

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>WESTEL LLC’S APPLICATION FOR</b>	)	<b>CASE NO. WSC-T-20-01</b>
<b>AUTHORITY TO GUARANTEE LOANS TO</b>	)	
<b>INVOLTA, LLC IN AN AGGREGATE</b>	)	<b>ORDER NO. 34671</b>
<b>AMOUNT NOT TO EXCEED \$147,000,000</b>	)	
_____	)	

On April 22, 2020, Westel LLC (“Company” or “Westel”), a subsidiary of Involta LLC (“Involta”), applied under *Idaho Code* § 61-901 for authority to guarantee up to \$147 million in loan facilities made to Involta, LLC (the “Guaranty”). The Company asked the Commission to issue an order approving the Application by May 15, 2020. *Application* at 4.

Having reviewed the record, the Commission enters this Order approving the Company’s Application as follows.

**THE APPLICATION**

In its Application, the Company states the Guaranty is for loans for four separate facilities. *Id.* at 1. The first is a term loan for \$92.5 million, with the purpose of refinancing other loans that are already outstanding. *Id.* The second is a delayed draw term loan for \$42 million, with the purpose of building new capital as needed. *Id.* The third is a revolving short-term loan for up to \$10 million, with the purpose to provide working capital as needed. *Id.* The last is a letter of credit for up to \$2.5 million, for other corporate needs. *Id.* at 1-2. The overarching goal of these loan facilities is to refinance existing debts, build additional capital, liquidity, and other purposes as necessary by law. *Id.* at 2.

**STAFF REVIEW**

Staff noted the loan facilities will allow Involta, LLC (“Involta”) to lock in low interest rates that would be advantageous to customers due to lower cost. These lower interest rates will lessen the stress on Involta’s cashflows. Staff also pointed out that although Westel is proposing to execute the Guaranty, Westel is but one of Involta’s many subsidiaries that will be doing so. Staff noted the loan facilities are secured by over \$110 million in real property assets, which also lessens the risk to Westel. Staff believes that, because most of the loan facilities would be used to refinance loans Involta already has, those facilities do not unreasonably threaten Westel’s operations. Staff thus recommended that the Commission approve the Company’s proposed Guaranty of the loan facilities.

## **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Westel is an Idaho limited liability company, telephone corporation and public utility organized under the laws of the State of Idaho providing telecommunication service, including local exchange service within Idaho under a Second Amended Certificate of Public Convenience and Necessity, Certificate No. 401. *See* Order No. 33121; *see also* 61-129, 62-603(13) & (14).

The Commission has jurisdiction over this Application under *Idaho Code* § 61-901, *et seq.* Westel's Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure (IDAPA 31.01.01 .141- .150), and the Company has paid all fees required by *Idaho Code* § 61-905. Based on its review of the record, the Commission finds the proposed Guaranty is for a lawful purpose, is within Westel's corporate powers, and is compatible with the public interest. The Commission thus finds it reasonable to approve the proposed Guaranty. The Commission's approval of the Guaranty is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. This Order authorizing the proposed Guaranty 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 for determination in this case, and thus does not determine, the effect of issuance on rates to be charged by Westel for telecommunication services.

### **ORDER**

IT IS HEREBY ORDERED that Westel's Application for authority to execute the Guaranty for up to \$147 million in loan facilities for the purposes and in the manner described in the Application is approved.

IT IS FURTHER ORDERED that Westel shall file the terms of the proposed Guaranty and loan facilities, and any later changes to their terms, with Staff upon issuance. This informational filing should be made within seven days, or as soon as possible, before the issuance.

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

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee any security authorized, issued, assumed or guaranteed under this Order.

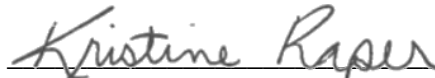
IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, service, accounts, evaluation estimates or determination of costs or any other matter that may come before the Commission pursuant to its jurisdiction and authority as provided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

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 and 62-619.*

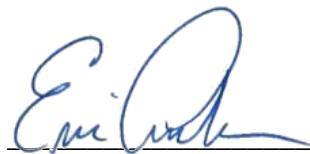
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15<sup>th</sup> day of May 2020.



PAUL KJELLANDER, PRESIDENT

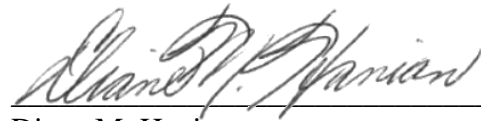


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian  
Commission Secretary

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