

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION |) | |
| OF COLUMBINE TELEPHONE |) | CASE NO. COL-T-15-02 |
| COMPANY'S REQUEST TO ENTER INTO |) | |
| LOAN AGREEMENTS |) | ORDER NO. 33456 |
| |) | |

On December 28, 2015, Columbine Telephone Company, Inc. filed an Application for authority to execute: (1) a Loan Agreement in an amount not to exceed \$1,333,334 ("A Loan"); (2) a line of credit agreement in an amount not to exceed \$2,000,000 ("B Loan"); and (3) an unsecured guaranty of payment ("Guaranty") in favor of the Rural Telephone Finance Cooperative ("RTFC") for a term loan from RTFC to Columbine's parent company Horizon Communications, Inc. ("Horizon") in the amount of \$4,444,444 and a revolving line of credit in the amount of \$3,888,889 (collectively the "Horizon Loans"). Columbine is a certificated telephone corporation organized under the laws of the State of Wyoming providing telecommunication services, including local exchange service, within the State of Idaho.

Columbine claims that the loans will be used to upgrade local exchange service facilities to, among other things, improve quality and reliability of service. It further claims that the unsecured obligation to guarantee repayment of the loans to Horizon will not further encumber Company assets or affect the revenue requirement of its regulated operations. Specifically, Columbine states that the proceeds of the RTFC loans will finance the buildout of Columbine's incumbent local exchange carrier ("ILEC") infrastructure, including a redundant fiber ring, in Rexburg, Idaho, and fund the purchase of ten percent RTFC Subordinated Capital Certificates. The B Loan line of credit will be used to provide short-term working capital for general corporate purposes. Columbine further states that the Horizon Loans Guaranty is a condition of the Horizon Loans by RTFC, and applies equally to each of Columbine's sister companies.¹

¹ Horizon Communications, Inc. is organized under the laws of the State of Wyoming, with the following wholly owned subsidiaries: Silver Star Telephone Company, Inc.; Columbine Telephone Company, Inc.; Mountainland Communications, LLC; Goldstar Communications, LLC; and World Visions Group, LLC.

STAFF RECOMMENDATION

Staff recommended approval of Columbine's Application for the requested loan authority. Staff further recommended the Commission order Columbine to file copies of all agreement terms and final documents once they are executed.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Columbine, and this Application, pursuant to *Idaho Code* §§ 61-120, 61-121, 61-501, 61-901, 61-902, and 61-905 and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.* All fees have been paid by Applicant in accordance with *Idaho Code* § 61-905.

The Commission finds that Columbine's filing satisfies the requirements of *Idaho Code* §§ 61-901 *et seq.* and the Commission's Rules of Procedure 141-147, IDAPA 31.01.01.141-147. The purpose of the requested borrowing authority is appropriate and we find this Application should be approved pursuant to *Idaho Code* § 61-902. After reviewing the Application and Staff's recommendation, the Commission finds that it is reasonable and prudent to allow Columbine to:

- (1) Borrow up to \$1,333,334 from the RTFC;
- (2) Obtain a line of credit not to exceed \$2,000,000; and
- (3) Provide an unsecured Guaranty of payment in favor of the RTFC for a term loan from RTFC to Columbine's parent company Horizon Communications, Inc. ("Horizon") in the amount of \$4,444,444, and a revolving line of credit in the amount of \$3,888,889.

The Commission also directs Columbine to comply with certain conditions more fully described below.

ORDER

IT IS HEREBY ORDERED that the Application of Columbine Telephone Company, Inc. requesting Commission authority to borrow up to \$1,333,334 from the RTFC; to obtain a line of credit not to exceed \$2,000,000; and to provide an unsecured Guaranty of payment in favor of the RTFC for a term loan from RTFC to Columbine's parent company Horizon Communications, Inc. in the amount of \$4,444,444, and a revolving line of credit in the amount of \$3,888,889, is approved.

IT IS FURTHER ORDERED that Columbine shall file the following documents with the Commission: (1) copies of all final loan approvals, including documentation for advances; (2) a copy of any executed collateral documentation; and (3) copies of all annual and special financial reports, certification, covenant reports, and letters regarding these determinations.

IT IS FURTHER ORDERED that if Columbine is required to provide payment under the Guaranty, nothing in this Order shall be construed as approval or denial of any ratemaking.

IT IS FURTHER ORDERED that nothing in this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, repurchased, defeased or guaranteed under the provisions of this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluation, estimates or determination of costs, or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of Columbine's exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

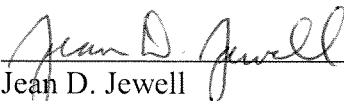
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27th
day of January 2016.


PAUL KJELLANDER, PRESIDENT


KRISTINE RAPER, COMMISSIONER


ERIC ANDERSON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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