SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-4872 In the Matter of the Joint Application of AccessLine Communications Corporation, Bellevue, Washington, Oak Hill Capital Partners III, L.P., and its affiliates, New York, New GRANTED York, and Madison Dearborn Capital Partners VII-A, L.P. and its affiliates, Chicago, Illinois, seeking approval of a holding company level transfer of control and of certain connected financing Entered: November 8, 2016 arrangements.

BY THE COMMISSION:

On September 26, 2016, a joint application was filed by AccessLine Communications Corporation ("AccessLine") of Bellevue, Washington; Oak Hill Capital Partners III, L.P., and its affiliates ("Oak Hill") of New York, New York; and Madison Dearborn Capital Partners VII-A, L.P. and its affiliates ("MDP") of Chicago, Illinois (together "Applicants"), seeking approval of a transaction that will result in the transfer of control of AccessLine to MDP and authority to issue long-term indebtedness to finance the transaction. Notice of the application was published in The Daily Record, Omaha, Nebraska, on October 4, 2016. No protests were filed; therefore, this application is processed pursuant to the Commission's rule of modified procedure.

OPINION AND FINDINGS

The Parties

AccessLine is authorized to operate as a resale carrier of telecommunications service in the State of Nebraska pursuant to its certificate of authority granted by the Commission in Docket No. C-3320 on February 4, 2005. Oak Hill is a private equity firm managing the Oak Hill funds that are sellers in the transaction. Oak Hill owns Intermedia Holdings, Inc. ("Intermedia"), the indirect parent of AccessLine. MDP is a private equity investment firm and are the buyers in the transaction.

The Transaction

In September of this year, Oak Hill and Intermedia entered into an agreement and plan of merger with the newly formed MDP subsidiary Ivy Parent Holdings, LLC and Ivy Merger Sub, Inc. pursuant to which Ivy Merger Sub, Inc. will merge with and into

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Intermedia, with Intermedia emerging as the surviving entity. When this occurs, MDP will indirectly be Intermedia's controlling shareholder.

Financing Arrangements

Applicants seek authority to obtain debt financing consisting of one or more secured credit facilities that are sufficient to finance the Transaction. Applicants state they anticipate the debt financing will consist solely of long-term indebtedness with maturity dates that exceed 5 years. The obligations incurred with the transaction will be guaranteed by Ivy Intermediate Holdings, Inc. and each of its existing and future wholly-owned subsidiaries, including AccessLine and its parent Intermedia and secured by a security interest in substantially all of the assets of Intermedia.

The transfer of control will occur at the holding level company only. The credit facilities will be used for a variety of purposes including completing the transfer of control and repaying existing indebtedness obligations.

The Applicants states the financing arrangement and transfer of control will be seamless to customers and will not result in a change to any rate, term or condition of service. Additionally, there will be no discontinuance, reduction, or impairment of service to any customer as a result of the transaction and transfer.

The Applicant further states the financing transactions are in the public interest and will allow AccessLine to continue to provide high quality telecommunications services and gain access to additional resources and the operational expertise of MDP. They further state the Transaction will enable AccessLine to become a stronger competitor to the ultimate benefit of consumers.

Applicant seeks approval from the Commission pursuant to $\underline{\text{Neb.}}$ 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

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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 and transfer of control is reasonably required for the aforementioned purpose. The application is fair, reasonable and in the public interest and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4872 be, and is hereby granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 8th day of November, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

ATTEST:

Chairman

Executive Director

//s//Frank E. Landis //s//Tim Schram