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March 12, 2015

Via Overnight Delivery
Alisa Carrow Bentley, Secretary
Delaware Public Service Communications
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: Application of ACN Communication Services, Inc. for Approval to Participate in
a Financing Arrangement

Dear Ms. Bentley:

On behalf of ACN Communication Services, Inc. ("Applicant"), enclosed for filing with the Commission are an original and ten (10) copies of the above-referenced Application. Also enclosed in a check for \$350.00 to cover the requisite filing fee.

Please also date-stamp the enclosed extra copy of this filing and return it in the envelope provided. If you have any questions, please contact the undersigned.

Respectfully submitted,

Philip J. Macres

Philip J. Macres

Counsel for Applicant

Cc: Division of Public Advocate

**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

In the Matter of Application of)
ACN Communication Services, Inc.)
for Approval to Participate in a) PSC Docket No. _____
Financing Arrangement)

APPLICATION

I. INTRODUCTION

ACN Communication Services, Inc. (“**ACN**” or “**Applicant**”), through their undersigned counsel and pursuant to 26 Del. C. § 215, hereby requests approval from the Delaware Public Service Commission (“**Commission**”) to the extent necessary to allow ACN to participate in a financing arrangement in connection with the issuance of senior secured debt in the aggregate amount of up to \$135 million (the “**Financing**”) by ACN’s immediate parent company, LKN Communications, Inc. (“**Parent**”). Specifically, Applicant seeks approval to pledge its assets as security and act as a guarantor in support of the Financing. A more complete description of the proposed Financing is set forth below in Section IV. of this Application. Applicant respectfully requests that the Commission approve the instant Application on an expedited basis to allow the Financing to be completed as soon as possible.

Applicant submits the following information in support of this Application:

II. DESCRIPTION OF THE APPLICANT

A. **ACN Communication Services, Inc.**

Applicant is a corporation incorporated under the laws of the State of Michigan on April 30, 1999, and headquartered at 1000 Progress Place, Concord, NC 28025. Applicant has been authorized in the State of Delaware to offer resold local exchange and interexchange services to residential and business customers pursuant to authority granted in Docket No. 03-444 (Order 6356) and Docket No. 00-81 (Order 5388) (the “**Regulated Service**”).

Applicant is a wholly-owned subsidiary of Parent, a corporation incorporated under the laws of the State of Michigan on November 24, 1992. Parent, through the Company and the Parent’s other subsidiaries, markets a variety of telecommunications and other essential home and business products in all 50 U.S. states and in 23 other countries around the world, generating consolidated annual revenues in excess of \$500 million.

Further information concerning ACN’s legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification with the Commission and is, therefore, a matter of public record. Applicant respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

III. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Application should be directed to:

Philip J. Macres
Klein Law Group, PLLC
1250 Connecticut Avenue N.W.
Suite 200
Washington, DC 20036
PMacres@KleinLawPLLC.com
Tel: (202) 289-6956

with copies to:

Brian McDermott
Strategies Law Group, PLLC
1002 Parker Street
Falls Church, VA 22046
bmcdermott@stratlg.com
Tel: (571) 730-4970

IV. DESCRIPTION OF THE FINANCING

Under the Financing, Parent intends to enter into a senior secured credit facility in a maximum principal amount of up to \$135 million. Loans under that credit facility will be provided by a syndicate of financial institutions (the “**Lenders**”). The interest rate for the Financing will likely be the market rate for similar financings and has not been finalized. Proceeds from the Financing will be used, among other things, to support strategic growth and for ongoing working capital. Each of the Parent’s domestic subsidiaries, including Applicant, will guaranty Parent’s obligations under the credit facility and grant a security interest to the Lenders in substantially all of the subsidiary’s assets. The Company’s Regulated Service assets are a small fraction of the total assets supporting the Credit Facility. The Company’s annual revenues derived from the Regulated Service represent less than 1% of the Parent’s annual consolidated revenues.

V. PUBLIC INTEREST CONSIDERATIONS

Approval of ACN’s participation in measures in support of the Financing as described above will serve the public interest in promoting competition among telecommunications carriers. First, the proposed Financing is expected to provide the ACN companies with greater financial resources which will allow ACN to compete more effectively for customers in

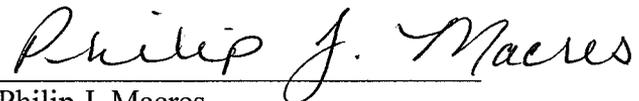
Delaware, as well as to ensure that ACN can continue to provide high-quality telecommunications services to existing customers.

Second, the Financing will be conducted in Delaware in a manner that will be transparent to customers, and will not result in any negative changes to ACN services received by customers. Applicant expects to continue to provide high-quality telecommunications services without any interruption, reduction, loss or impairment of services and without any changes to the rates, terms or conditions of service to customers.

VI. CONCLUSION

For the reasons stated above, Applicant submits that the public interest, convenience and necessity will be furthered by Commission approval of Applicant's participation in the financing arrangements described herein.

Respectfully submitted,



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Counsel to
ACN Communication Services, Inc.

**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

_____)
In the Matter of Application of)
)
ACN Communication Services, Inc.)
)
) PSC Docket No. _____
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Financing Arrangement)
_____)

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of March 2015, a copy of the foregoing Application was served by first class mail, postage prepaid, upon the following:

Division of the Public Advocate
820 N. French Street, 4th Floor
Wilmington, Delaware 19801

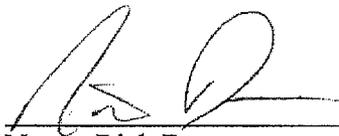
Philip J. Macres

Counsel for Applicant

VERIFICATION

STATE OF NORTH CAROLINA §
 §
COUNTY OF CABARRUS §

I, Rick Dunn, state that I am Treasurer of LKN Communications, Inc., the parent company of ACN Communication Services, Inc.; that I am authorized to make this Verification on behalf of ACN Communication Services, Inc.; that the foregoing document was prepared under my direction and supervision; and that the statements in the foregoing document are correct to the best of my knowledge, information and belief.



Name: Rick Dunn
Title: Treasurer
LKN Communications, Inc.

Sworn and subscribed before me this 10th day of March, 2015



Notary Public

My Commission expires: 12-12-2018

KIMBERLY ANN JOHNSON
NOTARY PUBLIC
Cabarrus County
North Carolina
My Commission Expires December 12, 2018