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RECEIVED

SEP 13 2013

PUBLIC SERVICE
COMMISSION

September 11, 2013

Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602-0615

COVER LETTER

Dear Sir or Madam,

The enclosed letter is filed for informational purposes to keep the Commission informed about ExteNet Systems' financial activities. It is our understanding that no action by the Commission is necessary.

Please do not hesitate to contact us if you have any questions.

Sincerely,

/s/Inna Vinogradov
Anita Taff-Rice
Counsel for ExteNet Systems, Inc.

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PUBLIC SERVICE
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VIA CERTIFIED U.S. MAIL

Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

Re: Notice of Indebtedness and Guarantee

Dear Mr. Derouen,

This letter is filed on behalf of ExteNet Systems, Inc. ("ESI"), which received a Certificate of Public Convenience and Necessity ("CPCN") from the Commission on February 26, 2013. The purpose of the letter is to inform the Commission of a proposed transaction where ESI will refinance a credit facility closed in September of 2012 (the "Original Transaction"). Hereinafter the current transaction to refinance the Original Transaction is referred to as the "Refinancing Transaction".

As a part of this refinancing, ExteNet will receive additional credit bringing the total available credit facility up to \$210,000,000 (the "Refinancing Transaction").

Under the Original Transaction, ESI, by and through its parent company ExteNet Holdings, Inc., pledged 100 percent of ESI's shares to secure ESI's payment obligations for the loan. In addition, ESI also provided a security interest in 100 percent of its then-current and future assets, including collateral assignments/security interests in all of its contracts, receivables, hard assets (including network equipment and other utility assets) to secure ESI's payment obligations (collectively, the "Assets"). This Original Transaction existed at the time ESI received its CPCN from the Commission.

The Refinancing Transaction will increase the amount of outstanding debt. ESI's Assets will remain as collateral for the Refinancing Transaction despite the increase in available credit. ExteNet will use any additional credit resulting from the Refinancing Transaction to refinance existing senior indebtedness, retire certain subordinated debt from the Original Transaction, to fund capital expenditures for acquiring Distributed Antenna Systems ("DAS"), and to develop its existing DAS networks and other corporate purposes.

The Refinancing Transaction does not affect the ownership or corporate control of ExteNet or the

terms and conditions under which it offers service. Further, no additional assets are encumbered as a result of the Refinancing Transaction. Finally, ExteNet does not currently have any assets or provide telecommunications services in Kentucky. Therefore, ExteNet submits that the Refinancing Transaction will be non-controversial

ESI is headquartered in Lisle, IL and is incorporated under the laws of the state of Delaware. ESI is qualified to transact business in Kentucky as a foreign corporation. ESI received its authority to provide telecommunications services in this state on February 26, 2013. ESI provides fiber optic point-to-point service to wireless service providers (“WSP”) generally to allow such WSPs to increase capacity on their wireless networks or fill in gaps in their coverage. ESI does not have a tariff on file.

This transaction is in the public interest. The transaction will enable ESI to achieve better liquidity and capitalization, which will allow the company to improve the quality of services to its WSP customers, which in turn allows the WSPs to enhance their service provided to the customers of this State at competitive prices, and to continue to provide competing services, thereby serving the public interest.

This letter is filed for informational purposes to keep the Commission informed about ESI’s financial activities. It is our understanding that no action by the Commission is necessary.

Enclosed are an original and ten (10) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. Please do not hesitate to contact us if you have any questions.

Sincerely,

/s/Inna Vinogradov
Anita Taff-Rice
Counsel for ExteNet Systems, Inc.