

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 07A-120T

IN THE MATTER OF THE JOINT APPLICATION OF INTEGRA TELECOM HOLDINGS, INC. (ON BEHALF OF ITS FUTURE SUBSIDIARY, ESCHELON TELECOM OF COLORADO, INC.) AND DEUTSCHE BANK TRUST COMPANY AMERICAS, AS ADMINISTRATIVE AGENT TO EXECUTE AN ENCUMBRANCE.

ORDER GRANTING APPLICATION

Mailed Date: May 16, 2007
Adopted Date: May 16, 2007

I. BY THE COMMISSION

A. Statement

1. This matter comes before the Commission for consideration of a joint application filed by Integra Telecom Holdings, Inc. (Integra Holdings) on behalf of its future subsidiary Eschelon Telecom of Colorado, Inc. (Eschelon) and Deutsche Bank Trust Company Americas (Deutsche Bank), as Administrative Agent, on April 11, 2007, requesting Commission authorization to enter into a financing transaction in which certain assets of Eschelon will be encumbered. We construe this as an application for approval of the encumbrance of Eschelon's certificates of public convenience and necessity (CPCN). § 40-15-204, C.R.S.

2. Eschelon was granted a CPCN to provide local exchange telecommunications services and emerging competitive telecommunications services in Decision No. C99-664. Eschelon currently has an effective tariff on file with the Commission.

3. Integra has no Commission issued authority to provide regulated telecommunications services in Colorado. On April 6, 2007, Integra filed a Notice of Transfer of

Control of Eschelon Telecom, Inc. (Eschelon, Inc.) That transaction involved a transfer of Eschelon's parent, Eschelon, Inc. to Integra.

4. Deutsche Bank is serving as the representative lender in the financing of the transfer transaction involving Integra and Eschelon, Inc.

5. Integra, as a part of a loan to be made by Deutsche Bank, is proposing to pledge as security, the assets of Eschelon, including the CPCN held by Eschelon. As an initial matter, we find this transaction falls under the Commission's jurisdiction for approval.

6. The application includes affidavits by Integra and representatives of Deutsche Bank, which indicate that in the event of a loan default by Integra, Deutsche Bank may obtain control of Eschelon's assets, including the operating authority of Eschelon issued by this Commission.

7. Should the encumbrance be approved, the application represents that Eschelon will continue its regulated operations with no changes to the rates, terms, and conditions offered to its customers.

8. On April 13, 2007, the Commission issued a Notice of Application Filed, giving notice to all interested parties. Interventions were due on or before May 14, 2007. No interventions were filed.

B. Discussion

9. The application is unopposed and may be considered without a hearing pursuant to § 40-6-109(5), C.R.S.

10. We find that the proposed encumbrance is not contrary to the public interest and therefore grant the joint application.

II. ORDER

A. The Commission Orders That:

1. The joint application to encumber Eschelon Telecom of Colorado, Inc.'s (Eschelon) telecommunications authorities by Deutsche Bank Trust Company Americas (Deutsche Bank), is deemed complete and is granted with certain conditions as noted below.

2. Eschelon and Deutsche Bank shall jointly inform the Commission when the encumbrance has been terminated or is no longer effective, by letter notification to the Commission's Director noting this Docket in the subject line.

3. In the event the encumbrance held by Deutsche Bank is exercised or transfers to another entity, Deutsche Bank or the new entity and Eschelon shall jointly file a transfer application to transfer the encumbered telecommunications authorities and obtain specific approval for this action by this Commission.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 16, 2007.**



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners

CHAIRMAN RON BINZ
ABSENT.