

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 11, 2007

IN RE:

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JOINT APPLICATION OF JOURNAL COMMUNICATIONS, INC.,)	DOCKET NO
NORLIGHT TELECOMMUNICATIONS, INC., AND Q-COMM)	06-00303
CORPORATION FOR APPROVAL OF THE TRANSFER OF)	
CONTROL OF NORLIGHT TELECOMMUNICATIONS, INC.)	
TO Q-COMM CORPORATION AND FOR NORLIGHT)	
TELECOMMUNICATIONS, INC. TO PARTICIPATE IN)	
CERTAIN FINANCING ARRANGEMENTS)	

**ORDER APPROVING TRANSFER OF AUTHORITY
AND FINANCING TRANSACTION**

This matter came before Chairman Sara Kyle, Director Eddie Roberson and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on January 23, 2007, for consideration of the *Joint Application* of Journal Communications, Inc. ("Journal"), Norlight Telecommunications, Inc. ("Norlight"), and Q-Comm Corporation ("Q-Comm") (collectively, "Applicants") for approval of a transfer of authority of Norlight to Q-Comm,¹ and approval of related financing arrangements.

The Petition

Norlight is a Wisconsin corporation with headquarters in Brookfield, Wisconsin. Norlight is currently a wholly-owned subsidiary of The Journal Company, which in turn is a

¹ Norlight previously obtained Authority for the spin-off of Norlight from Journal pursuant to Authority Order in Docket No. 06-00149 on September 29, 2006. The spin-off, however, will not occur and the transaction described in this Application will replace the spin-off. Norlight states that it will file a notice of non-consummation for the spin-off, upon completion of this transaction.

wholly-owned subsidiary of Journal. Norlight holds authority to provide intrastate interexchange telecommunications services in approximately thirty states and competitive local exchange telecommunications services in approximately six states. Norlight is also authorized to provide domestic interstate and international telecommunications services by the Federal Communications Commission ("FCC"). Norlight is authorized to provide operator services and/or resell telecommunications services in Tennessee, pursuant to Authority Order in Docket No. 96-00890, as amended in Docket No. 05-00333.

Journal is a Wisconsin corporation with principal offices in Milwaukee, Wisconsin. Journal is a publicly traded, diversified media and communications company with operations in publishing, radio, and television broadcasting. Journal does not provide telecommunications services and holds no certificates or authorizations from the authority.

Q-Comm is a privately held Nevada corporation with its principal offices in Las Vegas, Nevada. Q-Comm holds the stock of multiple subsidiaries including several regional telecommunication service providers such as Kentucky Data Link, Inc. ("KDL"), Cinergy Communications Company ("CCC"), and Cinergy Metronet, Inc. ("CMN"), (collectively, the "Q-Comm Ops").

KDL is a direct, wholly-owned subsidiary of Q-Comm. KDL and its subsidiary, Knoxville Data Link, Inc., operate an extensive fiber optic network, and are authorized to provide local exchange and interexchange telecommunications services in several states. KDL is authorized to provide local exchange and interexchange telecommunications services in Tennessee, pursuant to Authority Orders in Docket No. 04-00011, and Docket No. 99-00408, respectively.

Knoxville Data Link, Inc. is a direct, wholly-owned subsidiary of KDL, which, in turn, is a direct, wholly owned subsidiary of Q-Comm. Knoxville Data Link, Inc. is authorized to provide regulated retail local exchange and interexchange telecommunications services in Tennessee, pursuant to Authority Order in Docket No. 06-00186.

CCC is a direct, wholly-owned subsidiary of Q-Comm. CCC is authorized to provide local exchange and interexchange telecommunications services in Tennessee pursuant to Authority Order in Docket No. 01-00112.

CMN is a “fiber to the premises” communication service company, providing video, voice, high speed data, and security services to underserved rural communities in Indiana.

The *Joint Application* requests Authority approval to consummate a transaction whereby pursuant to a Stock Purchase Agreement (the “Agreement”), Journal will sell all of the stock of Norlight, currently owned by Journal’s wholly-owned subsidiary, The Journal Company, to Q-Comm for a price of \$185 million, subject to certain working capital adjustments. Following the transaction, the authority of Norlight will be transferred to Q-Comm and Norlight will be a wholly-owned subsidiary of Q-Comm.

