

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-3543
Application of Elsie)
Communications, Inc., Wichita,)
Kansas, and Dalton Telephone) GRANTED
Company, Inc., Wichita, Kansas,)
seeking authority to issue)
collateralized guarantees of)
long-term indebtedness.) Entered: March 29, 2006

BY THE COMMISSION:

On January 17, 2006, a joint application was filed by Elsie Communications, Inc., (Elsie), Wichita, Kansas, and Dalton Telephone Company, Inc., (Dalton), Wichita, Kansas, seeking authority to issue collateralized guaranties to secure financing for the acquisition of the stock of Elsie and Dalton parent companies by Newcastle Holdings, Inc. (NHI). Notice of the application was published in The Daily Record, Omaha, Nebraska, on January 25, 2006. 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

Upon consideration of the application, the evidence submitted, and being fully advised, the Commission is of the opinion and finds:

Elsie and Dalton are Nebraska corporations, with their principle offices located in Nebraska. Elsie and Dalton are engaged in the provision of general telecommunication services in the state of Nebraska and currently provide basic local exchange service in the Elsie, Bushnell, Dalton, Dix, Gurley, and Lodgepole areas.

Current transactions are pending in which the outstanding common shares of both Elsie and Dalton are being acquired by NHI. Approval by the Commission of the proposed sale of stock and transfer of control was granted in Docket C-3520 on March 14, 2006.

Elsie and Dalton seek approval and authority to issue collateralized guaranties of long-term indebtedness 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.

Applicants originally requested the authority to issue \$13,500,000.00 in collateralized guaranties. On March 13, 2006, Applicants filed a revised exhibit requesting the authority to issue \$16,000,000.00 in collateralized guaranties to secure the indebtedness to be incurred by NHI in the acquisitions of Elsie and Dalton as described above. The Applicants state that the request for authority and the issuance of the collateral guaranties contemplated by the Applicants are conditional upon the closing of the transaction to acquire Elsie and Dalton by NHI.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purpose of Elsie Communications, Inc. and Dalton Telephone Company, Inc. Therefore, the application should be granted.

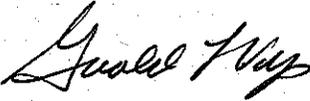
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3543 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 29th day of March, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s// Lowell C. Johnson

//s// Frank E. Landis



Chairman

ATTEST:



Executive Director

