

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3782
of Dalton Telecommunications,)
Inc., Charlotte, North Carolina,)
seeking authority to issue a) GRANTED
collateralized guaranty of long-)
term indebtedness.) Entered: May 1, 2007

BY THE COMMISSION:

On March 21, 2007, an application was filed by Dalton Telecommunications, Inc. ("Dalton" or "Applicant"), Charlotte, North Carolina, seeking approval of the issuance of collateralized guaranty of long-term indebtedness. Notice of the application was published in The Daily Record, Omaha, Nebraska, on March 28, 2007. 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:

Dalton is a North Carolina corporation with its principle office located in Charlotte, North Carolina. Applicant is a non-facilities based provider of interexchange services in Nebraska. Dalton was issued a Certificate of Public Convenience and Necessity in Application No. C-3700 on November 28, 2006.¹

Applicant seeks 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,

¹ See *In the Matter of the Application of Newcastle Holdings, Inc., (NHI) Charlotte, North Carolina, seeking approval to transfer NHI's authority to operate as an interexchange carrier of telecommunications services within the state of Nebraska to its wholly-owned subsidiary, Dalton Telecommunications, Inc., (DTI) Charlotte, North Carolina., Granted, (November 28, 2006).*

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.

The debt financing arrangement proposed would involve Applicant acting as a guarantee of the indebtedness of its parent, Newcastle Holdings, Inc. ("NHI"). CoBank, ACB ("Lender") will make available to NHI, up to a maximum of \$13,650,000 which will be secured by a guarantee of Applicant's assets. NHI will serve as the primary obligor of the debt arrangement while Applicant will serve as a guarantor.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purposes of Dalton Telecommunications, Inc., and its parent company, NHI. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3782 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of May, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Arnold K. Lap
Tim Schram

//s// Frank E. Landis

Frank E. Landis
Vice Chairman

ATTEST:

And S. Pollack

Executive Director