

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., )  
Clearwater, Kansas, and ) AMENDED ORDER  
Dalton Telephone Company, )  
Inc., Clearwater, Kansas, )  
for Authority To Issue )  
Collateralized Guaranties )  
of Long-Term Indebtedness. ) Entered: June 27, 2006

BY THE COMMISSION:

On March 29, 2006, the Commission entered its Order herein (the "Order") granting the joint request of Elsie Communications, Inc. ("Elsie"), and Dalton Telephone Company, Inc. ("Dalton"), both of Clearwater, Kansas, to issue collateralized guaranties to secure financing to be obtained by Newcastle Holdings, Inc. ("NHI") for the purpose of financing the acquisition of the stock of Elsie and Dalton from such Companies' existing parent corporations.

Prior to the entry of the Order, on February 22, 2006, in Application No. C-3528, the Commission granted NHI's application for a certificate of authority to furnish intrastate interexchange telecommunications service in this state. As a consequence of such certification, NHI assumed the status of a common carrier and became subject to this Commission's jurisdiction.

Among the obligations of a common carrier subject to the Commission's jurisdiction is the requirement that authorization be obtained from the Commission prior to a common carrier's issuance of indebtedness "payable at periods of more than twelve months after the date thereof."<sup>1</sup> While the Commission, in the Order, authorized Elsie and Dalton to issue collateralized guaranties of the payment of the NHI indebtedness described in the Application filed herein, the Order did not specifically authorize NHI's issuance of the Indebtedness.

For the reasons set forth below, the Commission finds that the Order should be amended to authorize the issuance of the Indebtedness by NHI.

<sup>1</sup> Neb. Rev. Stat. § 75-148.

## 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 as follows:

NHI is a North Carolina corporation authorized to do business in Nebraska as a foreign corporation. By order entered in Application No. C-3528 on February 22, 2006, the Commission granted NHI authority to provide interexchange telecommunications service within the state of Nebraska.

Subsequently, on March 14, 2006, the Commission entered its order in Application No. C-3520 granting the joint applicants therein, including NHI, approval of changes of the controlling interests in Elsie and Dalton with NHI receiving approval to become the entity to hold the controlling interests in Elsie and Dalton. In order for NHI to complete the transaction approved by the Commission in Application No. C-3520, the financing in connection with which the Commission authorized Elsie and Dalton to issue collateralized guaranties in the Order is required.

The Commission finds that the terms of the Indebtedness to be issued by NHI in an amount not to exceed \$16,000,000 for the purpose of acquiring all of the outstanding stock of Elsie and Dalton were fully described in the application and in the Preliminary Credit Facility Term Sheet, as amended, attached thereto. The Commission further finds that issuance of the Indebtedness is in the public interest, is reasonably required for NHI to complete the acquisition of the outstanding stock of Elsie and Dalton and is reasonably required for the purposes of NHI.

Finally, the Commission finds that the publication of notice in connection with this application, as well as the publication of notice in connection with Application No. C-3520, have properly informed any interested parties of the transaction whereby NHI will acquire the outstanding stock of Elsie and Dalton, and the financing of such acquisitions through the use of the proceeds from the Indebtedness.

O R D E R

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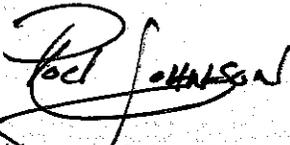
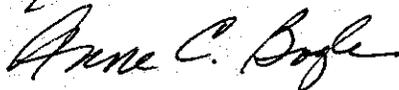
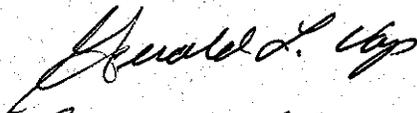
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IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Order entered herein on March 29, 2006, is amended in accordance with the terms of this Amended Order, and that Newcastle Holdings, Inc. be, and hereby is authorized to issue indebtedness in an amount not to exceed \$16,000,000 generally in accordance with the Preliminary Credit Facility Term Sheet, as amended, attached to the application as Exhibit A.

MADE AND ENTERED at Lincoln, Nebraska, this 27<sup>th</sup> day of June, 2006.

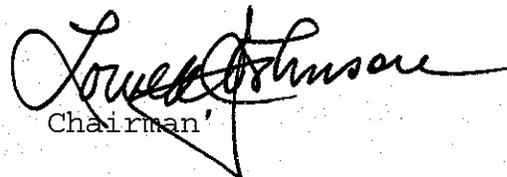
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



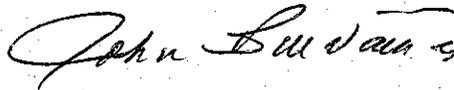
//s// Lowell C. Johnson

//s// Frank E. Landis



Chairman

ATTEST:



Deputy Director

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