

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-4949
Application of Dalton)
Telephone Company, Inc.,)
Dalton Telecommunications,)
Inc., and Elsie)
Communications, Inc.,) GRANTED
Colorado City, Colorado,)
seeking authority to join in)
guaranteeing long-term)
indebtedness.) Entered: November 1, 2017

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

By Application filed September 7, 2017, Dalton Telephone Company, Inc., Dalton Telecommunications, Inc., and Elsie Communications, Inc., (Applicants) of Colorado City, Colorado, seek authority to join in guaranteeing long-term indebtedness. Notice of the application appeared in The Daily Record, Omaha, Nebraska, on September 22, 2017.

Dalton and Elsie are Nebraska corporations with their principal offices located in Dalton. DTI is a North Carolina corporation, with its principal office also located in Dalton. Applicants are engaged in the provision of telecommunications services in the State of Nebraska. Dalton and Elsie currently provide basic local exchange service in the areas set forth on maps on file with the Commission. Dalton and DTI operate as interexchange carriers in the State of Nebraska. Applicants are subsidiaries of USConnect Holdings, Inc. ("US Connect").

USConnect and CoBank executed an Amended and Restated Credit Agreement.¹ The modified financing will consist of (a) a revolving credit facility in an aggregate principal amount at any time outstanding not to exceed \$3,000,000, (b) a term loan facility in an aggregate principal amount not to exceed \$20,500,000, and (c) a delayed draw term loan facility in an aggregate principal amount not to exceed \$10,500,000.

¹ On November 25, 2013, the Commission approved the issuance by Dalton, DTI, and Elsie of collateralized guarantees of indebtedness as provided in a Credit Agreement between USConnect and CoBank, ACB ("CoBank") in Docket C-4634.

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The proceeds from the Credit Facilities will be used by USConnect to continue to finance the prior acquisition and continued operation of telecommunications companies, including Dalton, DTI, and Elsie, with the potential to be used to accomplish the acquisition of an additional target company. According to the Applicants, use of the continued financing of USConnect's acquisition of Dalton, DTI, and Elsie is reasonably required for purposes of the Applicants. Further, according to the application, regulatory approval of the refinancing provided for in the Amended Credit Agreement is required in Nebraska alone.

The Applicants further state the financing transactions are in the public interest and will benefit Applicant's customers as it will allow Applicants to continue to bring reliable and affordable telecommunications services to customers in Nebraska.

Applicant 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 debt financing agreement 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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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4949 be, and is hereby granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 7th day of November, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Riddin

Tim Schram
Chairman

Crystal Knoakes

ATTEST:

Ed. [unclear]

Michael S. [unclear]

Executive Director

//s//Frank E. Landis

//s//Tim Schram