

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 3, 2015

IN RE:

**PETITION OF UNITED TELEPHONE COMPANY
AND UTC LONG DISTANCE, LLC FOR APPROVAL
TO PARTICIPATE IN CERTAIN FINANCING
ARRANGEMENTS**

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**DOCKET NO.
15-00078**

ORDER APPROVING FINANCING ARRANGEMENTS

This matter came before Chairman Herbert H. Hilliard, Vice Chairman David F. Jones and Director Kenneth C. Hill of the Tennessee Regulatory Authority (“TRA” or “Authority”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 19, 2015, for consideration of the *Petition* filed by United Telephone Company and UTC Long Distance, LLC (together, the “Petitioners”) on August 28, 2015, requesting approval to participate in certain financing arrangements.

United Telephone Company is a Tennessee corporation certificated by the Authority and provides communications services in Tennessee as an incumbent local exchange carrier. UTC Long Distance, LLC is a Tennessee limited liability company certificated by the Authority and provides long-distance service as an interexchange provider. The Petitioners are affiliated companies owned by United Communications Holdings, LLC, a Delaware limited liability company.

THE PETITION

The Petitioners request approval of proposed financing arrangements consisting of a \$2,000,000 senior secured six-year Revolving Credit Facility and a \$31,500,000 six-year term

loan Credit Facility. The loan proceeds will be used to refinance existing indebtedness, fund capital expenditures, support letters of credit, fund costs associated with closing the credit facilities and for general corporate purposes. The Petitioners assert that the financing arrangements are consistent with the public interest because they will result in interest expense savings and provide an opportunity to strengthen their financial positions, with financial benefits that will inure to the benefit of their customers. The *Petition* also states the proposed financing arrangements are not expected to have any adverse effect upon the services provided by the Petitioners.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann. § 65-4-109 (2015) 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 a regularly scheduled Authority Conference held on October 19, 2015, the panel voted unanimously to approve the *Petition* and made the following findings:

1. The proposed financing transactions are subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2015).
2. The proposed financing transactions are being made in accordance with laws enforceable by this agency.
3. The purpose of the transactions is in the public interest because it will help United Telephone Company and UTC Long Distance, LLC to save on interest expense, strengthening their financial positions to the benefit of their customers.

IT IS THEREFORE ORDERED THAT:


1. United Telephone Company and UTC Long Distance, LLC are authorized to enter into the financing arrangements described in the *Petition*.

2. The authorization and approval given hereby shall not be used by any party, including but not limited to, any lending party for the purpose of inferring an analysis or assessment of the risks involved.

3. 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.

Chairman Herbert H. Hilliard, Vice Chairman David F. Jones and Director Kenneth C. Hill concur.

ATTEST:



Earl R. Taylor, Executive Director