

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF COLUMBINE TELEPHONE COMPANY)	CASE NO. COL-T-18-01
INC. FOR AUTHORITY TO GUARANTY)	
LOAN TO HORIZON COMMUNICATIONS)	ORDER NO. 34110
IN THE AMOUNT NOT TO EXCEED)	
\$9,444,444)	

On June 19, 2018, Columbine Telephone Company, Inc. applied for authority to guarantee to repay the Rural Telephone Finance Cooperative ("RTFC") up to \$9,444,444 in loans that Columbine's parent company, Horizon Communications, Inc. ("Horizon"), will obtain from RTFC. Based on our review of the record, we issue this Order granting the Application as noted below.

THE APPLICATION

In its Application, Columbine states it is a Wyoming corporation that provides telecommunication services, including local exchange service, in Idaho. Columbine is a wholly-owned subsidiary of Horizon, and seeks to execute an unsecured guaranty to repay RTFC up to \$9,444,444 in loans that Horizon proposes to obtain from RTFC. Horizon's total debt would consist of three term loans from RTFC to Horizon in the amounts of \$3,502,263, \$3,333,333, and \$2,608,848. Columbine claims the debt would be used, in part, to refinance a prior line of credit from RTFC to Columbine, and to fund Columbine's capital expenditures for the years 2018-2021. Columbine further alleges that its proposed guaranty is a condition of RTFC's proposed loans to Horizon, and that secured guaranties by each of Columbine's sister companies¹ also would be required.

STAFF RECOMMENDATION

Staff recommended the Commission authorize Columbine to guarantee up to \$9,444,444 of Horizon's proposed debt to RTFC, with Columbine's total guaranty consisting of three unsecured guaranties to RTFC in the amount of \$3,502,263, \$3,333,333, and \$2,608,848.

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.; Millennium Networks, LLC; and Goldstar Communications, LLC.

Staff further recommended the Commission order Columbine to file copies of all agreement terms and final documents once the documents are executed.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Columbine is a telephone corporation as defined in *Idaho Code* § 61-121, and a public utility within the definition of *Idaho Code* § 61-129. The Commission has jurisdiction over this Application under *Idaho Code* § 61-901, *et seq.*

Having reviewed the record, the Commission finds that the Application reasonably conforms to Rules 141 through 147 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-147), and that Columbine has paid all fees required by *Idaho Code* § 61-905. Further, the proposed guaranty would issue for a lawful purpose under *Idaho Code* § 61-901, is within Columbine's corporate powers, and is compatible with the public interest. The Commission thus finds that it is reasonable to grant the Application by allowing Columbine to issue unsecured guaranties of payment in favor of the RTFC, guaranteeing \$9,444,444 of RTFC's loans to Horizon, with the total guaranty divided among three separate debt facilities, one for \$3,502,263, one for \$3,333,333, and one for \$2,608,848.

The Commission's decision to allow Columbine to guarantee the repayment of Horizon's debt to RTFC is not an approval of the particular use to which the loan funds will be put. This Order does not constitute a Commission determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it in this case, and therefore does not determine, how the issuance may affect Columbine's rates for providing utility service to Idaho customers.

ORDER

IT IS HEREBY ORDERED that Columbine's Application is granted as discussed above. Columbine may guarantee up to \$9,444,444 of Horizon's debt to RTFC through three unsecured debt facilities in the amount of \$3,502,263, \$3,333,333, and \$2,608,848.

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 nothing in this Order, or any act or deed done or performed in connection with this Order, shall be construed to obligate the State of Idaho to pay

or guarantee, in any manner whatsoever, any security authorized, issued, assumed, or guaranteed under the provisions of this Order.

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

IT IS FURTHER ORDERED that 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.

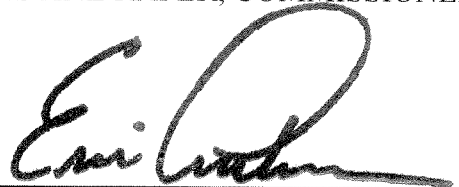
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th
day of July 2018.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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