

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4249
of DeltaCom, Inc., and Business)
Telecom, Inc., Huntsville,) GRANTED
Alabama, seeking approval of)
Guarantee of indebtedness.) Entered: April 6, 2010

BY THE COMMISSION:

On February 3, 2010, an application was filed by DeltaCom, Inc. ("DeltaCom"), and Business Telecom, Inc. ("BTI") (collectively, "Applicants") of Huntsville, Alabama, seeking approval of guarantee of indebtedness (hereinafter referred to as "original application"). Notice of the application was published in the Daily Record, Omaha, Nebraska, on February 8, 2010. No protests were filed. On March 16, 2010, the Commission granted approval of the application.

On March 18, 2010, the Commission received an amended application of DeltaCom, Inc. and Business Telecom, Inc. (hereinafter referred to as the "amended application") for approval of a guarantee of indebtedness. The amended application broadened the scope of the original application. The Commission thereafter vacated its Order granting approval and published the amended application in the Daily Record. Notice of the amended application was published in the Daily Record on March 23, 2010.

On March 24, 2010, the Commission received a request to withdraw the amended application. Based on communication with Applicant's counsel, the original application for indebtedness should be reinstated.

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

Accordingly, based on the evidence submitted in the original application of February 3, 2010, the Commission is of the opinion and finds as follows:

DeltaCom is a wholly-owned subsidiary of ITC^DeltaCom, Inc. (ITCD), incorporated under the laws of Alabama, and has been authorized by the Nebraska Secretary of State to transact business in Nebraska as a foreign corporation. DeltaCom is authorized to provide long distance telecommunications services

in Nebraska pursuant to an order entered in Docket C-1436 on February 4, 1997.

BTI is a wholly-owned subsidiary corporation of ITCD organized under the laws of North Carolina. BTI is authorized to provide long distance and competitive local exchange services in Nebraska pursuant to an order entered in Docket C-1245 on April 23, 1996.

Applicant seeks approval and authority to issue guarantees of indebtedness 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 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.

Applicants propose to act as guarantors of the indebtedness of the parent company, ITCD. The transaction will include the issuance of notes to investors in a private placement offering, up to a maximum of \$350 million, which will be secured by a guarantee of Applicants' assets. ITCD will serve as the primary obligor of the debt arrangement while Applicants will serve as guarantors.

Based upon the above information, the Commission finds the original application filed February 3, 2010, to be in the public interest and to be reasonably required for the purposes of DeltaCom, Inc., Business Telecom, Inc., and parent company, ITC^DeltaCom, Inc. Therefore, we approve Applicants' request to withdraw the amended application and find the original application for indebtedness filed on February 3, 2010, should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the application filed by DeltaCom, Inc. and Business Telecom, Inc. on February 3, 2010, seeking approval of a guarantee of indebtedness be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 6th day of April, 2010.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Red Johnson

Chairman

Gerald L. Vap

Gene Boyle

ATTEST:

Tim Schram

John Burvick

Deputy Director

//s// Frank E. Landis

//s// Gerald L. Vap