unresolved matter addressed in his testimony concerning the sharing of past and current tree trimming expenses.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,

Gary Epler
Attorney for UES

Gary Epler
Chief Regulatory Counsel

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Enclosure

cc: Service List (via e-mail)