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May 2, 2011

(*ALSO ADMITTED IN N.Y.)

HAND DELIVERED

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street – Drawer 20
Montpelier, VT 05620-2701

Re: Petition of City of Burlington d/b/a Burlington Telecom to amend Condition No. 17 of its Certificate of Public Good, enlarging the date by which it must complete its system build out
Docket No. 7044

Dear Sue:

Please consider this letter the fourth progress report of the City of Burlington ("City") d/b/a Burlington Telecom ("BT") as required by Paragraph 10 of the Board's Order in the above-referenced matter dated October 8, 2010. Reference should be made to BT's prior progress reports dated November 1, 2010, December 30, 2010 and February 28, 2011 for additional information.

As noted in BT's last status report, the City had received two letters of intent ("LOI") in connection with BT. The first LOI from an out of state independent telephone company originally proposed to provide new equipment in order to facilitate the return of the CitiCapital equipment with the exception of the fiber, which would be replaced using a like-kind exchange. The LOI has since been revised to be more beneficial to the City's interests. This party visited Burlington in February and is scheduled to visit again with the administration, BT staff and Blue Ribbon Committee members in early May.

The second LOI from a financial investor, who proposed a cash payment to CitiCapital as part of an overall asset purchase, is in continuing discussions with Dorman & Fawcett (D&F). There have been no substantial changes with this party since the last status report while the City waits for CitiCapital to determine how it wants to proceed, as described below. D&F nevertheless believes this may be an alternative in the coming months and has encouraged this investor to remain involved.

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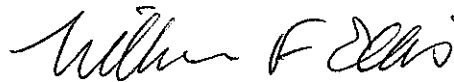
Of the two other investors/buyers mentioned in the last status report, one has declined to participate in further discussions at this time. The other party remains engaged but has slowed the pace of discussions for reasons unrelated to BT. We are advised by D&F that they expect to hear more from this party.

D&F has had discussions with other potential investors/buyers. One is a fairly large private equity firm. D&F is presently negotiating the terms of a non-disclosure agreement with this entity, and is unsure of the seriousness of its interest. The other is an in-state telecommunications provider that has had previous discussions with D&F concerning BT. A meeting with this entity is being scheduled for mid-May.

With respect to CitiCapital, as noted in our last status report CitiCapital had requested a status report on the new equipment financing, and also inquired about how much the City or a third party would be willing to pay in lieu of returning the equipment. As noted previously, a letter was submitted on behalf of the City by D&F on February 10, 2011. CitiCapital still has not responded to the February 10th letter from D&F. The last substantive discussion D&F had with CitiCapital was near the end of February, at which time CitiCapital indicated that it would take them at least two months to determine how it wants to proceed. CitiCapital still has not informed the City where it would like the equipment delivered, nor has it commented on a like-kind exchange for the existing fiber optic cable.

Thank you for your assistance. If the Board needs anything further in this regard at this time, please let me know.

Very truly yours,



William F. Ellis

WFE/

cc: Docket 7044 Service List