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CHAS. F. McDEVITT
DEAN J. (JOE) MILLER
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February 19, 2013

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83720

Re: Blackfoot Telecommunications Group—Fremont Telcom Co.

Dear Ms. Jewell:

Enclosed for filing, please find seven (7) copies of a Compliance Filing and Motion of Blackfoot Telecommunications Group for Supplemental Order.

Attachment A, consisting of the company's information, is being submitted under seal because the information is proprietary and a confidential trade secret. Blackfoot Telecommunications Group respectfully requests that Attachment A not be made available for public inspection.

Kindly return a file stamped copy to me.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh

cc: Blackfoot Telecommunications Group
FairPoint Communications

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IDAHO PUBLIC UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
BLACKFOOT TELECOMMUNICATIONS GROUP)
)
) **CASE NO. FRE-T-12-01**
) **COMPLIANCE FILING AND**
) **MOTION OF BLACKFOOT**
) **TELECOMMUNICATIONS**
) **GROUP FOR SUPPLEMENTAL**
) **ORDER**
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COMES NOW Blackfoot Telecommunications Group (Blackfoot) by and through its undersigned counsel and, pursuant to Commission Order No. 32710, Idaho Code §61-901 *et. seq.*, and IPUCRP 56, hereby submit information required by Commission order No. 32710 and respectfully requests that the Commission issue a supplemental order granting the approvals specified herein and in support thereof shows as follows, to wit:

COMPLIANCE FILING AND MOTION OF BLACKFOOT TELECOMMUNICATIONS GROUP FOR SUPPLEMENTAL ORDER-1

I.

On November 28, 2012, Blackfoot notified the Commission in writing that it had entered into a Stock Purchase Agreement (SPA) with FairPoint Communications (FairPoint) whereby Blackfoot would purchase from FairPoint all of the outstanding shares of the stock of Fremont Telcom Co., (Fremont) a company subject to the jurisdiction of the Commission. A true copy of the SPA has been submitted to the Commission Staff pursuant to a signed Protective Agreement.

II.

In conjunction with its acquisition of the Fremont stock, Blackfoot has entered into a Master Loan Agreement with CoBank, ACB (Loan). On December 13, 2012, Blackfoot submitted an Application to the Commission seeking authority to execute, on Fremont's behalf, instruments granting security interests to CoBank with respect to the property of Fremont, located in the State of Idaho, for the purpose of securing the Loan. Blackfoot provided a copy of the Commitment Letter and Term Sheet with CoBank (Commitment Letter) outlining the terms and conditions of the Loan to Commission Staff pursuant to the signed Protective Agreement. The Commitment Letter contemplated that Fremont, along with Blackfoot's other subsidiaries, would act as guarantors for the Loan.

III.

On January 8, 2013, the Commission issued Order No. 32710 approving Blackfoot's Application to issue instruments of security on behalf of Fremont. In addition, Order No. 32710 required that Blackfoot provide to the Commission "a copy of any executed collateral documentation, provide copies of **all** annual certifications, covenant reports, and letters regarding the loan" (emphasis in original).

IV.

Subsequent to when the Commission issued Order No. 32710, Blackfoot, through its negotiations with CoBank, modified the proposed structure of the Loan. The modification involved changing Fremont and certain of Blackfoot's other subsidiaries from guarantors to co-borrowers under the terms of the Loan. Blackfoot did not consider this change in the Loan structure to materially alter the obligations and liabilities of Fremont and believed it was otherwise consistent with the authority granted to it by Order No. 32710.

V.

On January 31, 2013 (Closing Date), Blackfoot closed on the financing transaction for the Loan with CoBank as well as the acquisition of the capital stock of Fremont from FairPoint. CoBank included as an affirmative covenant in the Loan documents that Blackfoot receive confirmation from the Commission that:

- (i) the structure of the financing provided in the Loan Documents with respect to Fremont is in full compliance with and approved by Commission order No. 32710; and
- (ii) all the terms and conditions of the Loan Documents are in compliance with and approved by Order No. 32710. *See* §11(G)(2), First Supplement to the Master Loan Agreement (First Supplement) p. 9, included in Attachment A hereto.

VI.

Importantly, the First Supplement requires that Blackfoot receive confirmation of the two above described items within sixty (60) days of the Closing Date. In addition, CoBank included a provision in the Loan Documents stating that if Blackfoot receives any oral or written communication from the Commission adversely determining either of these two items shall place Blackfoot, and Fremont, in immediate default under the Loan documents. *Id.*

VII.

As part of the Compliance Filing required by Order No. 32710, Blackfoot is including, as "Attachment A," the following documents pursuant to a signed Protective Agreement:

- 1) Master Loan Agreement;
- 2) First Supplement to the Master Loan Agreement;
- 3) Promissory Note; and
- 4) Pledge and Security Agreement.

VIII.

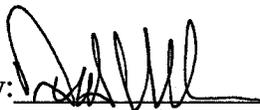
Expedited action is appropriate so as to accommodate the affirmative covenant in the Loan documents that require Blackfoot to receive confirmation from the Commission by no later than April 1, 2013.

WHEREFORE, Applicant respectfully requests that the Commission act expeditiously upon this Application and that the Commission enter a supplemental order confirming that:

- 1) the structure of the financing provided in the Loan documents with respect to Fremont is in full compliance with and approved by Commission Order No. 32710; and
- 2) all the terms and conditions of the Loan documents are in compliance with and approved by Order No. 32710.

DATED this 19 day of February, 2013.

MCDEVITT & MILLER, LLP

By: 
Dean J. Miller

Attorneys for Blackfoot Telecommunications Group

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of February 2013, I caused to be served, via the method(s) indicated below, true and correct copies of the foregoing document, upon:

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, ID 83720-0074
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BY: Heather Houle
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