

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-4634
Application of Elsie)
Communications, Inc., Dalton)
Telecommunications, Inc. and)
Dalton Telephone Company, Inc.,) GRANTED
Colorado City, Colorado, seeking)
Authority to Issue)
Collateralized Guaranties of)
Long-Term Indebtedness.) Entered: November 25, 2013

BY THE COMMISSION:

By Joint Application filed on October 10, 2013, Elsie Communications, Inc., Dalton Telecommunications, Inc. and Dalton Telephone Company, Inc. (collectively referred to as "Applicants"), of Colorado City, Colorado, seek authority to issue collateralized guaranties of long-term indebtedness. Notice of the application was published in the Daily Record, Omaha, Nebraska, on October 15, 2013. 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

Elsie Communications, Inc. ("Elsie") and Dalton Telephone Company, Inc. ("Dalton") are Nebraska corporations with their principal offices located in Colorado. Dalton Telecommunications, Inc. ("DTI") is a North Carolina corporation with its principal office located in Colorado. Applicants are engaged in the provision of general telecommunications services in the State of Nebraska. Elsie and Dalton currently provide local exchange service. Dalton and DTI operate as interexchange carriers in the State of Nebraska.

A transaction is pending in which the issued and outstanding stock of the Applicants' ultimate parent company, American Broadband Acquisition Corp. IV ("ABAC IV") is to be acquired by USConnect Acquisitions IV, Inc. ("Acquisitions IV") a wholly owned subsidiary of USConnect Holdings, Inc. ABAC IV owns all of the issued and outstanding shares of Newcastle Holdings, Inc. ("Holdings"), the immediate parent company of the Applicants. In this particular case, no change of control application was required to be filed with the Commission in connection with the acquisition of ABAC IV.

Holdings and CoBank, ACB("CoBank") have executed a Commitment Letter dated September 16, 2013, setting forth the terms and conditions governing the borrowing by Holdings and the lending by CoBank of funds necessary to accomplish the

acquisition of ABAC IV, as well as Holdings' acquisition of certain other affiliates of ABAC IV that own telecommunications carriers located in other states. Pursuant to the Commitment Letter, the proposed financing will consist of (i) a \$31,750,000 delayed draw term loan and (ii) a \$1,000,000 revolving credit facility subject to an additional \$2,000,000 increase upon the satisfaction of certain conditions (the "Credit Facilities"). The Credit Facilities are to be secured by substantially all the assets of Holdings and each of its subsidiaries including the Applicants. The parent corporation will also pledge the equity of the Applicants to secure the obligations arising in connection with the Credit Facilities.

Proceeds from the term loan will be used to fund the acquisition of the stock of ABAC IV and its subsidiaries, including the Applicants, to make certain other permitted acquisitions and to pay fees and expenses in connection with the Credit Facilities. The financing arrangements will be transparent to customers. Customers will benefit from the continued receipt of quality telecommunications services that are priced competitively.

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.

This request for approval is conditional upon the closing of the transaction. In the event that the acquisitions are not completed by Holdings, the Applicants will advise the Commission and request the Commission to rescind the authority granted hereunder.

Upon review of the evidence, the Commission finds the application filed herein is in compliance with the applicable Nebraska statutes and that the proposed issuance of collateralized guaranties of long-term indebtedness is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4634 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of November, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

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Upon review of the evidence, the Commission finds the application filed herein is in compliance with the applicable Nebraska statutes and that the proposed issuance of collateralized guaranties is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted.

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MADE AND ENTERED at Lincoln, Nebraska, this 25th day of November, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Anne C. Boyle
//s//Frank E. Landis



Chair

ATTEST:



Executive Director