

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAIIAN TELCOM, INC. and HAWAIIAN )  
TELCOM SERVICES COMPANY, INC. )  
For Expedited Interim and Permanent )  
Approval of Security Arrangements )  
Related to the Increase in Senior )  
Revolving Credit Facility. )

DOCKET NO. 2007-0344

ORDER NO. 23971

Filed Jan. 17, 2008  
At 2 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

RECEIVED

2008 JAN 18 A 8:05

DIV. OF CONSUMER ADVOCACY  
DEPT. OF PUBLIC WORKS AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

*for*  
Gleaves P. Luinane

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Docket No. 2007-0344

Order No. 23971

ORDER

By this Order, the commission approves HAWAIIAN TELCOM, INC. ("HTI") and HAWAIIAN TELCOM SERVICES COMPANY, INC.'s ("HTSC") (collectively, "Applicants") withdrawal of their request for approval to increase or expand their existing security obligations in connection with Hawaiian Telcom Communications, Inc.'s ("HT Communications")<sup>1</sup> permanent increase of its existing senior revolving credit facility from \$90 million to \$200 million.

I.

Background

On October 17, 2007, Applicants jointly filed their application<sup>2</sup> requesting expedited commission approval to increase

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<sup>1</sup>HT Communications is HTI and HTSC's direct parent.

<sup>2</sup>Applicants filed their Application; Verification; and Certificate of Service (collectively, "Application") on October 17, 2007.

their existing security obligations in connection with an increase in HT Communications' senior revolving credit facility.<sup>3</sup>

Specifically, Applicants requested<sup>4</sup> the following:

1. Issuance of an interim decision and order, by November 15, 2007, authorizing Applicants to, upon written notice to the commission, increase or expand their existing security obligations following a specific "Triggering Event"<sup>5</sup> for the purposes of allowing HT Communications to increase its existing senior revolving credit facility from \$90 million to \$200 million on a short-term basis ("Proposed Short-Term Financing Arrangement").
  
2. If approved and upon closing of the directories publishing business transaction (subject of Docket No. 2007-0123) and more extensive review, issuance of a subsequent and final decision and order allowing Applicants to increase or expand their existing security obligations in connection with HT Communications' permanent increase of its existing senior revolving credit facility from \$90 million to \$200 million ("Proposed Permanent Financing Arrangement").

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<sup>3</sup>Applicants served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an ex officio party to this proceeding pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62. Applicants and the Consumer Advocate are the sole parties to this proceeding.

<sup>4</sup>The Application was filed pursuant to the requirements of HAR Title 6, Chapter 61, Subchapters 2, 6, 9, and 11; and commission approval was sought under HRS §§ 269-7, 269-17, and 269-19, as applicable.

<sup>5</sup>Applicants define the "Triggering Event" in footnote 12, page 10 of their Application. The content of footnote 12 was filed confidentially under Protective Order No. 23767, issued on October 25, 2007, in this docket.

On November 13, 2007, the commission issued Interim Order No. 23826, in this docket, approving the Proposed Short-Term Financing Arrangement, as described in the Application. In that order, the commission stated its intent to address the matters concerning the Proposed Permanent Financing Arrangement in a subsequent decision and order.

Additionally, on November 13, 2007, the commission issued Decision and Order No. 23825, in Docket No. 2007-0123, conditionally approving the sale of HTSC's directory publishing business. By letter filed on December 19, 2007, Applicants informed the commission that the transfer of the directory publishing business (i.e., the subject transaction of Docket No. 2007-0123) closed on November 30, 2007.

## II.

### Applicants' Withdrawal

By letter dated and filed on December 21, 2007, Applicants informed the commission that the "Triggering Event" did not occur, and, "as such, HT Communications did not and can no longer increase its existing senior revolving credit facility under the approval granted for the Proposed Short-Term Financing Arrangement."<sup>6</sup> Furthermore, Applicants state that they no longer intend to seek approval of the Proposed Permanent Financing Arrangement, under the Application, and that they hereby withdraw their request for approval of the arrangement, without prejudice

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<sup>6</sup>See Applicants' December 21, 2007 letter at 2.

("Withdrawal Request"). Applicants contend that they will file a separate application seeking any and all appropriate approvals if HT Communications in the future requires an increase in its revolver over the current \$90 million threshold. Moreover, Applicants represent that the Consumer Advocate has no objections to their Withdrawal Request.

Upon review, the commission finds good cause, under the circumstances, to approve Applicants' Withdrawal Request. Thus, the commission concludes that the withdrawal of Applicants' request for commission approval of the Proposed Permanent Financing Arrangement, as described in the Application filed on October 17, 2007, without prejudice, should be approved, and that this docket should be closed.

### III.

#### Orders

##### THE COMMISSION ORDERS:

1. Applicants' withdrawal of the request for commission approval of the Proposed Permanent Financing Arrangement, as described in the Application filed on October 17, 2007, without prejudice, is approved.

2. This docket is closed, unless otherwise ordered by the commission.

DONE at Honolulu, Hawaii

JAN 17 2008

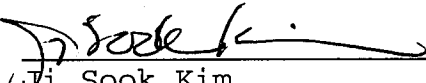
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Ji Sook Kim  
Commission Counsel

2007-0344.laa

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23971 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

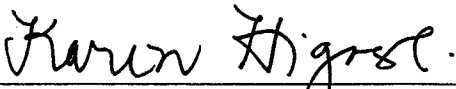
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Outside Regulatory Counsel for HAWAIIAN TELCOM, INC. and  
HAWAIIAN TELCOM SERVICES COMPANY, INC.

  
\_\_\_\_\_  
Karen Higashi

DATED: JAN 17 2008