

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint	)	Application No. C-4503
Application of Unite Private	)	
Networks, L.L.C., Kearney,	)	
Missouri, Treasure Lake, L.P.	)	
and Zito Midwest, LLC,	)	
Coudersport, Pennsylvania,	)	
seeking approval of Transfer of	)	GRANTED
Assets of Treasure Lake, L.P.	)	
and Zito Midwest, LLC to Unite	)	
Private Networks, L.L.C. and	)	
seeking approval of Issuance of	)	
Debt and Related Financing	)	
Transactions.	)	Entered: September 5, 2012

BY THE COMMISSION:

On July 24, 2012, a joint application was filed by Unite Private Networks, L.L.C. (UPN), Kearney, Missouri, Treasure Lake, L.P. (Treasure Lake) and Zito Midwest, LLC (Zito), Coudersport, Pennsylvania, (collectively, the "Applicants") seeking approval of Transfer of Assets of Treasure Lake and Zito (hereinafter "Service Providers") to UPN and seeking approval of Issuance of Debt and Related Financing Transactions. Notice of the application was published in The Daily Record, Omaha, Nebraska, on July 31, 2012. 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

The Parties:

UPN is Delaware limited liability company with principal offices located in Kearney, Missouri. UPN is a wholly-owned subsidiary of UPN Intermediate Holdings LLC, which is in turn a wholly-owned subsidiary of UPN Holdings LLC. UPN was authorized as a local exchange, access, and interexchange telecommunications services provider in the State of Nebraska by virtue of authority granted by the Commission on September 16, 2003, under Docket C-2998, and on November 22, 2005, under Docket C-3487. UPN provides data-only communications to schools, governments, carriers, and large enterprises in the State of Nebraska.

Treasure Lake is a Delaware limited partnership with headquarters located in Coudersport, Pennsylvania. Treasure Lake was authorized as an interexchange telecommunications carrier in the State of Nebraska by virtue of authority granted

by the Commission on June 14, 2011, under Docket C-4357. Treasure Lake provides telecommunications services to businesses and residential customers in the State of Nebraska.

Zito is a Delaware limited liability company with headquarters in Coudersport, Pennsylvania. Zito was authorized as an interexchange telecommunications services provider in the State of Nebraska by virtue of authority granted by the Commission on September 28, 2010, under Docket C-4296. Zito provides telecommunications services to businesses and residential customers in the State of Nebraska.

#### Description of the Transaction:

According to the application, UPN will purchase the commercial, fiber network businesses of Treasure Lake and Zito. Ultimate ownership of Treasure Lake and Zito will remain unchanged and both companies will continue to exist, offering other services. The proposed transaction does not involve the assignment of the Service Providers' certificates of authority to provide telecommunications services to their customers.

Further, the management and corporate officers of Treasure Lake and Zito will not change as a result of the proposed transaction. The Applicants anticipate that the proposed transaction will be transparent to any customers in Nebraska and the customers will continue to receive service under the same rates, terms, and conditions as they currently receive. Affected customers will also be given new contact information for customer service at UPN and notified again upon consummation of the proposed transaction. The Applicants state there will be no change in the name of Treasure Lake or Zito and no effect on those customers outside of their commercial, fiber network business.

Finally, the Applicants state that the proposed transaction is in the public interest as it will provide the Service Providers with greater financial resources necessary to expand their customer bases and develop new products and services to meet the evolving needs of their customer bases.

#### Debt Issuance and Related Financing Transactions

To finance the asset purchase associated with the proposed transaction discussed above, the Applicants seek approval and authority to incur aggregate debt of up to \$100 million 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.

The debt will include a senior credit facility of up to \$100 million with a 5-year maturity from the closing date, including a revolving credit facility of \$20 million with a 5-year maturity from the time of the closing of the proposed transaction, tentatively set for August 30, 2012. The debt will be secured by substantially all the assets and property of UPN Intermediate Holdings, LLC, its subsidiaries, and UPN Holdings, LLC. Further, the debt will be guaranteed by UPN Holdings, LLC, and each existing and subsequently acquired or organized wholly-owned U.S. direct or indirect subsidiary.

Based upon the above information, the Commission finds the application to be fair and reasonable, in the public interest, and reasonably required for the purposes of Unite Private Networks, L.L.C., Treasure Lake, L.P., and Zito Midwest, LLC. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4503 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 5<sup>th</sup> day of September, 2012.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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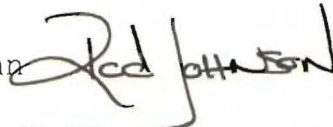
MADE AND ENTERED at Lincoln, Nebraska, this 5<sup>th</sup> day of September, 2012.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

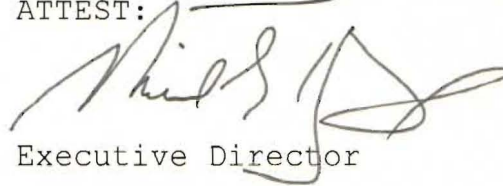


Chairman





ATTEST:



Executive Director



//s// Rod Johnson