

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-5252
of DCT Telecom Group, LLC,)
Cleveland, Ohio, and MBS)
Holdings, Inc., Atlanta,) ORDER GRANTING APPLICATION
Georgia, seeking authority to)
obtain debt financing.)
) Entered: June 29, 2021

BY THE COMMISSION:

On April 29, 2021, an application was jointly filed by DCT Telecom Group, LLC of Cleveland, Ohio ("DCT") and MBS Holdings, Inc., Atlanta, Georgia ("MBS Holdings") (collectively "Applicants"), seeking approval for DCT to join in certain financing arrangements of its parent company, MBS Holdings. Notice of the application was published in The Daily Record, Omaha, Nebraska, on May 12, 2021. No protests were filed; therefore, this application is processed pursuant to the Commission's rule of modified procedure.

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

DCT is a privately held limited liability company duly organized and incorporated under the laws of the State of Ohio. DCT was issued a Certificate of Public Convenience and Necessity to provide interexchange carrier telecommunications services in Nebraska in 2006.¹ The principal office of DCT is located in Cleveland, Ohio.

MBS Holdings is a Delaware corporation with its principal place of business located in Atlanta, Georgia. MBS Holdings is the indirect parent company of several subsidiary companies, including DCT. MBS is not certificated to provide telecommunications services in Nebraska.

The Applicants seek Commission approval for DCT to join into financing arrangements held by MBS Holdings, namely a \$270 million senior secured first lien term loan ("Term Loan") and a \$25 million senior secured first lien revolving credit facility ("Revolving Loan"). Applicants seek leave for DCT to join the financing

¹ See Commission Docket No. C-3588, *In the Matter of the Application of DCT Telecom Group, Inc. of Westlake, Ohio, for authority to operate as an interexchange carrier of telecommunications services within the state of Nebraska*, granted by the Commission on June 27, 2006.

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arrangements as a joint and several guarantor along with the other subsidiary guarantors for the obligations of MBS Holdings as primary borrower, and to pledge its assets in support of the financing arrangements up to the full borrowing amount of \$295 million dollars plus all interest, fees, expenses, reimbursements and indemnities due to the lenders under the financing arrangements. Applicants state that the financing arrangements will be used to fully refinance and replace long-term indebtedness, to return a portion of previously invested capital to certain direct and indirect equity holders, for working capital and for other corporate purposes.

The Applicants seek approval from the Commission 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.

Upon review of the evidence, the Commission finds that the application filed herein is in compliance with the applicable Nebraska Statutes and that the debt financing agreement is reasonably required for the aforementioned purposes. The Commission emphasizes that this finding does not constitute a review of the Applicants' overall financial ability with regard to the issuance of this debt. However, to the extent contemplated by Neb. Rev. Stat. § 75-148, the Commission finds that the application is fair, reasonable, in the public interest, and 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-5252 be, and is hereby granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 29th day of June, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Brander
Mary Kadden
Tim Schram

Don Watson
Chair

ATTEST:

Michael S. Hyl
Executive Director