

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-5222
Application of Clear Rate)
Holdings, Inc., Atlanta,)
Georgia, and Clear Rate)
Communications, Inc., Troy,) ORDER GRANTING APPLICATION
Michigan, seeking approval of a)
transfer of control, and)
seeking authority to obtain)
debt financing.) Entered: April 27, 2021

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On March 12, 2021 an application was filed by Clear Rate Holdings, Inc. of Atlanta, Georgia ("Clear Rate Holdings") and Clear Rate Communications, Inc. of Troy, Michigan ("Clear Rate Communications") (collectively "Applicants"), for approval of a transfer of control, and seeking authority to participate in certain debt financing arrangements. Notice of the application appeared in The Daily Record, Omaha, Nebraska, on March 18, 2021. No protests were filed, and therefore this application is processed pursuant to the Commission's Rule of Modified Procedure, 291 Neb. Admin. Code § 1-002.10B.

Clear Rate Holdings is a Delaware corporation and holding company established for purposes of this acquisition. Clear Rate Communications is a Michigan corporation providing competitive local exchange services in nineteen states including Nebraska. Clear Rate Communications is licensed to conduct business in Nebraska, and is authorized by the Federal Communications Commission ("FCC") to provide interstate and international telecommunications services.

The Applicants seek approval of a transfer of control of Clear Rate Communications to Clear Rate Holdings as part of a *pro forma* restructuring of the Applicants' businesses, with the transaction described in detail in the Application, and diagrams depicting the transactions included as Exhibit B to the Application. At completion of the restructuring, Clear Rate Communications will be converted to a Delaware LLC. Applicants state that the *pro forma* restructuring will have no effect on Clear Rate Communications, its customers, or operations.

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The Applicants further seek approval to participate in existing, new, amended and restated financing arrangements ("Financing Arrangements") up to an aggregate amount of \$14 million. These Financing Arrangements are sought for the purposes of maintaining "adequate flexibility to respond to market conditions and requirements, to fund some or all of the purchase price for the Transaction and to respond to future acquisition and other business opportunities."

The Applicants seek approval from the Commission for the financing pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the Applicants' purposes. Therefore, the Application should be granted.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-5222 be, and is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 27th day of April, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Brader
Mary Kidden
Tim Schram

Don Watson
Chair

ATTEST:

Michael S. Hyatt
Executive Director