

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4316
of Unite Private Networks, LLC,)
Kearney, Missouri, UPN Merger)
Sub, LLC, and UPN Holdings LLC,)
Charlotte, North Carolina,) APPROVED
seeking approval of issuance of)
debt and related financing)
transactions.) Entered: December 7, 2010

BY THE COMMISSION:

On November 3, 2010, an application was filed by Unite Private Networks, L.L.C. ("UPN") of Kearney, Missouri, UPN Merger Sub, LLC ("UPN Merger Sub"), and UPN Holdings LLC ("UPN Holdings"), both of Charlotte, North Carolina, (collectively "Applicants"), seeking approval and authority to participate in certain debt issuance financing arrangements. Notice of the application was published in The Daily Record, Omaha, Nebraska, on November 5, 2010. 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

Upon consideration of the application, the evidence submitted, and being fully advised, the Commission is of the opinion and finds:

UPN is a Missouri limited liability company with authority in Nebraska to offer local and interexchange telecommunications services in Nebraska. UPN provides data-only communications services over high bandwidth fiber optic networks to schools, government agencies, carriers, and large enterprise customers.

UPN Holdings is a limited liability company duly organized and existing under and by virtue of the laws of the state of Delaware, with its principal place of business located in Charlotte, North Carolina.

UPN Holdings formed UPN Intermediate Holdings LLC, ("Intermediate") as a wholly-owned subsidiary of UPN Holdings. Intermediate formed UPN Merger Sub as a wholly-owned subsidiary of Intermediate.

As part of a Merger Agreement previously approved by the Commission¹, UPN will merge with and into UPN Merger Sub, with UPN Merger Sub surviving the merger, changing its name to Unite Private Networks, L.L.C. and continuing as an indirect, wholly-owned subsidiary of UPN Holdings.

In connection with the Merger Agreement, Applicants are seeking approval and authority for Intermediate Holdings to borrow \$45 Million of indebtedness, the proceeds of which will be used to 1) finance the Merger Transaction, 2) finance working capital and general corporate purposes of UPN Merger Sub following the closing of the Merger Transaction, and 3) pay fees and expenses in connection with the Merger Transaction. The loan will be secured by a security interest in all of the assets of UPN Merger Sub, which following the Merger Transaction will include UPN. Applicants seeks 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 financial transaction is reasonably required for the aforementioned purpose. The application is fair, reasonable, and in the public interest and should be granted.

¹ See Docket C-4303, *In the Matter of the Joint Application of Unite Private Networks, LLC, Kearney, Missouri, and UPN Holdings, LLC, Charlotte, North Carolina, seeking approval of a transfer of control*. Granted (October 26, 2010).

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4316 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 7th day of December, 2010.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Doyle J. Husar
Dune C. Dwyer
Tim Schram

Chairman

Gerald L. Vap

ATTEST:

Theresa J. H.

Executive Director

//s// Frank E. Landis

//s// Gerald L. Vap