

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
May, 2006.

In the Matter of the Application of NuVox)	
Communications of Missouri, Inc., for Authority)	<u>Case No. TF-2006-0408</u>
to Provide Its Security in Connection with)	
Financing)	

ORDER APPROVING FINANCING APPLICATION

Issue Date: May 4, 2006

Effective Date: May 10, 2006

Syllabus: This order approves the application of NuVox Communications of Missouri, Inc. to provide its security in connection with financings being arranged for its parent, Gabriel Communications Finance Company.

On April 18, 2006, NuVox Communications filed an application for authority to provide its guarantee, serve as co-borrower, or otherwise provide security, in connection with financings for its parent, Gabriel Communications, a subsidiary of NuVox, Inc., of an amount up to \$120 million. NuVox Communications is a competitive local exchange company (CLEC) and is authorized to provide local exchange and interexchange telecommunications services in Missouri. Along with its Application, NuVox Communications filed a request for expedited treatment, contending that a Commission ruling on or before May 10, 2006, was needed to meet timelines imposed by financing negotiations.

In support of its application, NuVox Communications contends that approving its application will serve the public interest by enhancing its ability to grow and compete in the

highly competitive markets for telecommunications services in Missouri and nationwide. NuVox further contends that the financing would provide NuVox Communications with the financial resources necessary to continue to produce new products and services and respond to competition.

On May 2, 2006, the Commission's Staff filed a Recommendation and Memorandum recommending the Commission approve NuVox Communications' application. In its recommendation, Staff noted that, because NuVox Communication is a competitive local exchange company, it is a non-dominant carrier operating in a competitive environment and not subject to rate of return regulation. Staff analyzed the effect of the proposed financing to determine whether NuVox Communications would continue to be in compliance with Commission Rule 4 CSR 240-3.510(1)(D)1.D, which sets forth the minimum financial criteria for an application for a CLEC certificate. The Staff found that, following the proposed financing, NuVox Communications would remain in compliance with the requirements of that regulation.

Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the verified pleadings filed in this docket, which are hereby entered into evidence. The Commission has reviewed and considered NuVox Communications' application and the Recommendation and Memorandum of Staff, and concludes that approving the application is in the public interest.

IT IS ORDERED THAT:

1. NuVox Communications of Missouri, Inc.'s Application is granted.
2. NuVox Communications of Missouri, Inc. is authorized to provide its guarantee, serve as co-borrower, or otherwise provide security, in connection with

financings for its parent, Gabriel Communications Finance Company, a subsidiary of NuVox, Inc., of an amount up to \$120 million.

3. NuVox Communications of Missouri, Inc is authorized to do any and all other things as may be reasonably necessary in furtherance of all acts specifically authorized by this order.

4. Nothing in this order shall be considered a finding by the Commission of the value of these transactions for ratemaking purposes and that the Commission reserves the right to consider the ratemaking treatment to be afforded these financing transactions, and their results in cost of capital, in any later proceeding.

5. This order shall become effective on May 10, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Voss, Regulatory Law Judge