

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-5038
Application of BCM One, Inc.,)
New York, New York, for)
authority to obtain debt) ORDER GRANTING APPLICATION
financing.)
)
)
) Entered: March 26, 2019

BY THE COMMISSION:

On February 7, 2019, an application was filed by BCM One, Inc. ("BCM" or "Applicant"), seeking approval to participate in certain financing arrangements. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 13, 2019. 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

BCM One is a corporation duly organized and incorporated under the laws of the State of New York. BCM One was issued a Certificate of Public Convenience and Necessity to provide interexchange carrier telecommunications services in Nebraska in 2004.¹ The principal office of BCM One is located in New York, New York.

Previous to this docket, BCM obtained the Commission's approval for debt financing of \$105 million, in Commission Docket No. C-5019. BCM now seeks to obtain additional debt financing in the aggregate amount of \$50 million in order to acquire other complementary entities. BCM would be a co-borrower with BCM One Group Holdings, Inc., which recently acquired BCM in a transaction approved by the Commission in Docket No. C-5008.

BCM states that it contemplates obtaining this financing on similar terms and conditions as that financing previously approved in C-5019. The financing arrangements described in that application were as follows: "BCM One will become a co-borrower with respect to the financing along with other complementary entities that would also become co-borrowers of the financing. The financing includes (i) senior secured financing (consisting of

¹ See *In the Matter of McGraw Communications, Inc.*, New York, New York, seeking authority to operate as a resale common carrier of telecommunications services within the state of Nebraska, Application No. C-3083, Order Granting Application (February 3, 2004). In Docket No. C-4746, McGraw Communications, Inc. applied for and received Commission approval for a name change to BCM One.

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a five-year term loan up to \$48 million), (ii) a five-year revolving credit facility of up to \$5 million, and (iii) certain other incremental and other loans, all of which will be secured by (i) substantially all of the assets of BCM Holdings and, upon the completion of the transaction, BCM One and the other complementary entities, and (ii) upon the completion of the Transaction, a pledge by BCM Holdings of its equity interests in BCM One and the other complementary entities."

The Applicant states that in the event that BCM intends to acquire any certificated complementary entities, it will seek Commission approval for the acquisitions. The Applicant further states that neither the financing nor any acquisition will disrupt customer service in Nebraska or result in a degradation of services. The Applicant further states that approval of this application will position BCM for measured growth in the telecommunications market, and allow it to develop improved operating efficiencies and enhanced marketing opportunities.

The 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, in the public interest, and should be granted.

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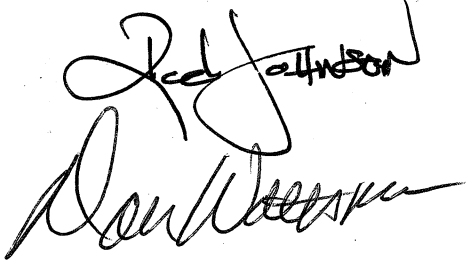
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-5038 be, and is hereby granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 26th day of March, 2019.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Two handwritten signatures in black ink, one above the other, representing the concurring commissioners.A handwritten signature in black ink, reading "Mary Reddel".

Chair

ATTEST:

A handwritten signature in black ink, representing the Executive Director.

Executive Director