

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
BLACKFOOT TELECOMMUNICATIONS)	CASE NO. FRE-T-12-01
GROUP FOR AUTHORITY TO ISSUE)	
INSTRUMENTS OF SECURITY PURSUANT)	ORDER NO. 32710
<u>TO IDAHO CODE § 61-901</u>)	

On November 28, 2012, Blackfoot Telecommunications Group (Blackfoot) notified the Commission in writing that it had entered into a Stock Purchase Agreement with FairPoint Communications (FairPoint) whereby Blackfoot will purchase from FairPoint all of the outstanding shares of stock for Fremont Telcom Co. and Fretel Communications, LLC. On December 13, 2012, Blackfoot filed an Application requesting authority to issue instruments of security to execute a senior secured promissory note. The proposed loan proceeds will be used by Blackfoot to finance the purchase of stock for Fremont Telcom Co. (Fremont). The assets of Fremont along with all Blackfoot assets will be included in the security interest for the purpose of securing the loan. The repayment responsibility will remain with Blackfoot and not the customers of Fremont, although the assets of Fremont will be pledged as collateral for approximately seven years.

The Commission, having considered the Application, the information in its files concerning the Company, the applicable law, and being fully advised in the premises, finds and concludes:

FINDINGS OF FACT

Fremont Telecom Co. is a telephone corporation within the definition of *Idaho Code* § 61-121 and is a public utility within the definition of *Idaho Code* § 61-129.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over this Application pursuant to the provisions of *Idaho Code* §§ 61-901 *et seq.*, and the Application reasonably conforms to Rule 141 of the Commission's Rules of Procedure, IDAPA 31.01.01141.

The method of issuance is proper.

The general purpose to which the loan proceeds will be put are lawful purposes under the Public Utility Laws of the state of Idaho and are compatible with the public interest. However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of the Company which

may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

The Application should be approved.

ORDER

IT IS THEREFORE ORDERED that Blackfoot Telecommunications Group's Application to issue instruments of security is approved. This authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuation, estimates or determination of cost, or any other matter which comes before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that Blackfoot provide copies of the final loan approval and documentation, provide a copy of any executed collateral documentation, provide copies of **all** annual certification, covenant reports, and letters regarding the loan.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code 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 Chapter 9, Title 61, Idaho Code.

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

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. FRE-T-12-01 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 or in interlocutory Orders previously issued in this Case No. FRE-T-12-01. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

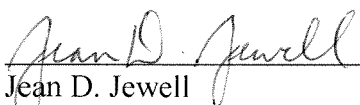
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of January 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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