Applicants also request Authority approval for Norlight to pledge its assets as guaranty for certain financial arrangements that Q-comm plans to enter into with the Bank of America including: (1) first lien facilities in an aggregate principal amount of up to \$220 million (the “First Lien Facilities”) consisting of up to a \$200 million first lien tranche B term loan facility (“Tranche B Term Loan Facility”) with a 7 year maturity date, and an up to \$20 million first lien revolving credit facility (“Revolving Credit Facility”) with a 5 year maturity date; and (2) a second lien term loan facility of up to \$40 million (the “Second Lien Facilities”) which will mature in 7.5 years. Upon closing, Norlight will pledge its assets as security for the First Lien Facilities and the Second Lien Facilities.

In a Data Response received on December 28, 2006, Applicants stated that the customer premise equipment is the only asset in Tennessee that Norlight will pledge as collateral for the debt.

The *Joint Application* states that Norlight will not change its operational name, and will continue to offer services in Tennessee in the same manner, with no change in rates, terms, or conditions of service, making the proposed transfer of authority seamless and transparent to its customers.

January 23, 2007 Authority Conference

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) (2004) provides:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, which in pertinent part, states as follows:

Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

Tenn. Code Ann. § 65-4-109 (2004) provides:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.

At the regularly scheduled Authority Conference held on January 23, 2007, the voting panel assigned to this docket voted unanimously to approve the *Joint Application* and made the following findings:²

1. The proposed transfer of authority should be considered pursuant to Tenn. Code Ann. § 65-4-113 (2004) rather than Tenn. Code Ann. § 65-4-112 (2004) because the latter section applies to transactions between two public utilities, which is not true of the parties in this docket;
2. The transfer of authority is in the public interest, will be transparent to Norlight customers, and no customer notification is required;
3. The proposed financing arrangements are subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2004);
4. The financing arrangements are being made in accordance with laws enforceable by the Authority; and
5. The financing arrangements are in the public interest because it will strengthen Norlight's ability to expand offerings and more advanced services to a broader number of customers.

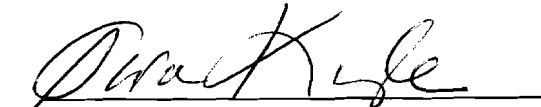
IT IS THEREFORE ORDERED THAT:

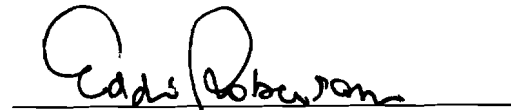
1. The transfer of authority of Norlight Telecommunications, Inc. to Q-Comm Corporation as described in the *Joint Application* and discussed herein is approved, contingent upon approval by the Federal Communications Commission.
2. The Applicants shall file with the Authority any documentation from the Federal Communications Commission regarding subsequent action on the transfer.

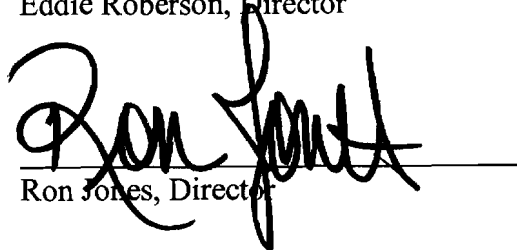
² Director Jones made the following additional findings:

1. The proposed financing transaction is expected to affect the Tennessee assets of a Tennessee certificated entity.
2. Applicants have filed similar petitions or notices in other states.
3. Tennessee has a legitimate interest in monitoring the integrity of the competitive marketplace which includes obtaining information on the financial transactions and fitness of certificated telecommunications carriers.
4. The burden of compliance with Tenn. Code Ann. §65-4-109 (2004) is minimal as such compliance should be perfunctory given the telecommunications industry's movement to a competitive environment.

3. The authorization and approval given shall not be used by any party for the purpose of inferring an analysis or assessment of the risks involved. This decision is not intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof.


Sara Kyle, Chairman


Eddie Roberson, Director


Ron Jones, Director