

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

| | | |
|----------------------------------|---|---------------------------|
| In the Matter of the Joint |) | Application No. C-4954 |
| Application of Arlington |) | |
| Telephone Company, The Blair |) | |
| Telephone Company, Eastern |) | |
| Nebraska Telephone Company, Rock |) | |
| County Telephone and HunTel |) | GRANTED |
| CableVision Inc. d/b/a American |) | |
| Broadband Nebraska Communica- |) | |
| tions, Inc., for Authority to |) | |
| Issue Collateralized Guarantees |) | |
| of Long-Term Indebtedness. |) | Entered: December 5, 2017 |

BY THE COMMISSION:

On October 23, 2017 an application was filed by Arlington Telephone Company, The Blair Telephone Company, Eastern Nebraska Telephone Company, Rock County Telephone, and HunTel CableVision Inc. d/b/a American Broadband Nebraska Communications, Inc. (collectively referred to as the "Regulated Entities"), jointly seeking approval to participate in certain financing arrangements. Notice of the application was published in The Daily Record, Omaha, Nebraska, on October 26, 2017. 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 Applicants

Each of the Regulated Entities is a Nebraska corporation with its principal office located in Nebraska. Other than HunTel CableVision Inc. d/b/a American Broadband Nebraska Communications, Inc. (CableVision), each of the Regulated Entities is engaged in the provision of general telecommunications services in the State of Nebraska as an incumbent local exchange carrier and currently provides basic local exchange service in the areas set forth on service area maps on file with the Commission. CableVision operates as a competitive local exchange and interexchange carrier in the State of Nebraska.

The Regulated Entities are privately held and wholly-owned direct subsidiaries of HunTel, Inc., a North Carolina corporation f/k/a Noble Holdings, Inc. (HunTel) which in turn is a wholly-owned subsidiary of American Broadband Acquisition Corp. II a Delaware corporation ("ABAC II"). ABAC II is in turn a wholly-owned subsidiary of American Broadband Holding Company, a Delaware

corporation ("ABHC"). The current corporate structure and the pro forma corporate structure that will exist following this refinancing relating to the Regulated Entities, HunTel, ABAC II and ABHC were set forth in the Application.

Financing Arrangements

ABHC received and accepted a Proposal Letter issued by Silver Point Finance, LLC ("Lender") to provide ABHC with a \$225 million Senior Secured Credit Facility in order to (a) refinance all of ABHC's existing indebtedness (b) repurchase and retire all existing warrants held by Ares Capital Corporation or its affiliates, and (c) pay fees and expenses associated with the Facility. While ABHC is not a provider of telecommunications services in Nebraska, the Summary of Terms reflects the expected requirement that all regulated domestic subsidiaries of ABHC shall provide Guarantees and Security Interests for the Facility and shall pledge their assets to secure performance of the Guarantees.

Applicants state the transactions described in the Application are financial in nature and will not affect the technical or managerial qualifications of the Regulated Entities or affect or interrupt the Regulated Entities' services to end user customers in the State of Nebraska. The Regulated Entities will specifically benefit from the refinancing of their previously existing indebtedness that will be accomplished pursuant to the Facility. In addition, the Facility will facilitate, among other things, financial and operating synergies among ABHC and its subsidiaries. Accordingly, Applicants state approval of the application will serve the public interest.

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

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-4954

Page 3

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-4954 be, and is hereby granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 5th day of December, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Mary Redden
Lucretia L. L. L.
Paul J. L.

Tim Schram
Chairman

ATTEST:

Paul L. L.
Executive Director

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