

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)	SUPPLEMENTAL
TO IDAHO CODE § 61-901)	ORDER NO. 32710

The Commission issued Order No. 32710 on January 8, 2013 in this case granting Blackfoot Telecommunications Group (Blackfoot) the authority to issue debt instruments with CoBank. Loan proceeds would finance the purchase of all the outstanding shares of stock for Fremont Telcom Co. (Fremont) and Fretel Communications, LLC from FairPoint Communications. Prior to the loan closing, CoBank changed loan provisions and language of the loan making Fremont a co-borrower on the loan instead of a guarantor. The assets of Fremont remain pledged as collateral.

On January 31, 2013, 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 is 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.

On February 19, 2013, Blackfoot provided a compliance filing including the supplemental and signed loan documents. The Company requests a supplemental Order to meet CoBank requirements to confirm that the Supplemental Loan Documents fully comply with and are approved by Order No. 32710. Staff reviewed the confidential loan documents and confirmed the loan document language is consistent with the intent, and is approved by Order No. 32710. Staff recommended approval of the supplemental loan request and recommended the Commission issue a supplemental Order acknowledging that the loan documents and the above language are consistent with the security approval granted in Order No. 32710.

Staff and the Company have entered a Memorandum of Understanding (MOU) addressing regulatory items associated with the stock purchase and ongoing operation of Fremont to protect Fremont customers. Ratemaking issues, if any arise, will be addressed in a future proceeding.

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 Commission concludes that:

- (i) the structure of the financing provided in the Loan Documents with respect to Fremont is in full compliance with and is 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.

ORDER

IT IS THEREFORE ORDERED that Blackfoot Telecommunications Group's request for a supplemental Order is approved. The Commission concludes that:

- (i) the structure of the financing provided in the Loan Documents with respect to Fremont is in full compliance with and is 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.

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.

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.

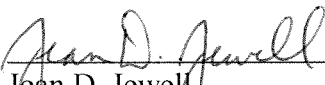
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th day of March 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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