

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4648
of Ionex Communications North,)
Inc., Atlanta, Georgia, seeking)
approval of certain debt) GRANTED
financing transactions.)
) Entered: January 28, 2014

BY THE COMMISSION:

On December 13, 2013, an application was filed by Ionex Communications North, Inc., ("Ionex" or "Applicant"), of Atlanta, Georgia, seeking approval to guarantee and pledge its assets in connection with financing transactions entered into by Ionex's parent company. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 18, 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

The Applicant is a South Dakota corporations with its principal offices located in Atlanta, Georgia. Ionex is authorized to provide local exchange and interexchange telecommunications services in Nebraska under and by virtue of authority heretofore granted by this Commission.¹

Birch Communications Inc. ("Birch") is Ionex's parent company. Birch is a Georgia corporation with principal offices located in Atlanta, Georgia. Birch and its subsidiaries provide local and interexchange telecommunications services to both business and residential customers in forty-eight states and the District of Columbia.

Since April 2011, Birch has entered into various secured credit arrangements with various financial institutions and refinanced said credit arrangements along with other transactions dealing with the outstanding obligations.²

In connection with the total senior credit facilities approved by the Commission in Docket C-4607 on July 9, 2013, Birch now seeks approval to increase the total amount of available senior credit facilities. The Credit Agreement governing the senior credit facilities was executed in September 2013, and allows Birch to obtain additional revolving credit and

¹ See Docket C-4081, (previously C-1029), (February 8, 1994) and Docket C-970 (May 4, 1993).

² See Docket C-4348 (May 17, 2011); Docket C-4081.1 (July 10, 2012); Docket C-4537 (January 8, 2013); and Docket C-4607 (July 9, 2013).

term loan facilities not previously contemplated when Birch's original application was filed in May 2013. Birch, in the above-captioned docket, seeks approval to increase the total senior credit facilities available under the Credit Agreement.

The Applicant states the financing transactions are in the public interest as it will allow Ionex to strengthen its ability to compete in the market for telecommunications services in Nebraska by giving Ionex and Birch access to greater financial resources at lower interest rates. The Applicant further states the resources will enable Ionex to introduce innovative products and services and to respond better to the competitive telecommunications environment. The proposed transaction will not result in any change to Ionex's operations, rates, or services or to its ownership structure.

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 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-4648 be, and is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of January, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Aime Boyle
Tim Schram
Dee Johnson
Guadalupe

Frank Landis
Chairman

ATTEST:

Steve Meradith
Executive Director

//s//Frank E. Landis