

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MASSACHUSETTS

In re)	
)	
ESSENTIAL.COM, INC.)	Chapter 11
)	Case No. 01-15339-WCH
Debtor.)	
)	

LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE APPLICATION OF DEBTOR TO EMPLOY KEVIN LAMB AND TESTA, HURWITZ AND THIBEAULT AS SPECIAL CORPORATE COUNSEL TO THE DEBTOR

The Official Committee of Unsecured Creditors (the "Committee") of Essential.com, Inc. (the "Debtor"), hereby objects to the Debtor's application to employ Testa, Hurwitz and Thibeault ("Testa Hurwitz") as special corporate counsel to the Debtor (the "Application"). In light of the Debtor ceasing its business operations, there is no demonstrable need to retain corporate counsel. In further support the Committee provides as follows:

Background

1. On June 29, 2001, the Debtor filed a voluntary petition for relief under chapter 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Massachusetts (the "Petition Date").
2. The Debtor continues to operate as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.
3. On July 18, 2001, the United States Trustee appointed an Official Committee of Unsecured Creditors consisting of three of the Debtor's unsecured creditors. The Committee's application to employ Gadsby Hannah LLP as counsel was filed on August 8, 2001, and is currently pending before this Court.

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4. Prior to the Petition Date the Debtor was in the business of reselling telecommunications services, including long-distance and local telephone service and internet service. As of the Petition Date the Debtor had approximately 70,000 active subscribers in its customer base consisting predominately of households and small businesses. The Debtor's customer base constitutes its chief asset.

5. By motions dated July 26 and 27 (the "Sale Motion") the Debtor sought authority to sell its customer base and associated accounts receivable, together with the Debtor's name, trademarks, and similar intangibles, for a total sale price of approximately \$925,000.

6. On August 9, 2001, the Court conducted an auction on the Debtor's motion, generating numerous bids, and an eventual sale price of \$1,300,000 to USA Telecom. The Creditors' Committee was instrumental in working with the Debtor, potential bidders, the United States Trustee's Office, and other parties to generate bids and facilitate the Debtor's sale efforts.

7. The Debtor has also filed a motion on August 8, 2001 to liquidate its furniture, fixtures and equipment (the "FF&E") at public auction.

8. The Debtor is currently in the process of transferring its customer base to USA Telecom. The Debtor has ceased business operations with the limited exception of actions necessary to accomplish the smooth transfer. Upon information and belief, the Debtor is terminating employees who are not critical to the transfer.

**Employment Of Corporate Counsel Is Unnecessary As
Debtor Has Ceased Business Operations**

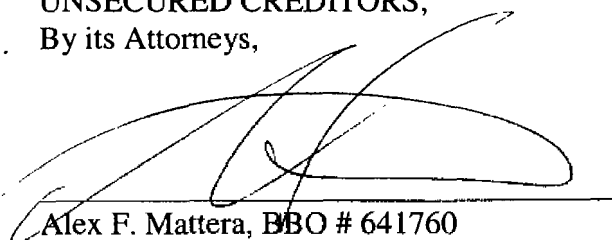
9. The Debtor's Application to employ Testa Hurwitz is moot in light of the Debtor's ceased business operations. The Debtor has failed to demonstrate any need for the services identified in its Application.

10. The Committee has no objection to Testa Hurwitz's submission of an appropriate application for compensation through the filing of an application for compensation and reimbursement of expenses before the Bankruptcy Court for the period from the Petition Date through the date of sale of substantially all the Debtor's assets, August 10, 2001.

WHEREFORE, for the foregoing reasons the Committee respectfully requests that this Court enter an order denying the Debtor's Application without prejudice to Testa Hurwitz submitting an Application for Compensation and Reimbursement of Expenses pursuant to the Bankruptcy Code and applicable Bankruptcy Rules.

Respectfully submitted,

OFFICIAL COMMITTEE OF
UNSECURED CREDITORS,
By its Attorneys,



Alex F. Mattera, BBO # 641760
Gadsby Hannah LLP
225 Franklin Street
Boston, MA 02110
(617) 345-7000

Date: August 20, 2001